



REPUBLIC OF THE PHILIPPINES

**S e n a t e**

**Pasay City**

# **Journal**

**SESSION NO. 41**

Monday, December 10, 2007

**FOURTEENTH CONGRESS  
FIRST REGULAR SESSION**

**SESSION NO. 41**  
Monday, December 10, 2007

**CALL TO ORDER**

At 3:20 p.m., the Senate President, Hon. Manny B. Villar, called the session to order.

**PRAYER**

Sen. Ramon "Bong" B. Revilla Jr. led the prayer, to wit:

Panginoon, buong puso Po kami ngayong nagsusumamo sa Inyo upang hilingin ang Inyong tulong para lubos naming magampanan ang aming tungkulin sa taumbayan.

Iniaalay Po namin sa Inyo ang bawat salita, kilos at gawain ng bawat miyembro ng lupong ito tungo sa pagpapaunlad ng kalagayan ng mga Pilipino.

Malinaw Po sa amin na kami ay mga hamak na tagapagpatupad lamang ng Inyong hangarin, kaya't hiling din Po namin sa patuloy na lakas at kalinawan ng isipan para higit pa naming mapaglingkuran ang bawat mamamayan.

Ilayo Ninyo Po kami sa mga bagay na magbibigay lamang ng distraksyon upang buong diwa at isipan naming matugunan ang bawat pangangailangan ng aming bayan.

Hiling din namin na buksan Ninyo ang puso at isipan ng bawat pinuno ng aming bayan upang mangibabaw ang interes at kapakanan ng aming mga pinaglilingkuran.

Ganundin, hiling din naming na dampian Ninyo ng Iyong pagmamahal ang bawat Pilipino at pag-alabin sa aming mga puso ang pagmamahal sa bansa.

Himukin Ninyo ang lahat na magkaisa at tumulong upang sama-sama naming makamit ang kapwa naming adhikain ng progreso at kaunlaran.

Ngayong panahon kung kailan ipinagdiriwang ang kapaskuhan, nais namin na mang-

ibabaw ang diwa ng pagkakaisa, pagtutulungan at kapatawaran.

Amen.

**NATIONAL ANTHEM**

The DILG Chorale led the singing of the national anthem and thereafter rendered the song entitled, *Isang Dugo, Isang Lahi, Isang Musika*.

**ROLL CALL**

Upon direction of the Chair, the Secretary of the Senate, Emma-Lirio Reyes, called the roll, to which the following senators responded:

Aquino III, B. S. C.	Honasan, G. B.
Arroyo, J. P.	Lacson, P. M.
Biazon, R. G.	Legarda, L.
Cayetano, A. P. C. S.	Madrigal, M. A.
Cayetano, C. P. S.	Pangilinan, F. N.
Defensor Santiago, M.	Pimentel Jr., A. Q.
Ejercito Estrada, J.	Revilla Jr., R. B.
Enrile, J. P.	Roxas, M.
Escudero, F. J. G.	Villar, M.
Gordon, R. J.	Zubiri, J. M. F.

With 20 senators present, the Chair declared the presence of a quorum.

Senators Angara and Lapid arrived after the roll call.

Senator Trillanes was unable to attend the session.

**APPROVAL OF THE JOURNALS  
OF SESSION NOS. 39 AND 40**

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journals of Session Nos. 39 (November 14

26, 27, 28 29, 2007 to December 3 and 4, 2007) and 40 (December 5, 2007) and considered them approved.

## REFERENCE OF BUSINESS

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

### MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Letter from Speaker Jose De Venecia Jr. of the House of Representatives, dated 7 November 2007, informing the Senate of the designation of Representatives Roque R. Ablan Jr., Antonio V. Cuenco, Edwin C. Uy, Florencio L. Vargas, Lorna C. Silverio, Mujiv S. Hataman and Vicente F. Belmonte Jr. as members of the House panel in the Congressional Oversight Committee on the Comprehensive Dangerous Drugs Act of 2002, pursuant to Section 95 of Republic Act No. 9165.

#### To the Committee on Rules

Letters from the Secretary General of the House of Representatives, informing the Senate that on 5 December 2007, the House of Representatives passed the following House bills in which it requested the concurrence of the Senate:

House Bill No. 2976, entitled

AN ACT TO EXTEND THE UTILIZATION PERIOD OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AMENDING REPUBLIC ACT NO. 8178, ENTITLED "AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AND FOR OTHER PURPOSES"

#### To the Committee on Agriculture and Food

and House Bill No. 3156, entitled

AN ACT CREATING THE CIVIL AVIATION AUTHORITY OF THE

PHILIPPINES, AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES

To the Committees on Public Services; Ways and Means; and Finance

### BILLS ON FIRST READING

Senate Bill No. 1941, entitled

AN ACT ORDAINING A PHILIPPINE CULTURAL HERITAGE ACT OF 2007

Introduced by Senator Manny Villar

To the Committees on Education, Arts and Culture; Local Government; Ways and Means; and Finance

Senate Bill No. 1942, entitled

AN ACT TO CONSERVE, PROMOTE AND POPULARIZE THE PHILIPPINES' HISTORICAL AND CULTURAL HERITAGE AND RESOURCES, STRENGTHENING FOR THE PURPOSE THE NATIONAL HISTORICAL INSTITUTE AND FOR OTHER PURPOSES

Introduced by Senator Manny Villar

To the Committees on Education, Arts and Culture; and Ways and Means

Senate Bill No. 1943, entitled

AN ACT CREATING THE PHILIPPINE TEACHERS BANK AND FOR OTHER PURPOSES

Introduced by Senator Manny Villar

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

Senate Bill No. 1944, entitled

AN ACT CREATING THE DEPARTMENT OF MARITIME AFFAIRS <sup>AB</sup>

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PROVIDING FUNDS THEREFOR  
AND FOR OTHER PURPOSES

Introduced by Senator Antonio "Sonny" F.  
Trillanes IV

**To the Committees on Public Services;  
Civil Service and Government Reorganization;  
and Finance**

Senate Bill No. 1945, entitled

AN ACT AMENDING SECTION 20 OF  
PRESIDENTIAL DECREE NO. 1638,  
AS AMENDED BY PRESIDENTIAL  
DECREE NO. 1650, OTHERWISE  
KNOWN AS THE ARMED FORCES  
OF THE PHILIPPINES RETIRE-  
MENT LAW

Introduced by Senator Antonio "Sonny" F.  
Trillanes IV

**To the Committee on National Defense and  
Security**

**RESOLUTIONS**

Proposed Senate Resolution No. 235, entitled

RESOLUTION DIRECTING THE APPRO-  
PRIATE SENATE COMMITTEES TO  
CONDUCT AN INQUIRY, IN AID  
OF LEGISLATION, ON THE NEED  
TO REVISIT THE AUTOMATIC  
APPROPRIATIONS PROVISION  
PROVIDED UNDER SECTION 31 OF  
PRESIDENTIAL DECREE NO. 1177

Introduced by Senator Compañera Pia S.  
Cayetano

**To the Committee on Finance**

Proposed Senate Resolution No. 236, entitled

RESOLUTION COMMENDING THE  
WORLD VISION IN THE PHILIP-  
PINES ON THE OCCASION OF ITS  
GOLDEN ANNIVERSARY CELE-  
BRATION IN DECEMBER 2007  
AND FOR ITS CONTRIBUTION TO  
THE FILIPINO PEOPLE, ESPECI-  
ALLY THE CHILDREN AND THE  
POOREST OF THE POOR, FOR THE  
PAST FIFTY YEARS

Introduced by Senator Compañera Pia S.  
Cayetano

**To the Committee on Rules**

Proposed Senate Resolution No. 237, entitled

RESOLUTION DIRECTING THE SENATE  
COMMITTEES ON HEALTH AND  
DEMOGRAPHY; AND ENVIRONMENT  
AND NATURAL RESOURCES TO  
INQUIRE, IN AID OF LEGISLATION,  
ON THE QUALITY AND ACCESS-  
IBILITY OF WATER RESOURCES  
IN THE PHILIPPINES

Introduced by Senator Compañera Pia S.  
Cayetano

**To the Committees on Health and Demo-  
graphy; and Environment and Natural Resources**

Proposed Senate Resolution No. 238, entitled

RESOLUTION DIRECTING THE COM-  
MITTEES ON ACCOUNTABILITY OF  
PUBLIC OFFICERS AND INVEST-  
IGATIONS (BLUE RIBBON);  
NATIONAL DEFENSE AND SECURITY;  
AND ECONOMIC AFFAIRS TO  
JOINTLY INVESTIGATE, IN AID OF  
LEGISLATION, THE ALLEGED RIGGED  
BIDDING OF THE NATIONAL  
TRANSMISSION CORPORATION  
(TRANSCO) IN FAVOR OF A  
CHOICE BIDDER AS SHOWN BY  
THE APPARENT CONFLICT OF  
INTEREST OF THE HEAD OF POWER  
SECTOR ASSETS AND LIABILITIES  
MANAGEMENT CORPORATION  
(PSALM) AND HIS ALLEGED  
RELATION WITH THE OWNER OF  
ONE OF THE PRE-QUALIFIED  
BIDDERS AS WELL AS THE ALLEGED  
RELATION OF PRESIDENT GLORIA  
MACAPAGAL ARROYO'S BROTHER  
TO THE BIDDER

Introduced by Senator M. A. Madrigal

**To the Committees on Accountability of  
Public Officers and Investigations; and Energy**

## COMMUNICATION

Letter from Executive Secretary Eduardo R. Ermita of the Office of the President of the Philippines, dated 29 November 2007, transmitting to the Senate the letter of Her Excellency, President Gloria Macapagal Arroyo, addressed to Speaker Jose C. De Venecia Jr. of the House of Representatives, certifying to the necessity of the immediate enactment of House Bill No. 1889, entitled

AN ACT AMENDING SECTIONS 4, 8, 21, 31, 34, 42, 43, 45, 47, 49, 51, 55, 58 AND 80 OF REPUBLIC ACT NO. 9136 ENTITLED "AN ACT ORDAINING REFORMS IN THE ELECTRIC POWER INDUSTRY AND FOR OTHER PURPOSES,"

pursuant to the provisions of Article VI, Section 26(2) of the 1987 Constitution.

To the Committee on Rules

### PRIVILEGE SPEECH OF SENATOR PIMENTEL

Availing himself of the privilege hour, Senator Pimentel delivered the following speech:

#### THE STATUS OF DETAINED SENATOR ANTONIO TRILLANES IV AND COMPANY

At ten o'clock in the morning of December 6, Sen. Panfilo Lacson and I visited Sen. Antonio Trillanes IV and his fellow detainees at Camp Crame.

*Thanks to DILG Sec. Puno et al.*

We would like to make of record our thanks, for facilitating the visit, to DILG Secretary Ronaldo Puno and his undersecretaries Marius Corpus and Austere Panadero. So, even if we have already thanked them verbally, I would like to put on record that we are thanking them again in this report, this time in writing.

The officers of the PNP in charge of the detention facilities went out of their way to kindly clear our entry into the compound where the senator and his group are detained at present.

*(Showing a picture of the meeting)*

Senator Trillanes is right across me, and there are a lot of other people. On my left is J.V. Bautista, and there are nuns in the background.

What this picture presents is that we had an unsupervised meeting with Senator Trillanes, Gen. Danny Lim, Capt. Gary Alejano, Capt. Segundino Ottiano, Lt. SG Louie Cabochan and Lt. SG James Layug. Ten other military officers and personnel, who were involved in the Manila Peninsula Hotel incident on November 29, were also there, but I do not know if the place was bugged with listening devices. Also present at the meeting were the civilian activists who got arrested during the same incident led by lawyers J.V. Bautista and Argee Guevarra, and Fr. Robert Reyes.

So there is another picture here of Senator Lacson, who did not want to be shown in the picture but got caught anyway. He was kindly sitting by as I was explaining the purpose of the visit to Senator Trillanes and company.

#### *Why the visit*

I told Senator Trillanes and company that we came to visit them to show that we have their welfare at heart even if they are now viewed as violators of the law. After all, at this point, they are all presumed innocent until proven guilty. As fellow senators to him and as fellow citizens to the others, I said we believe that they are all entitled to the rights guaranteed by the Constitution, and that due process must be accorded them if they are to get justice.

Senator Lacson kindly let me do practically all the talking but mischievously, he had brought a book on Sun Tzu which he gave to General Lim, I suppose to send the message that one does not do things "haphazardly" in any important enterprise. I brought a basket of fruits that I gave to the senator and his companions.

I asked Senator Trillanes and his companions how they were being treated inside the camp. Senator Trillanes did most of the answering. I gathered from him and from his colleagues, who now and then interjected their own responses, that in general they are well treated by their jailors. The colleagues of Senator Trillanes, however, said that they were kicked and trampled upon by certain officers after they were made to lie down in the aftermath of their arrest. They were also subjected to a lot of verbal abuse.

The Senator likewise showed me a slight, already healing, cut on his left wrist that was caused by the handcuffs that were placed on him <sup>AS</sup>

rather too tightly. For the record, they all said, they were not complaining against those "minor" acts of brutality by the arresting officers. They were, however, one in saying that Police Director Geary Barias showed his utter inability to exercise effective control of his men in suppressing the Manila Pen incident. It showed, they added, that Barias was not fit to lead the PNP as he is rumored to be the next PNP Director General. The police, being armed law enforcers, they said, must be led by a person who not only has courage, clarity of mind, a clear direction for his men to follow, unquestionable integrity and the like but also the capacity to control his men, especially in times of stress. In short, they believe that Barias does not have what it takes to head the PNP as a civilian arm of the civil government considering these troubled times.

In another matter, my assistant, Omeng Maglangit, inspected one of the cells of the detainees. He told me later that it was clean and relatively well kept. Certainly not of the five-star hotel quality but not of the squatter-shanty type either.

#### *Dark plots*

Senator Trillanes hinted at the existence of some dark plots to eliminate him and General Lim in the course of the PNP operation to flush them out of The Pen. While he did not or could not—at that point—elaborate on his theory, he spoke of the over-reaction of the authorities in getting them out of the hotel and arresting them.

#### *Over-reaction*

There was absolutely no need, he said, for the police to have used tear gas. They were, at the time, preparing to get out of The Pen because they were worried about the safety of the civilians that included former Vice President Tito Guingona and Bishop Emeritus Julio Labayen and the members of the media who were covering the incident.

Still, the authorities tear-gassed them and cut off all lights at the lobby of the hotel as they were going down to give themselves up, the Senator said. It was as if the authorities wanted to smoke them out of the upper part of the hotel and make them easy targets at the lobby as they were surrendering. Luckily, media people followed them all the way from inside the hotel up to the time when they were bodily hustled by the police into a waiting police van parked some meters away from the main entrance of the hotel.

#### *Media prevented bloodbath*

In short, the Senator believed that the presence of the media prevented bloodshed in the whole affair. He thought that the arrest of the media people was totally uncalled for.

The companions of the Senator, including the civilian demonstrators, were one in disavowing that they were the source of the gunshots that were heard shortly before the main entrance of The Pen was smashed by an armored personnel carrier. The shots had all come, they said, from the police agents outside the hotel. Had the authorities believed that they had fired their shots, they would have been subjected to paraffin tests as a part of routine investigative procedures. That the police did not do so was proof, they said, that they had not fired any shot during the entire incident.

#### *Scenario shots*

They said that the shots were fired to make it appear that there was an armed uprising going on in The Pen when, in fact, there was none. They added that the shots were part of a script to justify the use of armed force to subdue Senator Trillanes and company and end their occupancy of the hotel.

To show that they had not meant to use any coercive force or even compel the authorities to negotiate with them, the Senator said that they could have held Police Director Barias hostage when the latter came over to talk with them. But they did not. They only told Barias to go back where he came from because he was not in a position to address their grievances.

#### *Visits*

I asked them if they were allowed visits from their families, lawyers and doctors. Their unanimous answer was in the affirmative.

The presence of lawyers and some other civilians and nuns during our visit confirmed the veracity of their reply.

#### *Complaints*

When I asked the Senator if he had any complaint that he would like our colleagues in the Senate to hear, he reiterated the following:

1. He should be allowed to discharge his duties as a senator even under guard;
2. His cause, even the recent Manila Peninsula Hotel incident, according to him, was

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not an armed uprising or a rebellion. They wanted to simply air their grievances mainly against their prolonged detention and the pendency of the criminal charges against them in the Makati court and several disciplinary charges against them in various court martial;

3. The civilians now being detained with him should be released soonest;

4. There are no clear signs that good governance practices are being instituted up to now despite the clamor of the people; and

5. Poverty has not been significantly alleviated despite pronouncements to the contrary.

### ***Basic ills***

Attorney Bautista and his colleagues also aired similar complaints against the failure of the government to address the basic ills of our society.

They believed that the rhetoric of the administration in poverty alleviation and corruption curbing does not measure up to its deed.

### ***To air grievances, not revolt***

They also emphasized that their having marched from the Makati Regional Trial Court to the Manila Peninsula Hotel did not amount to a rebellion or *coup d'etat*. Like Senator Trillanes, all they wanted to do was to articulate their grievances – social, electoral, structural – against the government by joining what they called “a protest march.”

In the midst of our conversation, I mentioned in passing that the questioned ballot boxes in the 2007 elections in Maguindanao and other parts of Mindanao have already been retrieved and that the election protest of Koko Pimentel against Migs Zubiri would be started, hopefully, sooner than later.

### ***Unaware***

Fr. Robert Reyes said that he was not aware of the inception of the march of Senator Trillanes. In fact, he was scheduled to say mass at a nearby place but when he learned about the march and saw the old and sickly Bishop Emeritus Julio Labayen trudging along with the demonstrators, he decided to link up with them at or near The Pen primarily to be able to give succor to the bishop if and when the latter needed it. Neither rebellion, nor revolution, nor *coup d'etat* was in his mind at the time of the incident, Father Reyes said.

### ***Mobile phones confiscated***

All the detainees decry their being deprived of their mobile phones – the only direct means they have of communicating with the outside world. They said that they are not convicts, only detention prisoners, and therefore entitled to the use of communication equipment to enable them to reach the outside world.

While their position on the matter is understandable from their point of view, still the confiscation of their mobile phones appears reasonable considering that they are being charged with rebellion.

### ***Transfer to Bilibid***

They also resist the idea of being transferred to the national penitentiary, popularly called *Bilibid*, which they say are only for prisoners who have been convicted by final judgment by the courts. To imprison them in the national penitentiary, they said, would unduly tag them as convicts and induce police authorities and, more importantly, the people to believe that they are indeed convicts and should be treated as such even as they are still to be tried at some future time.

### ***Good shape***

In my view, Senator Trillanes appears to be in good shape in mind, body and soul.

He is optimistic that he would be vindicated despite his belief that the government wants to get him convicted by hook or by crook.

As we parted ways, I advised Senator Trillanes to “stay away from trouble.”

### ***Recommendations***

Therefore, I respectfully recommend that:

1. The Senate should continue pressing the authorities to allow the Senator to function as a member of the legislature, subject to reasonable measures that may be adopted to ensure his safety and prevent any possible repetition of the Oakwood or Manila Peninsula incidents;

2. The Senate should form a special committee to monitor the developments in the cases, both civil and military, against Senator Trillanes and his companions;

3. The Senate President should assign a senator or, perhaps, a competent lawyer to witness the proceedings against the Senator, visit him

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from time to time, and report to the Senate periodically the results of his or her findings; and

4. Do such other things that may be deemed as necessary.

### *Postscript*

The day after my visit to Senator Trillanes, in its issue of December 7, the *Manila Standard Today* maliciously castigated me in its editorial cartoon for allegedly advising the Senator to "keep up the good work." Based on that false premise, the paper proceeded to excoriate me in its editorial for allegedly supporting Senator Trillanes' "disrespect not only for the law but also for the entire system of justice."

The editorial also tarred me as a bird of the same feather as the Senator. By so doing, the paper assumes—speciously, of course—that I support the possible ouster of Gloria Macapagal Arroyo.

I think the paper overdid itself, not for the failure of the cartoon to do justice to my eye bags, but for falsely attributing words that I never said to Senator Trillanes or to any of his colleagues that were found on top of the cartoon, "Keep up the good work." I never said those words to Senator Trillanes. The things that we discussed are enumerated in this report. In fact, as we parted, I told him, "Stay away from trouble." The concepts contained in that admonition are, at least, a thousand miles away from the thoughts that are embedded in the words, "Keep up the good work."

I guess the newspaper has a lot to learn from the cartoons of Herblock of *The Washington Post* fame or from Garry Trudeau's *Dooniesbury*. But the newspaper being what it is, a broadsheet reportedly owned by businessman Enrique Razon, a crony of the President, might not be expected to uphold the virtues of accuracy and fairness. Thus, although it had absolutely no basis for attributing to me or even implying that I said those words of encouragement to Senator Trillanes, it did so blatantly in its editorial page of December 7.

### *Business reasons*

Mr. Razon probably has his business reasons, not the least of which are his interests in the questionable ZTE contract and the projected sale of Transco, to butter up to the President by having his paper disparage me, a known critic of the latter.

To address the issue more directly, I would like to put on record that in all my political life,

I have sought changes in government but always through peaceful, not violent means. Yes, even during the dark days of the martial law regime of Mr. Ferdinand E. Marcos. But even as I stood for the restoration of democracy over authoritarianism by pacific methods, he had me jailed four times for my defiance of the regime. In brief, I have paid my dues to the peaceful struggle for the reinstatement of our libertarian traditions. And up to this point, I have no reason to change course and advocate the use of force.

### *Legitimacy shot through*

Still, I do want Gloria Macapagal Arroyo to get out of the presidential office because her legitimacy is shot through with holes bigger than the gaps in a fisherman's net. But I want it done through peaceful, non-violent means that I suppose a majority of our colleagues in the Senate also wish would happen, the sooner, the better.

That said, it is my opinion that the *Manila Standard Today* has every right to be wrong but it has no right to be irresponsible. I think that it is the height of unreliability and capriciousness to use a false, unfounded and totally untrue premise and then exploit it as a basis to criticize the actions of others in a daily that is meant to disseminate true and factual information for the guidance of the people.

### *Licentious journalism*

That kind of journalism is licentious and should not be done under the cover of freedom of speech and of the press.

Nonetheless, the media should not be muzzled because of the excesses of a few. Those of us who fought for our freedoms against the martial law regime did not do so so we can now gag our own critics. It is in this respect that I decry the attempt to silence the media in this country by the unwarranted arrests of journalists covering the Manila Peninsula incident last November 29. I also denounce the recent ominous threats emanating from the administration to charge them for rebellion as if they are an integral part and a vital parcel of the acts for which Senator Trillanes *et al.* are being called to account.

### *Be fair and factual*

All I ask, therefore, is for the *Manila Standard Today* to be fair and factual in its editorial commentaries and be a responsible member of the mass media of this country. We all need dependable and conscientious practitioners of the mass media, yes, even the *AA*

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*Manila Standard Today*, so that we will continue to vigorously nurture the democratic experiment even as it is now threatened by a creeping imperial presidency.

## ANNOUNCEMENT OF SENATOR PANGILINAN

Senator Pangilinan informed the Body that Senator Pimentel would initially accommodate up to two interpellations on his privilege speech, after which consideration of the same would be suspended to give way to the speech *en contra* of the Minority to be delivered by Senator Legarda. He said that Senators Defensor Santiago and Madrigal have made reservations to interpellate on the speech of Senator Pimentel.

## REMARKS OF SENATOR DEFENSOR SANTIAGO

Preliminarily, Senator Defensor Santiago cited an argument of Justice Oliver Wendell Holmes Jr. for the so-called market place of ideas that if the Senate is over-whelmed by the view of the Majority, then those in the Majority would never know the errors of their ways. Thus, she commended Senator Pimentel for airing the side of Senator Trillanes, especially on the legal merits of the case which might work to mitigate or exonerate the liability of the Senator who is being charged with rebellion.

As regards the statement to media of Senator Trillanes during the incident, Senator Defensor Santiago said that she expected the Senator to say that he preferred that the President be replaced by someone like Senate Minority Leader Pimentel, Senate President Villar or Liberal Party president, Senator Roxas. She expressed alarm that, apparently, Senator Trillanes was offering himself to head the government in lieu of President Arroyo.

She made it of record that the memorandum of authorities in the resolution she submitted to the Committee on Ethics and Privileges does not necessarily call for the expulsion or suspension of Senator Trillanes from the Senate but merely for disciplinary action that the Committee on Ethics and Privileges might find proper after going thorough investigation. In this regard, she informed the Body that among the cases she cited in her memorandum was her personal case *Miriam Defensor Santiago v. Sandiganbayan*, where the Supreme Court clearly

ruled that disciplinary proceedings on the part of the Senate or the House, as the case may be, and judicial proceedings in the judicial branch of government could be held concurrently and one does not necessarily exclude the other. Therefore, she stressed that it is not entirely correct to say that the Senate cannot expel one of its members because eventually the court might decide to do so. She stated that the Senate can if the evidence so warrants and she hoped the Committee on Ethics and Privileges would conduct a hearing as soon as possible to settle the issue.

Like Senator Pimentel, she said she found cause to criticize the military and the police for attempting to file rebellion charges against the members of the media who tried to embed themselves in the Armed Forces of the Philippines when it tried to apprehend the group of Senator Trillanes. She said that there is no limit to free speech and free press in the Philippine Constitution and that, in fact, free speech occupies the highest position in the hierarchy of constitutional values as cited many times by the Philippines and U.S. Supreme Courts. However, she clarified that while the Constitution provides protection to free speech and free press in the absolute terms, the Supreme Court itself has set a limit to them in the "clear and present danger" rule.

Senator Defensor Santiago recalled that the U.S. Supreme Court in *Brandenburg v. Ohio* held that government cannot punish inflammatory speech unless it is directed to inciting and likely to incite imminent lawless action. She explained that there must be two factors coincident with each other, namely, (1) the person charged should have incited his audience; and (2) the incitement must be accompanied by imminence of the danger. She further explained that the "clear and present danger" rule punishes only someone who has incited sedition or an armed uprising against the government.

During the incident at the Manila Peninsula Hotel, she believed that the element of incitement was present but not imminence as she concluded that there was no "clear and present danger" that empowered the police and the military to limit free speech and free press.

## REMARKS OF SENATOR PIMENTEL

Thanking and supporting the conclusions of Senator Defensor Santiago, Senator Pimentel recalled that precisely, he told the media that Senator Trillanes

13

was wrong to expect that the 11 million people who voted for him in the May 2007 election would support his demonstration. He stressed that voting for a senator is one thing and following him in his move to oust the President is another thing. Indeed, he said, the Senate is not prohibited from expelling or suspending any member even without court action, citing that Congressman Sergio Osmeña who was suspended by the House in 1960.

#### REMARKS OF SENATOR MADRIGAL

Initially, Senator Madrigal took exception to the cartoon of the *Manila Standard Today* which she opined viciously portrayed the visit of Senator Pimentel to Senator Trillanes.

Proceeding to another matter, Senator Madrigal brought the Body's attention to the sale of the National Transmission Corporation (Transco) involving billions of dollars worth of assets to be auctioned off to a few qualified bidders which has given rise to major questions of conflict of interest, sovereignty and economic independence.

#### SUSPENSION OF SESSION

Upon motion of Senator Madrigal, the session was suspended

*It was 4:11 p.m.*

#### RESUMPTION OF SESSION

At 4:12 p.m, the session was resumed.

Senator Madrigal stated that she filed Proposed Senate Resolution No. 238, directing the Blue Ribbon Committee, the Committees on National Defense and Security, and Economic Affairs to jointly investigate, in aid of legislation, the alleged rigged bidding of the Transco in favor of a certain bidder as shown by the apparent conflict of interest of Mr. Jose Ibazeta, the head of the Power Sector Assets and Liabilities Management Corporation (PSALM), an Aboitiz who is married to a Razon. She adverted to his alleged relation to one of the pre-qualified bidders as well as the alleged relation of President Gloria Macapagal Arroyo's brother to the bidder.

Senator Madrigal stated that in the EPIRA, the generation, transmission and distribution of energy should not be owned by one group or a family but if

the Monte Oro Grid and the State-Grid of China won the Transco bidding, then the Aboitiz-Razon families would have monopoly over power generation and partial control over communications because Transco carries fiber-optic connections. She cautioned that whoever gets control over power generation, transmission and communication could hold Malacanang captive.

Senator Pimentel said that he issued several statements cautioning the government against the hasty disposition of Transco as he hoped that the Senate could continue airing the issue before the proper committee.

Senator Madrigal read part of her resolution.

At this juncture, Senator Gordon raised a point of order, reminding the Body that the issue regarding Senator Trillanes is still pending on the floor.

Senator Madrigal argued that the issue of Transco is linked to Mr. Razon because he has attacked Senator Pimentel for visiting Senator Trillanes. She disclosed that she, in fact, personally told Senator Trillanes that he has been misled and has allowed himself to be used by traditional political groups and NGOs.

Senator Madrigal also mentioned Bishop Labayen who thought that he was invited to Manila Peninsula for a meeting only but before he knew it, there was already tear gas being sprayed; the same thing happened to former Vice President Guingona.

On another matter, Senator Madrigal stated that she had already asked the Blue Ribbon, National Defense and Security, and Economic Affairs Committees to look into the anomalies in the Transco issue. She said that the impunity with which the administration has handled all the questions relative to Transco is indeed remarkable, a disservice to the power sector. Quoting Stigler, a Nobel Prize winner for Economics, she said that countries like Japan, Taiwan, and South Korea prospered because they were already self-sufficient and that they pulled themselves up by their bootstraps without courting foreign direct investment; moreover, Stigler believes in privatization only, as he pointed out that in the case of Africa and the Philippines where corruption is present, very small amount of money is brought down to the people who really need it, and cronyism is further encouraged and corruption further enlarged.

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She lamented that this is exactly what the President is doing in privatizing the crown jewels of the country, compromising its sovereignty and economic independence solely so that she and her cronies can further enrich themselves and, probably, visit a few more sovereign heads in Europe on a junket.

Senator Pimentel added that the policies that the President is following may not only be inherently wrong but the procedure makes them tainted with a lot of questions. In fact, he noted that Senator Enrile has found so many defects in the EPIRA law that he wanted it to be amended.

Senator Madrigal stated that China's control of electricity is indeed mind-boggling and what is happening to the country with the use of cronies like Mr. Razon is indeed intolerable, even worse than what happened during the Marcos regime. She expressed dismay that the Arroyo administration can go on unpunished.

Senator Pimentel agreed, as he recalled that the proliferation of cronies during the Marcos years was one of the reasons that aroused the people against President Marcos. Apparently, he said, President Arroyo is repeating the mistakes of the Marcos regime, including attempting the style of an imperialist presidency.

#### INQUIRY OF SENATOR PIMENTEL

At this juncture, Senator Pimentel asked why Secretary Neri was present in the hall.

Senator Enrile replied that the Committee on Finance called on the Cabinet members for the budget deliberation.

On whether there is immunity from any action of the Senate considering that there is a warrant for the arrest of Mr. Neri, Senator Enrile replied that there is no warrant for the arrest of any member of the Cabinet. He pleaded to the senators that the presence of members of the Cabinet was upon his invitation and he had promised them that they would not be abused, insulted or mistreated in the Chamber.

Senator Pimentel expressed hope that Cabinet members would come to the Senate not only when they are asking for their budgets but also in response to summons by the Senate on other matters like investigations.

#### SUSPENSION OF SESSION

Upon motion of Senator Pangilman, the session was suspended.

*It was 4:30 p.m.*

#### RESUMPTION OF SESSION

At 4:33 p.m., the session was resumed.

Upon resumption, Senator Pangilinan stated that Senator Pimentel has expressed willingness to accommodate other reservations for interpellation.

#### INTERPELLATION OF SENATOR AQUINO

Senator Aquino asked whether Senator Trillanes was incarcerated for violating Article 134-A of the Revised Penal Code which states:

*"How Committed. -- The crime of coup d'etat is a swift attack accompanied by violence, intimidation, threat, strategy or stealth directed against duly constituted authorities of the Republic of the Philippines in a military camp or installation, communications networks, public utilities or other public facilities needed for the exercise and continued possession of powers singly or simultaneously carried out anywhere in the Philippines by any person or persons belonging to the military or police or holding any public office or employment with or without civilian support or participation for the purpose of ceasing or diminishing state power."*

Senator Pimentel replied that Senator Trillanes is under detention because of his participation in the Oakwood mutiny. He said he would not venture an opinion thereon considering that the case is being tried in the courts of law. However, he believed that it is difficult to fit the circumstances of Oakwood into the definition of coup d'etat as embodied in Article 134-A of the Revised Penal Code.

But Senator Aquino pointed out that the mutineers have been incarcerated for the last three years, as he posited that their case should have not even reached the trial period under the jurisdiction of the Makati Regional Trial Court. Assuming that they were wrongly held for violating Article 134-A, given the long incarceration that they are experiencing, he asked whether it is possible that people who do not find redress in the judicial system are being driven

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into going into extreme actions because of the disillusionment exacerbated by the isolation they are feeling.

In reply, Senator Pimentel believed that "justice delayed is justice denied." He opined that the march to the Manila Peninsula Hotel from the Makati court was only an extension of the past frustrations of Senator Trillanes. He said that there seems to be no end in sight for the mutineers. Obviously, he said, when people are frustrated by the slow-turning wheels of justice, they may express their frustrations by radical means.

Senator Aquino asked if Senator Pimentel was aware that previous to the Oakwood incident, one of the officers charged for the Oakwood incident had expressed on television and in a news magazine concerning the conditions existing within the Armed Forces.

Senator Aquino surmised that the recent events—imposition of curfew; deprivation of liberty; no law or executive order defining the violations during the curfew; and no appeals process—were indicative of a creeping imperial presidency. He recalled that when the *Daily Tribune* was raided, the police were added to their editorial staff.

Adverting to the complaints of the armed forces in Mindanao, Senator Pimentel revealed that two Marine officers came to his office to report that they had personally seen ammunitions and firearms being traded with the enemy. He said that such an incident added to the frustrations of the soldiers. Moreover, he disclosed that Captain Maestrocampo was allegedly given orders to throw a hand grenade at a mosque to stir up the people's sentiments against the Moro people. He supposed that the bombing of the Sasa Warf in Davao City, which killed many people, was not the handiwork of the terrorists but of people close to the government.

#### INTERPELLATION OF SENATOR GORDON

Senator Gordon agreed to the observations of Senator Pimentel and even Senator Trillanes regarding the harsh treatment of media people during the Manila Pen takeover.

Asked if he considers Senator Trillanes a troublemaker when he told him, "Stay away from trouble", Senator Pimentel replied that being a wise

man, Senator Trillanes understood what he meant by these words "Stay away from trouble." He said that it was trouble that first brought him into detention after the Oakwood mutiny; again it is trouble that brought him to his present situation.

Asked if he admonished Senator Trillanes not to take matters into his own hands and to avoid such incident, Senator Pimentel replied in the affirmative.

Senator Pimentel recalled that on the day of the incident, he was to speak before the HIV International Conference attended by 69 foreign countries. He said that the participants were agitated by what was happening. He pointed out that such an incident, which merited coverage by CNN and BBC, has unsettled the situation for the country in terms of tourism and investments.

Senator Gordon said that he was relieved that Senator Pimentel, who is known for his passion for individual human rights, did not encourage adventurism accompanied by arms and the AFP.

Asked if the book of Sun Tzu given by Senator Lacson to Senator Trillanes was timely, Senator Pimentel opined that the book was meant to tell Senator Trillanes that before undertaking any move of that sort, a lot of things should be considered very carefully because a lot of people would unwittingly be involved in an undertaking that is bound to fail.

Regarding the detainees' complaint that they were deprived of their right to have access to mobile phones, Senator Pimentel stated that the request was not made for Senator Trillanes but for the civilian detainees. However, he expressed doubt that government would allow the detainees to use mobile phones while incarcerated because faced with rebellion charges, this would enable them to communicate with their followers all over the country and cause more trouble.

Senator Gordon pointed out that while the damage at the Manila Pen has already been repaired, there is damage to the perception of the country. He said that a lot of OFWs were disenchanted, fearing that they would not have a bright future when they come home to the Philippines because the *coup d'etat* has rendered it unattractive as an investment paradise or as a tourism destination. He wondered what should be done about the situation since it was not the first time that Senator Trillanes has caused such an incident.

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He believed that Senator Trillanes' actions did not follow the dictum of the Constitution which provides for the right of the people to peaceably assemble and to address their grievances. He said that Senator Trillanes may have legitimate grievances but he should not have turned his back on the court. He said that he delivered a privilege speech on the matter because he did not want it said that the Senate has remained quiet on the incident.

Senator Pimentel clarified that his report simply pictured the condition of a colleague while in detention and relayed the senator's thoughts on what the Senate can do relative to his problem. He emphasized that he does not advocate whatever Senator Trillanes had in mind.

On the matter of whether or not Senator Trillanes' actions were pursuant to the Constitution, Senator Pimentel stated that he would rather leave it to the court to decide because he would not want to prejudice Senator Trillanes' cause as he is facing a number of cases in civilian courts as well as military tribunals. He requested Senator Gordon not to press him on personal matters.

Senator Gordon said that if gunfire had erupted, there would have been many casualties. Senator Pimentel stated that this is the reason why Senator Trillanes and his group were insisting that no shots had been fired from their side, as evidenced by the fact that the police did not subject them to any paraffin test.

Senator Gordon stated that the police should be made accountable for not being able to stop Senator Trillanes and his companions from marching down the street and for the way they handled the media. He said that the Senate should be given a copy of the rules of engagement which should be reviewed regularly. He added that he was relieved because of Senator Pimentel's clarification that his visit was humanitarian and it should not be misconstrued as condoning the acts of Senator Trillanes.

Senator Pimentel stated that he felt that it was his obligation to see how a fellow oppositionist like Senator Trillanes was being treated.

#### INTERPELLATION OF SENATOR ARROYO

Asked by Senator Arroyo on the condition of former Vice President Guingona, Senator Pimentel replied that the Vice President has gone home.

Asked if the former Vice President would also be charged, Senator Pimentel supposed that he would be included if the DOJ had its way.

#### INTERPELLATION OF SENATOR ZUBIRI

On the comment of Senator Pimentel that the PNP should be led by a person who not only has courage, clarity of mind and a clear direction for his men to follow, Senator Zubiri stated that in fairness to General Barias, he entered the hotel on his own, unarmed, to negotiate with Senator Trillanes, or at the very least to ask the civilians to leave the hotel premises. He said that the act in itself is a badge of courage, because General Barias could have been kidnapped by the men of Senator Trillanes.

Senator Pimentel pointed out that General Barias should have the ability to control his men especially in times of stress.

To the observation that General Barias was even thrown out of the premises and actually heckled and booed by the men of Senator Trillanes, Senator Pimentel said that while reviewing the tapes of the incident the previous night, a commentator pointed to the members of the media as the persons who booed General Barias which might have caused his ire. Senator Zubiri commented that this could have been the reason why there was a determined effort on the part of the PNP to bring all the members of the media to Bicutan. However, he surmised that this might be part of a standard operating procedure to thresh out who were members of the media and who were not, as the tapes revealed that some members of the armed faction were actually changing into civilian clothes and commingled themselves with the reporters.

Senator Zubiri asked if Senator Trillanes indeed violated the law against illegal possession of firearms and ammunition plus several other laws when he left the trial court and started to walk the streets of Makati. Senator Pimentel said that he would not want to venture an opinion at this point because the allegations are still subject to proof as part of the complaint against Senator Trillanes and his men.

Senator Zubiri stated that he was shocked to view additional footages of several armed men in fatigue uniform clearly in defensive position inside the hotel. He commended Senator Trillanes for not issuing the order to fight back as it could have caused bloodshed. <sup>18</sup>

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Senator Zubiri said that aside from illegal possession of firearms and ammunition, there was also clear trespassing because even the media had witnessed the way the armed faction forced its way into the hotel, destroying private property in the process.

Recalling that he had signed a resolution asking that Senator Trillanes be allowed to function as a senator, Senator Zubiri urged the beleaguered senator to explain why the institution that has tried to fight for his rights is the same institution that he is trying to abolish, in view of his statements, and that of former Vice President Guingona and former U.P. President Nemenzo to dissolve the Senate and replace it with an Advisory Council that would move to adopt a freedom constitution. Senator Pimentel said that he did not have the chance to discuss the matter with Senator Trillanes. However, he agreed that a constitutional government should not be changed by unconstitutional means. He pointed out that it would be difficult, for instance, to order a military junta to go back to barracks or to limit the powers that it exercises, as experienced by Myanmar in 1990, when a clique of generals dissolved the Parliament and promised to establish a civilian government in a year's time, a fact that did not come true. He reiterated that he would like President Arroyo to immediately step down, but force should not be used to change governments.

Senator Zubiri said that he would be honored to march with Senator Pimentel in the streets if the Constitution is endangered.

#### **REFERRAL OF PRIVILEGE SPEECH**

Upon motion of Senator Pangilinan, the Chair referred the privilege speech of Senator Pimentel and the interpellations thereon to the Committee on Justice and Human Rights, as the primary committee, and the Committee on Public Order and Illegal Drugs, as the secondary committee.

#### **COMMITTEE REPORT NO. 22 ON HOUSE BILL NO. 2454**

*(Continuation)*

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 2454 (Committee Report No. 22), entitled

#### **AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERN-**

**MENT OF THE REPUBLIC OF THE  
PHILIPPINES FROM JANUARY ONE  
TO DECEMBER THIRTY-ONE, TWO  
THOUSAND EIGHT, AND FOR  
OTHER PURPOSES.**

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

The Chair recognized Senator Enrile, Sponsor of the measure.

#### **MANIFESTATION OF SENATOR PANGILINAN**

Senator Pangilinan acknowledged the presence of the following Cabinet secretaries: Acting Secretary Romulo Neri of CHED; Solicitor General Agnes Devanadera; and Secretary Arturo Brion of the Department of Labor and Employment. He said that as manifested last week during the plenary debates, their budgets were deemed submitted on the condition that they would appear before the Senate.

#### **MANIFESTATION OF SENATOR ENRILE**

Senator Enrile said that he was in receipt of letters, both dated December 10, 2007, from two secretaries explaining why they could not be present in the day's session: 1) DENR Secretary Jose L. Atienza, who is on official travel in Bali, Indonesia for the 13<sup>th</sup> Session of the Conference of Parties (COP 13) and the Third Session of the Conference of Parties to the Kyoto Protocol from 10-14 December 2007; and 2) National Security Adviser Norberto B. Gonzales, who is out of the country on a confidential mission for the President, but who promised to attend the Senate session on Wednesday, 12 December 2007.

At this point, Senator Enrile requested that the Body allow the Cabinet officials and their staff to be excused to they could go back to work.

#### **SUSPENSION OF SESSION**

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

*It was 5:14 p.m.*

#### **RESUMPTION OF SESSION**

At 5:15 p.m., the session was resumed. *MS*

## **TURNO EN CONTRA**

Upon motion of Senator Pangilinan, there being no objection, the Body closed the period of interpellations and proceeded to the *turno en contra*.

## **SPEECH EN CONTRA OF SENATOR LEGARDA**

Thereafter, in behalf of the Minority, Senator Legarda delivered the following speech *en contra*:

I was tasked by the Minority Leader to deliver the assessment of the 2008 budget in behalf of the Senate Minority. But before that, we would like to commend the Chair of the Committee on Finance of the Senate for painstakingly and ably shepherding the budget deliberations for the past several weeks, if not months. Also, our congratulations to the vice chairpersons of the committees, namely, Senators Arroyo, Angara and Defensor-Santiago, for competently facilitating the enlightened discussions. In behalf, therefore, of the Senate Minority, I would like to present our assessment of the 2008 budget.

### ***Year-end assessment***

The year 2007 is drawing to a close. It is a tumultuous year characterized by unresolved bombings in two of the most sensitive areas of Metro Manila: Makati and the Batasang Pambansa. Just a little over a week ago, the entire country was gripped by tension as another threatening event occurred in the Manila Peninsula Hotel. The reverberations from that incident have not sufficiently quieted down. The Senate is especially concerned because it involves a member of this august Body.

The economy also had its share of tumult. The peso continues to strengthen, thereby affecting the purchasing power of millions of Filipinos who are dependent on OFW remittances for survival. At the same time, the price of oil has shot up, affecting public transport fares, gasoline prices, and the cost of delivering public goods and services for the poor.

On the fiscal side, actual revenue collection is way behind programmed collection. The burgeoning deficit is only held in check by continuous privatization activity and under-spending for government services.

The government was not spared from scandals. In quick succession, we had the ZTE

imbroglio which led to the resignation of a constitutional official, the public distribution of gift bags bulging with bills amounting to P500,000 each, questions on the series of privatization deals of the government, the deferment of the World Bank-sponsored road projects, and so on, *ad nauseum*. To the credit of the Senate, public hearings were held. The hearings proved to be powerful mechanisms for informing the public on governance issues.

### ***Poverty reduction as challenge and opportunity for the Senate***

However, the most serious challenge which we are facing as 2007 comes to an end is the pernicious problem of poverty. The Mid-Term Progress Report on Millennium Development Goals (MDG) for 2007 states that as of 2003, 26 million Filipinos or 30% of the population live below the poverty threshold. This is nearly a third of the total Filipino population.

The basis of the official count of the poor is the assumption that the poverty threshold is P40.73 per person per day to cover both food and non-food requirements. I am sure the distinguished members of the Senate cannot believe that a person cannot survive on P40.73 a day for all his or her needs!

The official MDG progress report also notes that out of the 17 regions in the country, only three (3) regions, namely, Central Luzon, CALABARZON, and the National Capital Region, have household poverty rates less than the national average. The remaining 14 regions have poverty rates exceeding the national average, with CARAGA, ARMM, and Region IX topping the list.

Malnutrition and hunger are also an urgent problem among our people. The same report states that 56.9% or more than one-half of the population is getting less than 100% of dietary requirements. Hunger is particularly high in two very sensitive and volatile regions of the country: the National Capital Region and ARMM.

As we all know, poverty and malnutrition are directly related to education and health, particularly infant and maternal mortality.

No, the Senate cannot blithely ignore the fact that the problem of poverty remains as intractable as ever. As senators directly elected on a national scale, we have a responsibility to respond to this daunting challenge, not only individually but as the Senate in its entirety.

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Yes, the Senate faces the challenge and opportunity for poverty alleviation. **The most powerful tool at its disposal is the national budget.**

### *The 2008 budget and poverty*

Today, the Senate is putting its final touches to our version of the 2008 budget. We have gone through the traditional exercise of committee hearings, reports and debates. We cannot, however, treat this process as "business as usual."

The bottom line question we should ask is: Will the Senate version of the 2008 budget *impact directly on the reduction and alleviation of poverty*? Will it actually allocate funds sufficient to reach the targets set forth in the Millennium Development Goals?

The 2008 budget proposed by the Office of the President and endorsed by the Senate Committee on Finance is premised on the achievement of a balanced budget. This is the framework of the total P1.2 trillion proposal.

When the 2008 budget was presented to the House, the Secretary of the Department of Budget and Management was quoted as saying, "It will be an outlay that will be totally supported by internal revenues. By proposing a budget which would not be propped up by a single borrowed peso, we are taking a bold step towards an era of balanced budgets" (*Business Mirror*, August 23, 2007 p.1).

Two questions can be raised with regard to the 2008 budget. The first question is: **Can the promised balanced budget actually be attained?**

If the honorable senators will assess the fiscal picture in 2007, the possibility actually appears to be dismal for 2008.

I already mentioned that shortfalls in tax revenue collection vis-à-vis targets have been building up for the past three quarters of 2007. So far, shortfalls in tax collections reached P56 billion, with the BIR posting P44.9 billion below target and the BOC P12 billion below target as well. Shortfalls for the last quarter are not yet included. (*Source: Department of Finance*)

Even as shortfalls are accumulating, reductions in the deficit are also reported. So how was the deficit managed? The deficit was controlled by an increase in the Bureau of Treasury income by privatization, by selling our crown jewels, and underspending in expenditures, mostly social in nature.

During the past three quarters there was underspending by P38.6 billion (*Source: Department of Finance*). If there was underspending, it is likely that social expenditures were greatly affected.

The answer to the first question, therefore, is that the much-awaited balanced budget may not be attained.

The second question is: **Granting without admitting that the balanced budget can be attained, what will the impact be on poverty reduction?**

A balanced budget can be attained by underspending and by resorting to a frenzied privatization of our country's assets. The danger is that spending for poverty reduction, education, health, the reduction of infant and maternal mortality, agriculture, gender equality and the environment could be sacrificed. This has happened before; it can, perhaps, will happen again.

All of us are aware of the estimates made by Dr. Rosario Manansan of the Philippine Institute for Development Studies (PIDS) on resource gaps for MDGs until 2015. Her latest calculation is that for education, health, water and sanitation and poverty reduction, additional resources of P94.9 billion will be needed for 2008 alone (*Manansan: Financing the Millennium Development Goals: 2006*)

It is clear that instead of cutting the budget for social expenditures for the sake of a balanced budget, we even need to increase it significantly. The increases which the Executive allocated for education and health are nowhere near the P94.9 billion required for four of the eight MDG goals.

It is in this light that this Representation, in behalf of the Senate Minority who, in fact, are far outnumbered by the Majority now, proposes a P20 billion increase as recommended by civil society organizations convened by Social Watch Philippines. We propose that this be considered seriously. I am referring to the Alternative Budget Initiative (ABI). The amount is still far below the Manansan estimates but certainly it is higher than the proposal of the Senate Committee on Finance.

### *What should be prioritized*

Of course, the budget is never enough. Agencies would always cry out for more financial resources. People seemed to understand that resources are simply scarce and

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meager. However, it is disturbing if the move to balance the budget will be at the expense of reducing and unduly constricting the budget of key sectors. Public investments in health, education, agriculture, and environment would have the greatest impact on addressing the problem of social inequities and deprivation.

I submit that public spending for 2008 will have greater impact on alleviating the plight of the poor if the budget would provide greater resources on the following key sectoral spending.

**On Health.** The budget should reflect the Philippine's commitment to achieve the Millennium Development Goals on health, which is to reduce child mortality, to improve maternal health and to combat HIV-AIDS, tuberculosis and other major diseases.

For FY 2008, the DOH's share in the Total New Appropriations stands at 1.52%, maybe a slight improvement from its 0.7% in 2007. (Source: NEP, GAB, Senate Version 2008). Although the allocation for DOH increased from P11.56 billion or this year to P16.24 billion in 2008, it is not even among the top five national agencies in terms of share in the national budget.

The call therefore is to push for a pro-poor health budget: government must intensify its public health service delivery programs that would bring upon an improvement in the health status of the poor and the low-income groups. This would involve providing more resources for Disease Prevention and Control by:

- ◆ Strengthening the Tuberculosis Program by increasing its budget from a measly P280 million to P1 billion;
- ◆ Intensifying research on epidemiological and disease surveillance particularly on infectious and emerging and re-emerging diseases, water-borne and pollution-caused diseases which are very serious concerns;
- ◆ Ensuring proper medical waste disposal by providing additional funds for the purchase of autoclaves that do not pose danger to health and environment.

**On Education.** Education indicators consistently point to the low and deteriorating performance of the education sector in terms of access, quality, literacy and equity. Dropouts remain alarmingly high and access is not equitable; quality is poor and declining; resources are too little; and the system is badly managed.

A report from the Alternative Budget Consortium noted that current drop-out rates for

both the elementary, (10.57%), and secondary levels, (15.81%), are record level drop-out rates, using the 2000-2001 figures as the base year.

Classroom size is over 50 students per room, one of the highest in Asia.

Higher education is also in a sorry state. State colleges and universities have been living on budgetary crumbs. In 2004, the per capita spending for SUC students was P17,000. It was P13,000 last year.

Substantive reforms must be undertaken with immediate implications on the budget to set the education sector back on the right track. While the P18.43-billion budget for SUCs is laudable, the allocation for basic education trails behind.

The jumbo allocation for interest and principal payments has naturally pushed the constitutional priority of the State, education, into a secondary priority. While the Department of Education has a total allocation of P139.4 billion in the 2008 national budget, and while the SUCs ranks ahead of health in our budgetary priority, education experts remain unconvinced that the government has finally paid adequate attention to our constitutional priority.

Education is not only a constitutional priority. It is a potent poverty-buster, more so in the current context of a Knowledge Society.

Although DepEd will obtain P139.6 billion and an additional P2 billion school building program, a 13% share of total new appropriations, it is just half of the P290-billion debt service for interest payments alone. The budget should provide the necessary resources to address the persistent problems in the public educational system and bring about the much-needed reforms. The budget for basic education should be increased by P6 billion. This proposed increase in basic education should provide additional funding for the following:

- ◆ New teaching and non-teacher positions;
- ◆ School furniture and facilities;
- ◆ Construction of school buildings;
- ◆ Alternative learning programs;
- ◆ School health and nutrition programs;
- ◆ Additional MOOE for elementary and secondary schools; and
- ◆ Provision of full teachers' benefits under the Magna Carta for Public School Teachers.

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**On the Environment.** The United Nations Economic and Social Commission in Asia and the Pacific (UNESCAP) report on the 2005 State of the Environment in Asia and the Pacific listed the Philippines among the countries running an ecological deficit. This report points to the unsustainable patterns of production and consumption resulting from the frenzied drive to achieve economic growth. Despite this, hunger and poverty in the country remains unabated.

There are three environmental challenges the country is facing: 1. urban air and water pollution; 2. natural resource degradation; and 3. declining quality of coastal and marine resources.

Implementation bottlenecks have caused the policy-action gap as laws addressing urgent environmental issues such as those on clean air, water, ecological solid waste management have not been fully implemented. In fact, the budget of DENR is not even included in the top 10 agencies. With a budget of P7.934 billion and a cut of P107 million from the GAB version, the looming environmental crisis is apparently not addressed. We must meet the challenge of climate change head on as world leaders meet in Bali this week.

Thus, the budget of DENR must be allocated additional appropriations of P2.7 billion to:

1. Ensure the basic requirements of environmental sustainability are met by augmenting the budget for:

- ◆ Delineation of forest and watershed boundaries;
- ◆ Delineation of archipelagic waters; and
- ◆ Survey and mapping;

2. Intensify conservation and protection of natural resources by increasing the budget for:

- ◆ *Community-Based Forest Management Proclamation (CBFM)*;
- ◆ Forest protection;
- ◆ Soil and watershed management;
- ◆ Legal support strengthening;
- ◆ Ecosystems research and developmental coastal and marine resource management; and
- ◆ Protected areas and wildlife management.

3. Strengthening the Philippine Council for Sustainable Development (PCSD) to serve as an effective mechanism for multi-sectoral involvement in planning, implementation and monitoring processes pursuing sustainable development.

**On Agriculture.** Even as the agriculture sector accounts for 15% of the National GDP and nearly 40% of employment, 70% of the country's poor reside within these areas. As of 2004, the average farm size for every farmer-household is 1.8 hectares and the average annual net income of a farmer is P16,650. This is only 20% of the annual household poverty threshold. Moreover, food-spending comprises 44% of a family's household expenditure.

Poverty indeed has a distinct rural face. The direct causality between rural growth, which can be attained by spurring agricultural growth, and easing the problem of mass poverty, is a fact. The World Bank recently shifted its focus on rural development and agricultural investments, to ease the lives of an estimated one billion poor people across the globe.

Yet, despite the more than P23 billion budget proposed for the agriculture department and agricultural modernization for 2008, nagging questions on whether the budget can really lift the lives of the rural poor and perk up the *lethargic rural economy* remain.

There is no clear, sustained, comprehensive, adequately funded rice production program in the budget for agriculture.

A well-crafted, well-funded and technically supported rice production program is the potent strategy to energize the countryside anew. A million hectares of paddies would bloom. A reformatted, reformed and disciplined version of the Masagana 99 will not only produce the 16 to 17 million metric tons of rice a year for domestic consumption. It will also serve as the true anchor of our food security aspirations.

Moreover, the achievement of rice self-sufficiency through a more fiscally disciplined version of the Masagana 99 will energize several rural institutions: rural banks, farm cooperatives, retail outlets for farm inputs and implements.

There will be rice on the table, jobs in the countryside, stepped-up trade and rural economic institutions coming back to life. The lost dignity of our rice farmers will be recaptured.

The dollars drained by years of rice importation will remain in the country. For the past ten years, the Philippines, a country of rice farmers, has the embarrassing record of importing more than one million metric tons of rice every year.

The P23 billion budget even fails to do the basic thing of massively funding our agricultural

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research and development. The R&D budget should not be a blip in the agricultural universe. It should get P2 billion this year, with the R&D fund escalating by P1 billion until it reaches a P5 billion mark.

Why? Because this is the most cost-efficient agricultural investment.

We have not paid enough attention to providing post-harvest facilities. Anywhere from P10 to P20 billion worth of crops are wasted yearly due to the lack of post-harvest facilities.

The regional allocation of the national budget is as skewed and flawed as the allocation per expenditure program.

The Autonomous Region in Muslim Mindanao, the region with a poverty rate of more than 60%, and an illiteracy rate of more than 50%, is at the bottom of the regional priorities.

Just like the CARAGA, to which the cliché poverty-stricken is a sad understatement of its depression and deprivation.

The anti-poor bias is a constant in all the pages of the national budget, not only in the allocations for education, health and agriculture. And the utter neglect of regions that need state investment and intervention most.

#### *Where do we get the funds?*

It will always be a question where to source the funds that we wish to add to the sectors that need prioritizing. These are matters that should provide support as to how we can configure the budget.

Interest payment allocation amounts to P290.051 billion which represents 30% of the total new appropriations. This is P12.1 billion higher than that allotted by the Lower House. Retaining the interest payments set by the Lower House would have freed P12 billion of public funds for productive social services.

Total debt service is more than P618 billion, accounting for the interest payments and the principal amortization of P328 billion. The combined allocations for the Departments of Health, Education, Environment and Natural Resources, and Agriculture, including the Agriculture and Fisheries Modernization Program is only P186 billion.

Aside from debt service, additional funding of P1.3 billion from the P1.5 billion allocation for the Office of the President's budget for the

purchase of air transportation equipment can be re-channeled to education, health, agriculture and environment.

The Transparency International has just recently reported that the Philippines is at the top rung of countries most affected by bribery in the world. It all boils down to governance or in this case, misgovernance.

#### *A budget for the poor*

When I started my remarks, I emphasized that the bottom line for the 2008 budget should be its impact on poverty reduction. In many issues of national importance, citizens, especially the poor, have looked to the Senate for redress of wrongs, inequality and injustice. They look to us to correct the notion that a balanced budget is more important than liberating them from the clutches of extreme poverty, from the lack of basic education, and life-threatening diseases.

This is a challenge I pose before this Chamber today.

Let us open the new year with a reconfigured budget that will look after the poor, the hopeless, the desperate and those that have been languishing on society's margin.

### **TERMINATION OF THE PERIOD OF DEBATES**

Thereafter, upon motion of Senator Pangilinan, there being no objection, the Body closed the period of debates and proceeded to the period of committee amendments.

### **COMMITTEE AMENDMENTS**

As proposed by Senator Enrile, there being no objection, the following committee amendments were approved by the Body:

1. *Congress of the Philippines*
  - Increase of P205 million to restore the Senate budget to its fiscal year 2007 level and to provide for the benefits of the employees and additional capital outlay;
2. *Office of the Vice President*
  - Restoration of the amount of P20 million;
3. *Department of Agrarian Reform*
  - Increase of P60.645 million *MC*

*PO*

*(Office of the Secretary)*

- Decrease of allocation for independent assessment by P10 million and realignment of the same to the Philippine Institute of Development Studies (PIDS)
- Increase of P25 million for operating requirements;
- Increase of P20 million for National Commission on Indigenous Peoples Building Region V;
- Decrease of allocation for the Cordillera Autonomous Region by P10 million and realignment of the same to Region V;
- Additional allocation of P5.645 million for capital outlay for the National Commission on Indigenous Peoples.

- Increase of P50 million for the Pangasinan State University; and
- Increase of P111 million for the MOOE of 100 SUCs at P1 million each including capital outlays of five SUCs.

6. **Department of Environment and Natural Resources**  
*(Office of the Secretary)*

- Increase of P5 million for Forest Boundary and Delneation and Land Use Allocation-III
- Increase of P10 million for Brgy. Nurseries for Regions IV-A and VI;
- Increase of P9 million for the rehabilitation of Laguna de Bay, Sampaloc Lake and Sebu Lake; and

**NAMRLA**

- Increase of P52,500,000 for the RP Extended Continental Shelf Delimitation Project

7. **Department of Finance**  
**Bureau of Internal Revenue**

- Decrease of the MOOE of Revenue Region VIII and realignment of the same to 5 revenue regions, namely: Revenue Region III, P9,341,000; Revenue Region IX, P33,552,000; Revenue Region XII, P32,582,000; Revenue Region XVIII, P20,891,000; and Revenue Region XIX, P8,723,000.

8. **Department of Foreign Affairs** -- Increase of P17 million for the training of foreign service officers by the Foreign Service Institute;

9. **Department of Health**

- Increase of P100 million for establishment of hospitals in Aurora;
- Provision of P3 million for the construction and improvement of the National Center for Mental Health; and
- Increase of P10 million for the capital outlay of the Bureau of Food and Drugs.

10. **Department of the Interior and Local Government**  
**Philippine National Police**

- Increase of P2 million for supply of two units of patrol cars, for PNP Legaspi Region V Intelligence Group;
- Increase of P3 million for supply of service vehicle and communication *AB*

**SUSPENSION OF SESSION**

Upon motion of Senator Enrile, the session was suspended.

*It was 5:44 p.m.*

**RESUMPTION OF SESSION**

At 5:44 p.m., the session was resumed.

4. **Department of Agriculture**  
*(Office of the Secretary)*

- Increase of P3 million for the BPI Barangay Nurseries/Seedling Propagation
- Increase of P25 million for programs to increase agricultural and livestock production in various military camps nationwide; and
- Increase of P2 million for Abaca Livelihood Training Center under the Fiber Industry Development Authority

5. **State Universities and Colleges**

- Increase of P50 million for the construction of the National Center for Good Governance at NCPAG;
- Reduction of P5 million from the Don Mariano Marcos Memorial State University and the realignment of the same to Mariano Marcos State University;

*ms*

equipment for PNP Region V Intelligence Group; and

**National Police Commission**

- Increase of P40 million for Legal Assistance to uniformed personnel

**11. Department of Justice**

*(Office of the Secretary)*

- Increase of P163,000 for the Board of Pardons and Parole
- Increase of P1 million for the burial assistance for inmates in the Bureau of Corrections;
- Increase of P10,734,000 for the Parole and Probation Administration (improvement of four offices);
- Increase of P10,213,000 for the Public Attorney's Office; and
- Increase of P390,000 for the Commission on Settlement of Land Problems.

**12. Department of Labor and Employment**

*(Office of the Secretary)*

- Increase of P50 million for the capital outlay of the Reintegration Program: National Reintegration Center for OFWs-CO
- Increase of P20 million for the BPO/ICT training of medical transcriptionists, animators and software developers under the Technical Education and Skills Development Authority (TESDA).
- Increase of P15 million for TESDA for the training program for out-of-school youth

**SUSPENSION OF SESSION**

Upon motion of Senator Enrile, the session was suspended.

*It was 5:55 p.m.*

**RESUMPTION OF SESSION**

At 5:55 p.m., the session was resumed.

**13. Department of Public Works and Highways**

- Decrease of allocation from P90,727,591,000 to P90,716,346,000 for various infrastructure projects

**14. Department of Science and Technology**  
*(Office of the Secretary)*

- Increase of P6 million for the Incentives Research and Development and Faculty Development of S&T; and
- Increase of P10 million for the MOOE of the Philippine Science High School.

**15. Department of Tourism**

*(Office of the Secretary)*

- Increase of P3 million for the Improvement/Development of Tourist Destinations in the Province of Aurora;
- Increase of P3 million for the Eastern Visayas Tourism Center;
- Increase of P8 million for the Cultural Village, Region II; and
- Increase of P1 million for the International Music Festival (NCR).

**16. Department of Trade and Industry**

*(Office of the Secretary)*

- Realignment of P20 million for the Composite Team.

**17. Department of Transportation and Communications**

*(Office of the Secretary)*

- Increase of P18 million for the Naga Airport V;
- Increase of P100 million for the construction of a runway and warehouses/buildings in M'lang Airport;
- Increase of P5 million for the construction of Masinloc Municipal Port (Zambales);
- Increase of P50 million for the San Vicente Airport in San Vicente, Palawan;
- Decrease of P50 million from FAPs-Selected Airports Development Project; and
- Realignment of the same to CAR-Regional Office-DOTC Executive MIS.

**18. Other Executive Offices**

**NCCA-Proper and National Library**

- Decrease P3 million from NCCA Proper and realignment of the same to Expanding National Library to Include Ephemeral Arts or a Component Library for the Performing Arts. *AS*

*ps*

**National Historical Institute**

- Increase of P15 million for the restoration/development of Ermita Hills including the tunnel and church ruins.

**19. Philippine Sports Commission**

- Increase of P2 million for the development of soccer/football

**20. Judiciary**

- Increase of P250 million for additional operating requirements for the Supreme Court and the Lower Courts;
- Increase of P50 million for the *Sandiganbayan*; and
- Increase of P5 million for the Court of Appeals.

**SUSPENSION OF SESSION**

Upon motion of Senator Enrile, the session was suspended.

*It was 6:03 p.m.*

**RESUMPTION OF SESSION**

At 6:03 p.m., the session was resumed.

**21. BSGC/NEDA/PIDS**

- Increase of P10 million for Independent Assessment of CARP under the Philippine Institute for Development Studies.

**22. Agriculture and Fisheries Modernization Program****Department of Agriculture  
(Office of the Secretary)**

- Decrease of P36,244 million from the Infrastructure for Rural Productivity Enhancement Project, P20 million from the Mindanao Development Program, and P20 million from the Strengthening the Livestock Biotechnology Center;
- Increase of P5,637 million for the Cordillera Highland Agricultural Resources Management Project - Phase II;
- Increase of P70,607 million for the upgrading and rehabilitation of the Navotas Fish Port Complex;

- Increase of P48,945 million for the provision of refrigeration facilities to municipal fishery cooperatives and associations; and
- Increase of P13 million for farm-to-market roads.

**23. Bureau of Fisheries  
and Aquatic Resources**

- Decrease of P48,945 million; and
- Increase of P1 million for the acquisition of a patrol boat.

**SUSPENSION OF SESSION**

Upon motion of Senator Enrile, the session was suspended.

*It was 6:07 p.m.*

**RESUMPTION OF SESSION**

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

**24. Priority Development Assistance Fund**

- Decrease of P200 million from the funding of Senator Lacson.
- Decrease of P60 million from the funding of Senator Trillanes.

**SUSPENSION OF SESSION**

Upon motion of Senator Enrile, the session was suspended.

*It was 6:08 p.m.*

**RESUMPTION OF SESSION**

At 6:12 p.m., the session was resumed.

25. On page 443, between lines 28 and 29, insert a new special provision to read:

11. THE AMOUNT HEREIN APPROPRIATED UNDER III.a.5, FOR THE PURCHASE OF MEDICINE SHALL BE EQUITABLY DISTRIBUTED AMONG REGIONS, TAKING INTO CONSIDERATION THE POPULATION AND PRESENCE OF GOVERNMENT HOSPITALS IN EACH REGION.;

26. On page 729, lines 19 to 21, delete the sentence "The requirements of the authority *AB*"

*ms*

in the amount of Two Hundred Ninety Six Million Seven Hundred One thousand Pesos (P296,701,000) as appropriated herein shall be charged against the Trust Fund to be constituted from fees collected pursuant to R.A. 2925, subject to the guidelines to be issued by the DBM and the Authority.”, and in lieu thereof, insert the sentence:

IN ADDITION TO THE AMOUNT APPROPRIATED HEREIN, THE MARITIME INDUSTRY AUTHORITY SHALL BE AUTHORIZED TO ESTABLISH AND MANAGE A TRUST FUND FROM NEW FEES AND CHARGES COLLECTED PURSUANT TO SECTION 17, CHAPTER VII OF REPUBLIC ACT NO. 9295 OTHERWISE KNOWN AS THE DOMESTIC SHIPPING DEVELOPMENT ACT OF 2004.

27. At the instance of Senator Honasan, on page 738, between lines 22 and 23, insert a new provision to read as follows:

2. SUBMISSION OF QUARTERLY REPORT. IN THE EVALUATION OF PROJECT PROPOSALS FROM THE PRIVATE SECTOR FOR BUILD-OPERATE TRANSFER (BOT) PROJECTS AND OFFICIAL DEVELOPMENT ASSISTANCE (ODA) LOAN-FUNDED PROJECTS, THE NEDA SHALL CONSIDER THE TECHNICAL, FINANCIAL, ECONOMIC AND SOCIAL VIABILITY OF THE PROJECT. A QUARTERLY PROGRESS REPORT ON PROJECTS UNDER EVALUATION SHALL BE SUBMITTED BY THE NEDA TO THE COMMITTEE ON ECONOMIC AFFAIRS AND COMMITTEE ON FOREIGN RELATIONS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES.;

28. At the instance of Senator Pimentel, on page 815, insert an additional provision to read:

THE COMMISSION ON AUDIT SHALL CONDUCT A QUARTERLY AUDIT OF ALL DISBURSEMENTS OF THE AUTONOMOUS REGION IN MUSLIM MINDANAO. A COPY OF THE AUDIT REPORT SHALL BE SUBMITTED TO THE SENATE AND THE HOUSE OF REPRESENTATIVES THIRTY DAYS AFTER THE END OF EACH QUARTER.

29. On page 886, delete lines 18 to 20; and between lines 18 and 19, insert the following new provision to read as follows:

1. IRRIGATION PROJECTS. THE AMOUNTS APPROPRIATED FOR IRRIGA-

TION PROJECTS SHALL BE SUB-ALLOTTED BY THE DA TO THE NATIONAL IRRIGATION ADMINISTRATION (NIA): *PROVIDED*, THAT IN THE IMPLEMENTATION OF THE FOLLOWING PROJECTS:

- a.) CONSTRUCTION/ REHABILITATION OF NEW/EXISTING NATIONAL IRRIGATION SYSTEMS;
- b.) SMALL RESERVOIR IRRIGATION PROJECTS;
- c.) *BALIKATAN SAGIP PATUBIG* PROGRAM; AND
- d.) RESTORATION/REHABILITATION OF EXISTING IRRIGATION SYSTEMS.

THE NIA SHALL CONSULT WITH DA - OFFICE OF THE SECRETARY AND SHALL SUBMIT A STATUS REPORT ON THE IMPLEMENTATION OF THE PROJECTS: *PROVIDED, FURTHER*, THAT THE CORRESPONDING NOTICE OF CASH ALLOCATION SHALL BE DIRECTLY RELEASED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) TO THE NIA.;

30. On page 886, delete lines 21 to 24; and between lines 21 and 22 insert a new special provision to read as follows:

2. IMPLEMENTATION OF FARM-TO-MARKET ROAD PROJECTS. THE APPROPRIATIONS PROVIDED FOR THE CONSTRUCTION OF FARM-TO-MARKET ROADS UNDER B.1.b. SHALL BE RELEASED TO THE DA-OFFICE OF THE SECRETARY: *PROVIDED, THAT THE DA, IN COORDINATION WITH THE LOCAL GOVERNMENT UNITS (LGUS), THE RESIDENT-FARMERS AND FISHERFOLKS SHALL IDENTIFY THE RESPECTIVE LOCATIONS OR SITES WHERE THE APPROPRIATE PROJECTS SHALL BE CONSTRUCTED: PROVIDED, FURTHER*, THAT THE LGUS SHALL PROVIDE THE COUNTERPART OF NOT LESS THAN TEN PERCENT (10%) OF THE PROJECT COST.

## SUSPENSION OF SESSION

Upon motion of Senator Enrile, the session was suspended.

It was 6:21 p.m. *AS*

*96*

**RESUMPTION OF SESSION**

At 6:21 p.m., the session was resumed.

31. At the instance of Senator Escudero, insert the following special provision under the Unprogrammed Fund:

THE AMOUNT OF THREE HUNDRED SIXTEEN MILLION FOUR HUNDRED EIGHT THOUSAND PESOS (P316,408,000) AND TWO BILLION FIVE HUNDRED NINETY MILLION SIX HUNDRED EIGHTY SEVEN THOUSAND PESOS (P2,590,687,000), REPRESENTING THE DIFFERENCE BETWEEN THE BUDGET PROPOSAL SUBMITTED TO THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE APPROVED BUDGET IN THIS ACT FOR THE BUREAU OF CUSTOMS AND THE BUREAU OF INTERNAL REVENUE, RESPECTIVELY, SHALL BE RELEASED TO THE SAID AGENCIES CHARGEABLE AGAINST PURPOSE 4 – GENERAL FUND ADJUSTMENT: PROVIDED, THAT THEIR TAX REVENUE COLLECTION EXCEED THEIR TARGETS AS REFLECTED UNDER THE BUDGET OF EXPENDITURE AND SOURCES OF FINANCING SUBMITTED TO CONGRESS PURSUANT TO SECTION 22, ARTICLE VII OF THE CONSTITUTION. THE AMOUNT SHALL BE INCLUSIVE OF THE ADDITIONAL ALLOCATION THAT MAY BE RELEASED PURSUANT TO SECTION 4 OF RA 9335, THE ATTRITION ACT OF 2005.

32. On page 936, lines 25 to 47, restore the special provision on the Debt Service Fund under the Special Purpose Fund.; and
33. On page 898, line 42, after the word "of," insert the phrase 5<sup>th</sup> AND 6<sup>th</sup> CLASS; and on line 46, change the period (.) to a colon (: ) and add the following:

*PROVIDED, FURTHER, THAT THE PROJECTS ELIGIBLE FOR KILOS ASENSO FUNDING SHOULD HAVE ALREADY BEEN IDENTIFIED AND INCLUDED IN THE DEVELOPMENT PLANS AND THE ANNUAL INVESTMENT PROGRAMS OF THE MUNICIPALITIES CONCERNED. PROVIDED, FURTHERMORE, THAT THE OVERSIGHT COMMITTEE ON LOCAL GOVERNMENT CREATED UNDER R.A. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991 SHALL MONITOR THE IMPLEMENTATION OF THE KILOS ASENSO SUPPORT FUND.*

**TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS**

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

**REQUEST OF SENATOR LACSON**

Senator Lacson requested that the Members be given sufficient time to study the approved committee amendments before introducing their proposed amendments the following day.

**SUSPENSION OF SESSION**

Upon motion of Senator Pangilinan, the session was suspended.

*It was 6:28 p.m.*

**RESUMPTION OF SESSION**

At 6:28 p.m., the session was resumed.

**SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 2454**

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

**SUSPENSION OF SESSION**

Upon motion of Senator Pangilinan, the session was suspended.

*It was 6:29 p.m.*

**RESUMPTION OF SESSION**

At 6:29 p.m., the session was resumed.

**SENATE CONFEREES**

Upon nomination by Senator Pangilinan, there being no objection, the Senate President designated the following as the members of the Senate panel in the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 2263 (affordable medicines bill) and its counterpart House Bill: Senator Roxas as chairperson on the part of the Minority, and

*AK*



Senators Cayetano (P) and Enrile on the part of the Majority.

#### ADDITIONAL REFERENCE OF BUSINESS

The Deputy Secretary for Legislation, Edwin B. Bellen, read the following matters and the Chair made the corresponding referrals:

#### RESOLUTIONS

Proposed Senate Resolution No. 239, entitled

RESOLUTION COMMENDING SEN. PILAR JULIANA "COMPAÑERA" PIA S. CAYETANO FOR HER UNWAVERING DEDICATION AND COMMITMENT TO HER ATHLETIC ENDEAVOURS AND TO CONGRATULATE THE SENATOR FOR HER EXEMPLARY PERFORMANCE IN THE GRUELING 2007 AVIVA IRONMAN 70.3 IN SINGAPORE AND THE 2007 IRONMAN WESTERN AUSTRALIA COMPETITIONS

Introduced by Senator M. A. Madrigal

**To the Committee on Rules**

Proposed Senate Resolution No. 240, entitled

RESOLUTION DIRECTING THE BLUE RIBBON COMMITTEE AND THE COMMITTEES ON JUSTICE AND HUMAN RIGHTS; AND ON NATIONAL DEFENSE AND SECURITY, TO INVESTIGATE, IN AID OF LEGISLATION, THE ROLE AND RESPONSIBILITY OF THE A.F.P. AND THE INTER-AGENCY LEGAL ACTION

GROUP (IALAG), HEADED BY THE NATIONAL SECURITY ADVISER, IN THE PATTERN OF SUMMARY KILLINGS AND ENFORCED DISAPPEARANCES OF ACTIVISTS AS CITED BY THE ADVANCED FINAL REPORT OF THE U.N. SPECIAL RAPPORTEUR ON EXTRAJUDICIAL KILLINGS AND TO MAKE THE NECESSARY RECOMMENDATIONS IN RELATION TO THE OWN RECOMMENDATIONS OF THE SAID U.N. REPORT

Introduced by Senator M. A. Madrigal


**To the Committees on Justice and Human Rights; and Public Order and Illegal Drugs**

#### ADJOURNMENT OF SESSION

Upon motion of Senator Pangilnan, there being no objection, the Chair declared the session adjourned until three o' clock in the afternoon of the following day.

*It was 6:32 p.m.*

I hereby certify to the correctness of the foregoing.

  
EMMA LIRIO-REYES  
Secretary of the Senate

Approved on December 12, 2007