



REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 43

Wednesday, December 12, 2007

**FOURTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 43
Wednesday, December 12, 2007

CALL TO ORDER

At 3:20 p.m., the Senate President Pro Tempore, Hon. Jinggoy Ejercito Estrada, called the session to order.

PRAYER

Senate President Manny Villar led the prayer, to wit:

Ama naming makapangyarihan sa lahat, taos-puso kaming nagpapasalamat sa mga biyayang ipinagkakaloob Mo sa amin.

Iinataas namin ang sambayanang Pilipino at ang Senado ng Pilipinas sa Iyong kabanalan at kadakilaan.

Patnubayan Mo Po, Mahal na Ama, ang landas na aming tinatahak upang matupad namin ang mga ipinag-uutos Mo.

Bigyan Mo Po kami ng sapat na lakas na mabago ang mga bagay na nararapat baguhin. Igawad Mo Po sa amin ang katiwasayan na matanggap ang mga hindi namin kayang baguhin at turuan Mo kaming makaunawa na ang tunay na kapayapaan ay makakamtan lamang kung kami ay handang magpakasakit upang harapin ang alinmang balakid.

Pagtibayin Mo Po ang diwa na nagbuklod sa amin bilang isang bansa. Linisin Mo Po ang aming mga damdamin upang ang tunay na mangibabaw ay ang kapakanan at kabutihan ng buong sambayanan.

Amen.

At this juncture, Senate President Pro Tempore Ejercito Estrada relinquished the Chair to Senate President Villar.

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.	Lacson, P. M.
Arroyo, J. P.	Lapid, M. L. M.
Biazon, R. G.	Legarda, L.
Defensor Santiago, M.	Pangilinan, F. N.
Ejercito Estrada, J.	Revilla Jr., R. B.
Escudero, F. J. G.	Villar, M.
Gordon, R. J.	Zubiri, J. M. F.
Honasan, G. B.	

With 15 senators present, the Chair declared the presence of a quorum.

Senators Angara, Cayetano (P), Enrile and Madrigal arrived after the roll call.

Senators Cayetano (A), Pimentel and Roxas were on official mission.

Senator Trillanes was unable to attend the session.

**MANIFESTATION
OF SENATOR PANGILINAN**

Senator Pangilinan requested the Members to greet Senate President Villar who would be celebrating his birthday tomorrow.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 3:23 p.m.

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RESUMPTION OF SESSION

At 3:24 p.m., the session was resumed.

**PARLIAMENTARY INQUIRY
OF SENATOR ARROYO**

Senator Arroyo noted that two important committee hearings were scheduled for the next day, one by the Joint Congressional Power Commission (JCPC) at 10:00 a.m. and the other, jointly by the Committees on Justice and Human Rights, and Public Order and Illegal Drugs also at 10:00 a.m.

He stated that the JCPC hearing, chaired by Senator Defensor Santiago, would take up the sale of the P57 billion assets of the PNOC-EDC and the P100 billion assets of Transco; while the second hearing would take up the Manila Peninsula Hotel incident. He then asked that the schedule be corrected because the senators would like to attend both hearings which are equally important.

SUSPENSION OF SESSION

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

It was 3:25 p.m.

RESUMPTION OF SESSION

At 3:30 p.m., the session was resumed.

**REMARKS
OF SENATOR PANGILINAN**

In response to the query, Senator Pangilinan stated that the conflict of schedule would be settled at a later hour, hoping that a compromise would be agreed upon, but, in the meantime, he suggested that the Body proceed with the business of the day.

**PARLIAMENTARY INQUIRY
OF SENATOR LACSON**

Senator Lacson inquired if Malacañang could reject a request by a senator for the release of funds for projects that are chargeable to his own Priority Development Assistance Fund (PDAF) which is provided for in the General Appropriations Act (GAA). He then asked what happens to the unreleased PDAF of a senator.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 3:32 p.m.

RESUMPTION OF SESSION

At 3:33 p.m., the session was resumed.

**REMARKS OF
SENATOR DEFENSOR SANTIAGO**

Senator Defensor Santiago explained that in U.S. law, as interpreted by the U.S. Supreme Court, the power not to release public funds is called the power of impoundment. She said that under the U.S. Constitution, the Legislature has the power to appropriate but the Executive has the power to disburse and if the Supreme Court orders the Executive branch to release or disburse certain public funds at a certain time, it is viewed as an incursion into the powers of a separate and coequal branch of government, a potential violation of the principle of separation of powers. Therefore, she said, in the language of the U.S. Supreme Court, the President does not refuse the release of public funds but merely delays it.

Senator Lacson bared that for two-and-a-half years, there were no releases from the PDAF of Senator Madrigal.

MANIFESTATIONS

Senator Gordon stated that releases were made in 2004 from his PDAF but nothing after, but, certainly, he added, every senator wants to generate resources for important projects.

Senator Biazon manifested that he is part of the list of senators whose PDAFs have not been released in the last three years.

Senator Pangilinan and Senate President Villar disclosed that there have been no releases from their PDAFs either.

Senate President Villar offered to raise the matter with the Secretary of the Department of Budget and Management, and the result thereof would be reported in a caucus.

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Senator Enrile, chair of the Committee on Finance, affirmed that the Legislature has the power of the purse but the power to release belongs to another branch of government. He added that if at all, a vested right is violated, the only remedy is access to the court.

DEFERMENT OF THE APPROVAL OF THE JOURNAL

Upon motion of Senator Pangilman, there being no objection, the Body deferred the consideration and approval of the Journal of Session No. 42 (December 11, 2007) to a later hour.

REFERENCE OF BUSINESS

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

BILLS ON FIRST READING

Senate Bill No. 1955, entitled

AN ACT INCREASING THE SALARY GRADE OF PUBLIC SCHOOL TEACHERS FROM SALARY GRADE 10 TO 20 AND PROVIDING FUNDS THEREFOR

Introduced by Senator Ramon "Bong" Revilla Jr.

To the Committees on Education, Arts and Culture; Civil Service and Government Reorganization; and Finance

Senate Bill No. 1956, entitled

AN ACT INCREASING THE COMBAT DUTY PAY OF ALL OFFICERS AND ENLISTED PERSONNEL OF THE ARMED FORCES OF THE PHILIPPINES (AFP) FROM TWO HUNDRED FORTY PESOS (P240.00) PER MONTH TO TWENTY-FIVE PER CENTUM (25%) OF THEIR BASE PAY AND PROVIDING FUNDS THEREFOR

Introduced by Senator Ramon "Bong" Revilla Jr.

To the Committees on National Defense and Security; and Finance

RESOLUTION

Proposed Senate Resolution No. 244, entitled

RESOLUTION DIRECTING THE COMMITTEE ON TRADE AND COMMERCE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STABILIZATION OF PRICES OF COMMODITIES IN RELATION TO HIGHER CONSUMER SPENDING DURING THE CHRISTMAS SEASON, THE PHILIPPINE PESO APPRECIATION VIS-À-VIS THE US DOLLAR, AND HIGHER OIL PRICES WITH THE END IN VIEW OF ENSURING CONSUMER PROTECTION AND INSTALLING SAFETY NETS IN THE MARKETING OF COMMODITIES

Introduced by Senator MAR Roxas

To the Committees on Trade and Commerce; and Energy

ADDITIONAL REFERENCE OF BUSINESS

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Letter from the Secretary General of the House of Representatives, informing the Senate that on 11 December 2007, the House of Representatives elected Representatives Lagman, Villarosa, Defensor Sr., Gonzales II, Cua, Almario, Duavit, Jaafar, Biazon, Reyes, Garin, Yap, Bagatsing, Villafuerte and Angara, on the part of the Majority; and Representatives Zamora, Golez, Antonino-Custodio, Escudero III and Ocampo, on the part of the Minority, as its conferees to the Bicameral Conference Committee on the disagreeing votes on House Bill No. 2454, entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO ~~11~~

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THOUSAND EIGHT, AND FOR
OTHER PURPOSES

To the Committee on Rules

RESOLUTIONS

Proposed Senate Resolution No. 245, entitled

RESOLUTION DIRECTING THE SENATE
COMMITTEES ON HEALTH AND
DEMOGRAPHY; AND ENVIRONMENT
AND NATURAL RESOURCES TO
INQUIRE, IN AID OF LEGISLATION,
ON THE SAFETY OF USING
BOTTLED WATER

Introduced by Senator Compañera Pia S.
Cayetano

To the Committees on Health and Demo-
graphy; and Trade and Commerce

Proposed Senate Resolution No. 246, entitled

RESOLUTION DIRECTING THE SENATE
COMMITTEES ON HEALTH AND
DEMOGRAPHY; AND ENVIRONMENT
AND NATURAL RESOURCES TO
INQUIRE, IN AID OF LEGISLATION,
ON EXISTING BUY BACK POLICIES
AND OTHER DISPOSAL PRACTICES
OF USED CELL PHONE UNITS AND
THEIR BATTERIES

Introduced by Senator Compañera Pia S.
Cayetano

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

**COMMITTEE REPORT NO. 5
ON SENATE BILL NO. 1648**
(Continuation)

Upon motion of Senator Pangilinan, there being
no objection, the Body resumed consideration, on
Second Reading, of Senate Bill No. 1648 (Committee
Report No. 5), entitled

AN ACT EXTENDING THE UTILIZATION
PERIOD OF THE AGRICULTURAL
COMPETITIVENESS ENHANCE-

MENT FUND, AMENDING FOR THIS
PURPOSE SECTION 8 OF REPUBLIC
ACT NO. 8178 ENTITLED "AN ACT
REPLACING QUANTITATIVE IMPORT
RESTRICTIONS ON AGRICULTURAL
PRODUCTS, EXCEPT RICE, WITH
TARIFFS, CREATING THE AGRI-
CULTURAL COMPETITIVENESS
ENHANCEMENT FUND" AND FOR
OTHER PURPOSES.

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

Thereupon, the Chair recognized Senator Angara,
Sponsor of the measure, and Senator Madrigal for
her interpellation.

**INTERPELLATION
OF SENATOR MADRIGAL**

Asked by Senator Madrigal to clarify the relation-
ship between the Tariffication Act of 1997 and the
Agricultural Credit Enhancement Fund (ACEF) Law,
Senator Angara recalled that when the Philippine
government adopted and ratified the General Agree-
ment on Tariffs and Trade-World Trade Organization
(GATT-WTO), one of the measures required of the
Philippines was to lift the quantitative restrictions on
commodities or products like onions, garlic, certain
vegetables, chicken and hogs. Since lifting the
quantitative restrictions would prejudice the affected
domestic industries, he said, the government imposed
instead a special tariff, the Minimum Access Volume
(MAV), that shall go to a special fund called
"competitiveness fund" to assist agriculture in general
and the concerned commodities in particular to
compete in the newly opened world market.

Regarding the Tariffication Act, Senator Angara
explained that if foreign goods are dumped in
the Philippines below their production cost, the
affected industry, to protect itself, can go to the
Tariff Commission and ask that the tariff for the
commodities be increased. Further, he recalled that
upon the country's accession to the GATT-WTO,
the government set aside P34 billion to soften the
blow of opening the domestic market to world
competition.

Asked whether rice was the only commodity not
subjected to lower tariffs, Senator Angara replied in
the affirmative, saying that in the case of sugar, the

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government was able to maintain a very high tariff of 65%. He recounted that in the year 2000, the government allowed sugar importations to respond to a big domestic shortage but since the importation exceeded the MAV, the excess was subjected to tariff, the proceeds from which went to the competitiveness fund. He disclosed that from the importations, the government collected about P1.2 billion, of which P650 million was given back to the sugar industry to enable it to mechanize and to conduct tissue culture to come up with better yields.

Asked how much of the MAV goes to the ACEF, Senator Angara explained that the entire proceeds from the MAV go to the ACEF but if the importation exceeds the MAV, the proceeds go to the General Fund. He clarified that Special Account 183 was created only in 1999, so that from 1996 to 1999, the collection went to the General Fund. He also affirmed that by 2005, about P6.6 billion was credited to the ACEF.

Senator Madrigal asked for the breakdown of the P2.5 billion that supposedly went to the Department of Agriculture (DA).

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 3:50 p.m.

RESUMPTION OF SESSION

It was 3:51 p.m., the session was resumed.

Upon resumption, Senator Angara stated that in terms of sectors, through the Department of Agriculture, which did the processing, the distribution of the P2.5 billion was as follows: crops, .72%; dairy, .35%; fisheries, 9%; fruits, 2.25%; fruits and vegetables combined, 4.45%; greens, 20%; livestock, 16%; multiple crops, 37%; other high-value crops, 10%; and P1 billion was lent out by Quedancor, the lending arm of the DA. He said that the undisbursed portion is with the Treasury deposited in Special Account 183.

Asked how much of P2.5 billion that was disbursed through the DA went to large borrowers, Senator Angara replied that the recipients were mostly cooperatives, small enterprises and single

proprietorship with the biggest entity having not more than P100 million in assets.

On whether the DA has already published the implementing rules and regulations (IRRs) with regard to the money that may go to the coco fund, Senator Angara stated that no money went to the coco fund. He stated that Administrative Order No. 8, series of 2006, incorporated all the standing rules on availment, eligibility, disposition and disbursement of the Fund.

On the procedures followed by the DA and the Quedancor in evaluating the borrowers or recipients of the ACEF, Senator Angara replied that the Fund is disbursed in three ways: 1) outright grant without collateral and interest; 2) loans with interest and repayment period that are disbursed through the Quedancor; and 3) a mix of grants and loans. However, he disclosed that lately, the loan portion has been reduced because Quedancor is experiencing some problems. He agreed to provide Senator Madrigal the payback history of all the borrowers and the loan schedules as well as the loan agreements.

On reports that congressmen are intervening in the loan process, Senator Angara stated that while some may have intervened, the processing procedure is decentralized, meaning, the loan application originates in the province, endorsed to the regional office, then to the national technical committee and finally to the executive committee within the DA.

Senator Madrigal also requested documents from Quedancor as she wanted to find out how many small farmers benefited from the ACEF.

SUSPENSION OF SESSION

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

It was 4:04 p.m.

RESUMPTION OF SESSION

At 4:05 p.m., the session was resumed.

Asked if the Quedancor made an economic feasibility study on ACEF, Senator Angara explained that the ACEF is not a loan program but a safety net for the farmers when the local market was opened to foreign competitors. It started as a grant, he said, intended to subsidize certain agricultural sectors and

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commodities. He stated that when a loan program was injected into the ACEF later on, Quedancor became the credit arm of the DA, because it is trained to study the creditworthiness, feasibility or profitability of an applicant.

Senator Angara pointed out that the Philippines is the only country that does not provide subsidy to its farmers, and the bill is actually a modest attempt to correct the financial imbalance considering that the GATT-WTO authorizes a member-country to grant 10% from its gross value added in agriculture. He disclosed that as of the third quarter of this year, the farmers could have been given about P30 billion in subsidies.

Senator Madrigal stated that she would suspend her interpellation on the bill until all the documents that she requested shall have been provided.

Senator Angara suggested that Senator Madrigal assign a staff to sit down with representatives from DA so that they could provide the documents. He reminded the Body that the ACEF would expire by the end of the year and failing to get it extended within the remaining four days of session would be detrimental to small farmers.

SUSPENSION OF SESSION

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

It was 4:14 p.m.

RESUMPTION OF SESSION

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

Senator Madrigal stated that since October, her staff has been requesting documents from the Congressional Oversight Committee on Agriculture and Fisheries Modernization (COCAFAM) but has not been given any. Senator Angara said that he had requested the executive director of the COCAFAM to coordinate with the Senator.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1648

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

PARLIAMENTARY INQUIRY OF SENATOR LEGARDA

Senator Legarda asked to be clarified if there is truth to news reports quoting the Senate President that the Optical Media Board (OMB) was given a zero budget, saying a review of the final copy of the budget indicated that no deletion or amendment was made on the OMB budget.

The Senate President replied that the issue has been resolved, as he affirmed that the P25 million budget of the OMB was retained.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:12 p.m.

RESUMPTION OF SESSION

At 4:19 p.m., the session was resumed.

APPROVAL OF THE JOURNAL OF SESSION NO. 42

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session No. 42 (December 11, 2007) and considered it approved, subject to the manifestation of Senator Aquino that his two amendments to the *Kilos Asenso* Fund and the realignment of funds to the Departments of Education, and Health, which are found on page 941, first column of the Journal, had been accepted by Senator Enrile and approved by the Body.

COMMITTEE MEMBERSHIP OF THE JOINT CONGRESSIONAL POWER COMMISSION

Senator Pangilinan reiterated the membership of Senators Enrile, Angara, Arroyo and Gordon, on the part of the Majority, to the Joint Congressional Power Commission.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:22 p.m.

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RESUMPTION OF SESSION

At 4:22 p.m., the session was resumed.

APPROVAL OF THE JOURNAL OF SESSION NO. 41

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session No. 41 (December 10, 2007) and considered it approved.

INSERTION OF DOCUMENTS INTO THE JOURNAL AND RECORD OF THE SENATE

At the instance of Senator Aquino, there being no objection, the Body approved the insertion of the following document containing the approved amendments to House Bill No. 2454, which were introduced by Senators Lacson and Aquino, into the Journal and Record of the Senate:

**COMMITTEE REPORT
ON HOUSE BILL NO. 2454
SPECIAL PROVISIONS**

**DEPARTMENT : SPECIAL PURPOSE FUND
AGENCY : KILOS ASENSO SUPPORT FUND**

Page 898

- On line 42, after word "of," insert the phrase: "5th AND 6th CLASS MUNICIPALITIES"
- On line 45, between the colon (:) and the word "Provided," insert the phrase:
"PROVIDED, THAT THE AMOUNT SHALL BE DISTRIBUTED PRO-RATA ACCORDING TO POPULATION OF THE 5TH AND 6TH CLASS MUNICIPALITIES."
- On line 45, between the word "Provided" and the comma (,) insert the word "FURTHER" and the comma (,).
- On line 46, after the period (.), insert the following phrase:

"A REPORT ON THE UTILIZATION OF THE FUND INCLUDING THE COUNTERPART FUND OF THE LGUS SHALL BE SUBMITTED TO THE DBM, COMMITTEE ON FINANCE OF THE SENATE AND COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES."

- Amended provision shall now read as follows:
 1. *Use of the Fund.* The amount appropriated herein shall be used as national

government counterpart to support the projects of 5th AND 6th CLASS MUNICIPALITIES under the *Kilos Asenso* Program such as: (i) construction of farm-to-market roads, small bridges and daycare centers; (ii) improvement of potable water supply; (iii) investment in agro-forestry projects; and (iv) other similar growth enhancing projects designed to uplift the socio-economic standing of LGUs: *PROVIDED, THAT THE AMOUNT SHALL BE DISTRIBUTED PRO-RATA ACCORDING TO POPULATION OF THE 5TH AND 6TH CLASS MUNICIPALITIES. PROVIDED, FURTHER, That fifty percent (50%) of the project cost shall be sourced from local funds as identified by the LGUs. A REPORT ON THE UTILIZATION OF THE FUND INCLUDING THE COUNTERPART FUND OF THE LGUS SHALL BE SUBMITTED TO THE DBM, COMMITTEE ON FINANCE OF THE SENATE AND COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES.*

- On lines 47 and 48, delete the Special Provision:
 - "2. Release and Administration of the Fund. Release and Administration of this fund shall be subject to the implementing rules and regulations to be issued by the DBM."
- And in lieu thereof, insert a new special provision to read as follows:
 3. *RELEASE OF THE FUND.* THE FUND SHALL BE AUTOMATICALLY RELEASED TO THE LGUS CONCERNED UPON APPROVAL OF THIS ACT.

Page 938

- Between lines 55 and 56, insert a new provision to read as follows:
 5. *SUPPORT TO PRIORITY SOCIAL PROGRAMS.* THE SAVINGS GENERATED IN EXCESS OF FIVE BILLION SEVEN HUNDRED MILLION PESOS (P5,700,000,000.00) FROM INTEREST ON FOREIGN LOANS DUE TO THE APPRECIATION OF THE PESO AGAINST THE DOLLAR FROM FORTY-EIGHT PESOS (P48.00) TO ONE U.S. DOLLAR (US\$1.00) PROJECTED FOREIGN EXCHANGE RATE IN THE BUDGET OF EXPENDITURES AND SOURCES OF FINANCING AS SUBMITTED TO CONGRESS

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PURSUANT TO SECTION 22 OF ARTICLE VII OF THE CONSTITUTION SHALL BE USED TO FUND PRIORITY REQUIREMENTS OF THE HEALTH AND EDUCATION SECTOR, CHARGEABLE AGAINST PURPOSE A.5, FOR THE FOLLOWING:

DEPARTMENT OF EDUCATION

1. SCHOOL HEALTH AND NUTRITION PROGRAM
2. ALTERNATIVE LEARNING PROGRAM
3. ADDITIONAL OPERATIONAL REQUIREMENTS OF THE NATIONAL DEVELOPMENT BOOK BOARD.

DEPARTMENT OF HEALTH

1. FAMILY HEALTH INCLUDING FAMILY PLANNING PROGRAM
2. DEWORMING FOR CHILDREN PROGRAM
3. ADDITIONAL OPEPRATING REQUIREMENTS FOR TROPICAL MEDICINE

- Renumber subsequent provision(s) accordingly.

SUMMARY OF INDIVIDUAL AMENDMENTS

As of Dec. 12, 2007

Increase Decrease

Senator Lacson

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|--|------------|--------------|
| 1. DOST – | | |
| Research Fund | 20,000,000 | |
| DPWH Repair/
Rehabilitation of
Government Facilities | | (20,000,000) |

Senator Aquino

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|--|-------------|---------------|
| 1. DepEd-OSEC | | |
| – Teachers’
training with
emphasis on
Mathematics
and Science | 250,000,000 | |
| 2. DOH-OSEC- | | |
| Anti-TB,
Vaccination
and SARS
Regional and
Tertiary
Hospitals | 250,000,000 | |
| Kilos Asenso Program | | (500,000,000) |

SECOND 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. 247, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT AND OTHER APPROPRIATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED EXCESSIVE COLLECTION OF OFW PROCESSING FEE BY THE PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION WITH THE END-IN-VIEW OF FORMULATING A MORE CARING, MEANINGFUL AND TRULY LABOR-FRIENDLY SOCIAL LEGISLATION FOR OVERSEAS FILIPINO WORKERS

Introduced by Senator Manny Villar

To the Committees on Labor, Employment and Human Resources Development; and Foreign Relations

Proposed Senate Resolution No. 248, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON FOREIGN RELATIONS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGATIONS OF BAD ATTITUDE, NEGLIGENCE AND INCOMPETENCE OF SOME PHILIPPINE EMBASSY AND CONSULAR PERSONNEL STATIONED IN VARIOUS COUNTRIES IN HANDLING CASES OF DISTRESSED OVERSEAS FILIPINO WORKERS, FOR THE PURPOSE OF ASSESSING AND REVIEWING EXISTING POLICIES AND RECOMMEND REMEDIAL MEASURES IN THIS REGARD

Introduced by Senator Manny Villar

To the Committees on Labor, Employment and Human Resources Development; and Foreign Relations

THIRD ADDITIONAL REFERENCE OF BUSINESS

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Letter from the Honorable Speaker Jose De Venecia Jr. of the House of Representatives, dated 11 December 2007, requesting the concurrence of the Senate to the amendment of the legislative calendar in order to reset the resumption of session after the recess on December 22, 2007, from January 21, 2008 to January 28, 2008.

To the Committee on Rules

BILL ON FIRST READING

Senate Bill No. 1957, entitled

AN ACT UPGRADING THE RETIREMENT AND DISABILITY BENEFITS OF MILITARY PERSONNEL AND FOR OTHER PURPOSES

Introduced by Senator Biazon

To the Committee on National Defense and Security

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:26 p.m.

RESUMPTION OF SESSION

At 4:26 p.m., the session was resumed.

HOUSE CONCURRENT RESOLUTION NO. 11

Upon motion of Senator Pangilinan, there being no objection, the Body considered House Concurrent Resolution No. 11, entitled

CONCURRENT RESOLUTION AMENDING THE LEGISLATIVE CALENDAR OF THE FIRST REGULAR SESSION OF THE FOURTEENTH CONGRESS OF THE PHILIPPINES.

With the permission of the Body, only the title of the resolution was read without prejudice to the insertion of its full text into the Record of the Senate.

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan informed the Body that House Concurrent Resolution No. 11 proposes an amendment to the legislative calendar to reset the resumption of the plenary session from January 21, 2008 to January 28, 2008, to allow the completion of the construction and other installation works at the Session Hall of the House of Representatives.

ADOPTION OF HOUSE CONCURRENT RESOLUTION NO. 11

Upon motion of Senator Pangilinan, there being no objection, House Concurrent Resolution No. 11 was adopted by the Body.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:28 p.m.

RESUMPTION OF SESSION

At 5:33 p.m., the session was resumed with Senate President Pro Tempore Ejercito Estrada presiding.

COMMITTEE REPORT NO. 5 ON SENATE BILL NO. 1648

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1648 (Committee Report No. 5, entitled

AN ACT EXTENDING THE UTILIZATION PERIOD OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THIS

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PURPOSE SECTION 8 OF 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.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

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

COMMITTEE AMENDMENTS

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

1. On page 1, line 10, after the words "CREDITED TO", insert the phrase SPECIAL ACCOUNT 183 OF THE GENERAL FUND;
2. Reword lines 13 to 15 on page 1 and lines 1 to 5 on page 2 to read:

THE FUND shall CONTINUE TO be set aside UP TO THE YEAR 2015, AFTER WHICH THE COLLECTION OF DUTIES AND THE SETTING ASIDE OF THE AMOUNT COLLECTED FOR THE PURPOSE SHALL TERMINATE. HOWEVER, ANY REMAINING BALANCE(S) AT THE DATE OF EXPIRATION OF THE FUND SHALL NOT REVERT TO THE GENERAL FUND BUT SHALL CONTINUE TO BE USED FOR THE PURPOSE FOR WHICH IT WAS COLLECTED AND SET ASIDE.;

(This reflects the amendment of Senator Roxas.)

3. On page 2, reword lines 5 to 11, to read:

THE FUND SHALL BE UTILIZED FOR irrigation, farm to market roads, post-harvest equipment and facilities, credit, research and development, other marketing infrastructure, provision of market information, retraining, extension services, and ACTIVITIES SUCH AS REDUCTION OF INPUT COST, QUALITY IMPROVEMENT AND SUPPLY CHAIN EFFICIENCY.;

(This reflects the ideas of Senators Roxas and Defensor Santiago.)

4. On the same page, reword lines 12 to 17, to read:

The CONGRESSIONAL OVERSIGHT COMMITTEE ON AGRICULTURAL AND FISHERIES MODERNIZATION (COCAF) shall conduct a periodic review of the use of the Fund.;

(This reflects the ideas of Senators Roxas and Defensor Santiago.)

5. On the same page, reword the provisions on line 20 after the words "reform its" up to line 24 to read:

IMPLEMENTING GUIDELINES INCLUDING THE approval procedures in order to speed up the processing and disbursement process, AND INCORPORATE THEREIN THE CLEAR OVERRIDING PURPOSE AND PRINCIPLE THAT THE FUNDS SHALL BE USED TO ENHANCE AGRICULTURAL COMPETITIVENESS. AND FOR THIS PURPOSE THE DEPARTMENT IN COORDINATION WITH THE PHILIPPINE INFORMATION AGENCY SHALL ENSURE THE WIDEST INFORMATION DISSEMINATION POSSIBLE IS IMPLEMENTED UNDER THIS ACT.

INQUIRY OF THE CHAIR

The Chair asked what version of the bill Senator Angara was using for purposes of the committee amendments.

SUSPENSION OF SESSION

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

It was 6:00 p.m.

RESUMPTION OF SESSION

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

WORKING DRAFT

Senator Angara stated that the Body would be using as working draft the December 11, 2007 version of the bill which reflects the amendments introduced by the Members. *45*

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COMMITTEE AMENDMENTS*(Continuation)*

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

1. On page 2, between lines 24 and 25, insert a new section 3, to read:

SECTION 3. THE FUND SHALL BE SET ASIDE AND EARMARK AS FOLLOWS: 1) SEVENTY-FIVE PERCENT (75%) FOR AGRI-BASED PRODUCTION AND POST-PRODUCTION, AND PROCESSING ACTIVITIES INCLUDING BUT NOT LIMITED TO NEW EXPORT INDUSTRIES AND AGRI-RELATED INFRASTRUCTURE AND EQUIPMENT TO ACHIEVE MODERN AGRICULTURAL PRACTICES; AND FOR PUBLIC INFORMATION AND PROMOTION ACTIVITIES INCLUDING THE ESTABLISHMENT OF A PRINCIPAL MECHANISM THEREFOR TO PROMOTE THE DESIRED AGRICULTURAL PRODUCTS AND ACTIVITIES AND CREATE NEW MARKET.

THE FOLLOWING AREAS ARE LIKEWISE ACCORDED PRIORITIES: ASSISTANCE TO INDIVIDUAL FILIPINO FARMERS AND FISHERFOLKS, COOPERATIVES AND MICRO-, SMALL-AND-MEDIUM SCALE ENTERPRISES AS DEFINED IN REPUBLIC ACT NO. 6977 ENGAGED IN THE AGRICULTURAL PRODUCTION FARMING, FISHERIES, AGRI-BUSINESS AND SIMILAR ACTIVITIES.

2. FIFTEEN PERCENT (15%) FOR RESEARCH DEVELOPMENT AND THE COMMERCIALIZATION OF SUCH, INCLUDING THE UPGRADING OF RESEARCH FACILITIES OF QUALIFIED STATE UNIVERSITIES AND COLLEGES;
 3. TEN PERCENT (10%) TO BE USED FOR THE FUNDING OF A COMPREHENSIVE SCHOLARSHIP PROGRAM FOR AGRICULTURE, FORESTRY, FISHERIES, AND VETERINARY MEDICINE EDUCATION.
2. Insert a new section 4 to read:

SECTION 4. *FUND MANAGEMENT AND SUSTAINABILITY.* — FOR THE PURPOSE OF FUND MANAGEMENT, THE FUND SHALL BE DEPOSITED TO THE LANDBANK OF THE PHILIPPINES (LBP) TO WHICH COLLECTIONS FROM REPAYMENTS FROM LOAN BENEFICIARIES

INCLUDING INTERESTS SHALL BE CREDITED. THE DEPARTMENT OF AGRICULTURE AND THE LBP ARE HEREBY MANDATED TO DRAW UP A PLAN THAT SHALL ALLOW REGIONAL APPLICATION, PROCESSING AND RELEASE OF THE FUND TO LOCAL FARMERS AND SUCH OTHER MECHANISMS FOR FUND UTILIZATION AND SUSTAINABILITY: *PROVIDED*, THAT INTEREST ON LOANS SHALL BE LOWER THAN THE PREVAILING INTEREST AT THE TIME OF GRANT, AND: *PROVIDED, FURTHER*, THAT THE INTEREST IMPOSED BY THE LBP SHALL NOT EXCEED THE INTEREST CHARGED BY QUEDANCOR FOR THE LOANS GRANTED TO FARMERS.;

3. Insert a new section 5 to read as follows:

SECTION 5. *SUPERVISORY COUNCIL.* — A SUPERVISORY COUNCIL COMPOSED OF THE SECRETARIES OF THE DEPARTMENT OF AGRICULTURE, DEPARTMENT OF SCIENCE AND TECHNOLOGY, OR THEIR REPRESENTATIVES WHO SHOULD HAVE THE RANK OF UNDERSECRETARY, CHAIRMAN OF THE COMMISSION ON HIGHER EDUCATION, A SENIOR VICE PRESIDENT OF THE LBP, OF THE SMALL BUSINESS CORPORATION AND THE CO-CHAIRS OF THE CONGRESSIONAL OVERSIGHT COMMITTEE ON AGRICULTURE AND FISHERIES MODERNIZATION (COCAF) SHALL OVERSEE THE IMPLEMENTATION OF THIS FUND AND COLLECT THE REPAYMENTS OF LOANS FROM ACEF BORROWERS AND DEPOSIT THE SAME WITH THE LBP. THE COMMISSION ON AUDIT SHALL IMMEDIATELY CONDUCT AN AUDIT OF THE ACEF FUND AND SUBMIT ITS REPORT TO THE SUPERVISORY COUNCIL. and

4. Renumber Sections 3, 4 and 5 to 6, 7 and 8.

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 and proceeded to the period of individual amendments.

AQUINO AMENDMENT

As proposed by Senator Aquino and accepted by the Sponsor, there being no objection, the Body approved, subject to style, the insertion of the following: *AK*

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SECTION 2. THE DEPARTMENT OF AGRICULTURE WITH THE CONCURRENCE OF THE CONGRESSIONAL OVERSIGHT COMMITTEE ON AGRICULTURE AND FISHERIES MODERNIZATION SHALL DRAW UP A PRIORITIZATION PLAN FOR THE OPTIMUM UTILIZATION OF THE FUND.

Senator Aquino explained that this amendment would ensure that there is focus on the activities currently funded by the ACEF and it would also prevent the diffusion of the effectivity of the resources earmarked for this activity.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

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

APPROVAL OF SENATE BILL NO. 1648 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 1648, was approved on Second Reading.

PRESIDENTIAL CERTIFICATION

Upon direction of the Chair, the Deputy Secretary for Legislation read the President's certification as to the necessity of the immediate enactment of Senate Bill No. 1648, to wit:

MALACAÑANG PALACE
Manila

November 8, 2007

HON. MANUEL B. VILLAR, JR.
Senate President
Philippine Senate
Pasay City

Dear Senate President Villar:

Pursuant to the provisions of Article VI, Section 26 (2) of the 1987 Constitution, I hereby certify to the necessity of the immediate enactment of Senate Bill No. 1648, under Committee Report No. 5, entitled

AN ACT EXTENDING THE UTILIZATION PERIOD OF THE AGRICULTURAL

COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THIS PURPOSE SECTION 8 OF REPUBLIC ACT NO. 8178, ENTITLED AN "AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND" AND FOR OTHER PURPOSES,"

to address the urgent need of strengthening the intent of R.A. 8178 by extending the utilization period of the Agricultural Competitiveness Enhancement Fund (ACEF) from the mandated nine years to the proposed fifteen years to help provide farmers, fishers folk and other agricultural workers access to other sources of funds for their enhancement activities

Best wishes.

Very truly yours,

(Sgd) GLORIA M. ARROYO

Cc: HON. JOSE C. DE VENEZIA
Speaker
House of Representatives
Quezon City

PROPOSAL OF SENATOR ANGARA

Senator Angara proposed that the members of the Senate panel in the bicameral conference committee on the disagreeing provisions of Senate Bill No. 1648 and House Bill No. 2976 be constituted in view of the scheduled hearing on December 19, 2007.

Senator Madrigal requested that the Minority be allowed to finalize their membership upon consultation with Senator Pimentel the following day.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 6:17 p.m.

RESUMPTION OF SESSION

At 6:21 p.m., the session was resumed with Senate President Villar presiding.

**APPROVAL OF SENATE BILL NO. 1648
ON THIRD READING**

In view of the presidential certification, upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading, Senate Bill No. 1648.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Pangilinan, there being no objection, the Deputy Secretary for Legislation read only the title of the bill, to wit:

AN ACT EXTENDING THE UTILIZATION PERIOD OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THIS PURPOSE SECTION 8 OF 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.

Deputy Secretary Bellen called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Gordon
Aquino	Honasan
Biazon	Madrigal
Cayetano (P)	Pangilinan
Ejercito Estrada	Villar
Enrile	Zubiri

Against

None

Abstention

None

With 12 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 1648 approved on Third Reading.

SENATE CONFEREES

Upon nomination by Senator Pangilinan, there being no objection, the Senate President designated the following as members of the Senate panel in the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 1648 and its counterpart House Bill No. 2976: Senators Angara, Enrile and Gordon, on the part of the Majority; and Senators Madrigal and Lacson, on the part of the Minority.

**MANIFESTATION
OF SENATOR PANGILINAN**

Senator Pangilinan stated that Senator Angara has requested that the members of the Senate panel make themselves available in the morning of December 19, 2007, for the bicameral conference committee hearing to be held in the Senate.

**LEGISLATIVE OVERSIGHT
COMMITTEE ON THE VISITING
FORCES AGREEMENT**

Acting on the request of Senator Defensor Santiago, upon nomination by Senator Pangilinan, there being no objection, Senators Gordon and Angara were elected members of the Legislative Oversight Committee on the Visiting Forces Agreement, representing the Majority.

**FOURTH ADDITIONAL
REFERENCE OF BUSINESS**

The Deputy Secretary for Legislation read the following matters and the Chair made the corresponding referrals:

BILLS ON FIRST READING

Senate Bill No. 1958, entitled:

AN ACT TO REGULATE THE DONATION AND TRANSPLANT OF HUMAN ORGANS AND TISSUES AND FOR OTHER PURPOSES

Introduced by Senator Loren Legarda

To the Committees on Health and Demography; and Finance *AK*

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RESOLUTIONS

Proposed Senate Resolution No. 249, entitled

RESOLUTION COMMENDING THE FOUR FILIPINO MEMBERS OF THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC) FOR BEING RECIPIENTS OF THE NOBEL PEACE PRIZE FOR 2007 FOR THEIR COMMITMENT AND CONTRIBUTION IN THE MOVEMENT TO BUILD UP CLIMATE CHANGE AWARENESS

Introduced by Senator Loren Legarda

To the Committee on Rules

Proposed Senate Resolution No. 250, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE REPORTED DETERIORATION OF THE IFUGAO RICE TERRACES, WITH THE END IN VIEW OF RECOMMENDING REMEDIAL MEASURES TO PRESERVE THE RICE TERRACES AND THE TRIBAL RICE FARMERS' HERITAGE

Introduced by Senator Loren Legarda

To the Committees on Agriculture and Food; and Environmental and Natural Resources

PROPOSED SENATE RESOLUTION NO. 249

Upon motion of Senator Pangilinan, there being no objection, the Body considered Proposed Senate Resolution No. 249, entitled

RESOLUTION COMMENDING THE FOUR FILIPINO MEMBERS OF THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC) FOR BEING RECIPIENTS OF THE NOBEL PEACE PRIZE FOR 2007 FOR THEIR COMMITMENT AND CONTRIBUTION IN THE MOVEMENT TO BUILD UP CLIMATE CHANGE AWARENESS.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 249

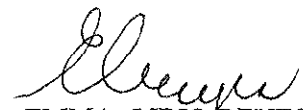
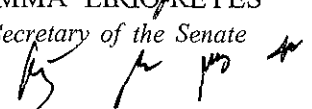
Upon motion of Senator Pangilinan, there being no objection, Proposed Senate Resolution No. 249 was adopted by the Body.

ADJOURNMENT OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, December 17, 2007.

It was 6:25 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO REYES
Secretary of the Senate


Approved on December 17, 2007