



REPUBLIC OF THE PHILIPPINES

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Journal

SESSION NO. 62

Wednesday, March 5, 2008

FOURTEENTH CONGRESS

FIRST REGULAR SESSION

SESSION NO. 62
Wednesday, March 5, 2008

CALL TO ORDER

At 3:38 p.m., the Senate President, Hon. Manny Villar called the session to order.

PRAYER

Sen. Francis N. Pangilinan led the prayer by reading the following passage from the Bible:

A poor who oppresses the lowly
Is like a driving rain which leaves no food.
Those who forsake the law praise the wicked,
But those who keep the law strive with them.
Evil men do not understand justice,
But those who seek the LORD
understand all things.
Better is the poor who walks in his integrity,
Than he who is crooked though he is rich.
He who keeps the law is a discerning son,
But he who is a companion of gluttons
humiliates his father.
He who increases his wealth
by interest and usury
Gathers it for him who is gracious
to the poor.
He who turns away his ear
from listening to the law,
Even his prayer is an abomination.
He who leads the upright astray an evil way
Will himself fall into his own pit,
But the blameless will inherit good.
The rich man is wise in his own eyes,
But the poor who has understanding sees
through him.
When the righteous triumph,
there is a great glory,
But when the wicked rise,
men hide themselves.
He who conceals his transgressions
will not prosper,
But he who confesses and forsakes
them will find compassion.

How blessed is the man who fears always,
But he who hardens his heart
will fall into calamity.

Proverbs 28:3-14

Amen.

ROLL CALL

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

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

With 18 senators present, the Chair declared the presence of a quorum.

Senator Roxas arrived after the roll.

Senators Arroyo and Cayetano (P) were on official mission.

Senator Defensor Santiago was absent for medical reasons.

Senator Trillanes was unable to attend the session.

APPROVAL OF THE JOURNAL

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading

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of the Journal of Session No. 61 and considered it approved.

REFERENCE OF BUSINESS

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

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Letter from the Secretary General of the House of Representatives, informing the Senate that on February 26, 2008, the House of Representatives requested a conference and designated Representatives Diaz, Solis, Roman and Coscolluela as its conferees to the Bicameral Conference Committee on the disagreeing provisions of House Bill No. 3323, entitled

AN ACT ALLOWING FILIPINO WORLD WAR II VETERANS TO CONTINUE RECEIVING PHILIPPINE GOVERNMENT PENSIONS AND BENEFITS NOTWITHSTANDING SIMILAR PENSIONS AND BENEFITS PROVIDED BY THE UNITED STATES GOVERNMENT, THEREBY AMENDING REPUBLIC ACT NO. 6948, AS AMENDED,

and Senate Bill No. 1659, entitled

AN ACT ALLOWING FILIPINO WORLD WAR II VETERANS TO CONTINUE RECEIVING PHILIPPINE GOVERNMENT PENSIONS AND BENEFITS EVEN WHEN SIMILAR PENSIONS AND BENEFITS ARE PROVIDED BY THE UNITED STATES GOVERNMENT, AMENDING SECTION 10 OF REPUBLIC ACT NO. 6948, AS AMENDED, FOR THIS PURPOSE

To the Committee on Rules

BILLS ON FIRST READING

Senate Bill No. 2099, entitled

AN ACT PROVIDING FOR THE PAYMENT OF SURVIVORSHIP

BENEFITS TO THE SURVIVING LEGITIMATE SPOUSE OF A DECEASED RETIRED MEMBER OF THE COMMISSION ON AUDIT, CIVIL SERVICE COMMISSION, COMMISSION ON ELECTIONS, AND THE OMBUDSMAN AND FOR OTHER PURPOSES

Introduced by Senator Lacson

To the Committees on Civil Service and Government Reorganization; and Finance

Senate Bill No. 2100, entitled

AN ACT PROVIDING FOR THE PAYMENT OF SURVIVORSHIP BENEFITS TO THE SURVIVING LEGITIMATE SPOUSE OF A DECEASED RETIRED MEMBER OF THE COMMISSION ON AUDIT, CIVIL SERVICE COMMISSION, COMMISSION ON ELECTIONS, AND THE OMBUDSMAN AND FOR OTHER PURPOSES

Introduced by Senators Francis "Chiz" G. Escudero and Gordon

To the Committees on Civil Service and Government Reorganization; and Finance

Senate Bill No. 2101, entitled

AN ACT PROVIDING FOR THE INCLUSION IN PHILIPPINE HISTORY BOOKS THE LIVES AND HEROISM OF FILIPINO COMFORT WOMEN DURING THE JAPANESE OCCUPATION AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Loren Legarda

To the Committees on Education, Arts and Culture; and Finance

Senate Bill No. 2102, entitled

AN ACT AMENDING ARTICLE 16 OF EXECUTIVE ORDER NO. 209 AS AMENDED BY EXECUTIVE ORDER ^{AS}

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NO. 227, OTHERWISE KNOWN AS THE FAMILY CODE OF THE PHILIPPINES, MAKING IT MANDATORY FOR COUPLES TO UNDERGO COUNSELING PRIOR TO THE ISSUANCE OF A MARRIAGE LICENSE

Introduced by Senator Miriam Defensor Santiago

To the Committees on Constitutional Amendments, Revision of Codes and Laws; and Youth, Women and Family Relations

Senate Bill No. 2103, entitled

AN ACT BROADENING THE SCOPE OF UNLAWFUL PRACTICES OF MATCHING FILIPINO WOMEN FOR MARRIAGE TO FOREIGN NATIONALS TO INCLUDE VARIOUS SCHEMES MADE AVAILABLE THROUGH THE INTERNET, AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 6955

Introduced by Senator Miriam Defensor Santiago

To the Committees on Youth, Women and Family Relations; and Public Information and Mass Media

Senate Bill No. 2104, entitled

AN ACT PROVIDING FOR THE MODERNIZATION OF THE SCHOOL HEALTH AND NUTRITION PROGRAM (SHNP) OF THE DEPARTMENT OF EDUCATION, CULTURE AND SPORTS AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR

Introduced by Senator Miriam Defensor Santiago

To the Committees on Education, Arts and Culture; Health and Demography; and Finance

Senate Bill No. 2105, entitled

AN ACT PROHIBITING THE APPOINTMENT OF ELECTIVE GOVERNMENT

OFFICIALS WITHIN ONE YEAR FROM RESIGNATION

Introduced by Senator Miriam Defensor Santiago

To the Committee on Civil Service and Government Reorganization

Senate Bill No. 2106, entitled

AN ACT INSTITUTIONALIZING THE OPEN HIGH SCHOOL SYSTEM IN THE PHILIPPINES AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Miriam Defensor Santiago

To the Committees on Education, Arts and Culture; and Finance

Senate Bill No. 2107, entitled

AN ACT DEFINING AND PENALIZING ENFORCED OR INVOLUNTARY DISAPPEARANCE

Introduced by Senator Miriam Defensor Santiago

To the Committees on Justice and Human Rights; Constitutional Amendments, Revision of Codes and Laws; and Finance

Senate Bill No. 2108, entitled

AN ACT PRESCRIBING DIFFERENT PENALTIES FOR POLITICAL AND PRIVATE LIBEL, AMENDING ARTICLES 354 AND 361 OF ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE REVISED PENAL CODE, FOR THIS PURPOSE

Introduced by Senator Gordon

To the Committees on Constitutional Amendments, Revision of Codes and Laws; and Public Information and Mass Media

RESOLUTIONS

Proposed Senate Resolution No. 314, entitled

RESOLUTION EXPRESSING THE SENSE OF THE SENATE THAT THE PHILIPPINE GOVERNMENT URGES THE GOVERNMENT OF JAPAN TO FORMALLY ACKNOWLEDGE, APOLOGIZE AND ACCEPT HISTORICAL RESPONSIBILITY IN A CLEAR AND UNEQUIVOCAL MANNER FOR THE SEXUAL ENSLAVEMENT OF YOUNG WOMEN KNOWN AS "COMFORT WOMEN" BY THE JAPANESE IMPERIAL ARMY DURING WORLD WAR II AND PROVIDE COMPENSATION TO THE VICTIMS THEREFOR

Introduced by Senator Loren Legarda

To the Committee on Rules

Proposed Senate Resolution No. 315, entitled

RESOLUTION DIRECTING THE COMMITTEE OF THE WHOLE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PROPRIETY OF THE AGREEMENTS ENTERED INTO BY THE ADMINISTRATION OF PRESIDENT GLORIA MACAPAGAL-ARROYO ALLOWING CHINA TO EXPLORE THE GAS AND OIL DEPOSITS IN SPRATLY ISLANDS, WHICH AGREEMENTS SEEM TO BE A PRECONDITION TO THE BILATERAL LOAN AGREEMENTS GRANTED BY CHINA TO THE PHILIPPINES TO FINANCE THE GOVERNMENT'S OVERPRICED AND ANOMALOUS PROJECTS SUCH AS THE ZTE/NBN AND NORTHRAIL PROJECTS

Introduced by Senator M.A. Madrigal

To the Committees on Accountability of Public Officers and Investigations; National Defense and Security; and Environment and Natural Resources

Proposed Senate Resolution No. 316, entitled

RESOLUTION STRONGLY CENSURING PHILIPPINE NATIONAL RAILWAYS GENERAL MANAGER JOSE MA. I. SARASOLA II FOR WITHHOLDING THE COPY OF THE MEMORANDUM OF AGREEMENT BETWEEN THE PHILIPPINE NATIONAL RAILWAYS (PNR) AND CHINA NATIONAL TECHNICAL IMPORT-EXPORT COOPERATION ON THE CONSTRUCTION OF THE SOUTHRAIL PROJECT AND INSTRUCTING THE SENATE TO COMPEL SUBMISSIONS OF SAID DOCUMENT IN THE INTEREST OF FERRETING OUT THE TRUTH ON CHARGES OF CORRUPTION SURROUNDING THE PROJECT

Introduced by Senator M.A. Madrigal

To the Committee on Rules

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1964 AND HOUSE BILL NO. 2845

Upon motion of Senator Pangilinan, there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 1964 and House Bill No. 2845, both entitled,

AN ACT TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL UNIVERSITY.

The Chair recognized Senator Pangilinan to sponsor the Report.

SPONSORSHIP SPEECH OF SENATOR PANGILINAN

Senator Pangilinan submitted for the consideration and approval of the Body the Conference Committee Report on Senate Bill No. 1964 and House Bill No. 2845, as he read the Joint Explanatory Statement of the bicameral conference committee, to wit:

The Conference Committee on the disagreeing provisions of Senate No. 1964 and House No. 2845, after having met and fully discussed

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the subject matter, hereby reports to their respective Houses the following, that:

1. The Senate version was adopted as the working draft;
2. The short title, being the same in both versions, was adopted to read: "The University of the Philippines Charter of 2008";
3. Section 2 (*Declaration of Policy*), the House version was adopted, but a statement was added declaring the University of the Philippines as the "national university";
4. On Section 3 (*Purpose of the University*), both versions are essentially the same and were thus combined, except for subparagraph (8) in the Senate version and (g) in the House version where a compromise agreement was reached to reflect the intent to institutionalize fora as a mechanism for democratic consultations with various sectors in the university;
5. Section 4 (*Definition of Terms*) of the House version was deleted, except for definition "b" which was integrated into Section 4 (*The University System*) of the Senate version;
6. The House version on the section on *academic freedom* (Section 5) was adopted; both versions have the same provision on *academic excellence* (Section 6), on *social responsibility* (Section 8), and on *institutional autonomy as the national university* (Section 11), thus these were also adopted in the final bill;
7. Section 7 (*Commitment to National Development*) and Section 10 (*Sports*) are present only in the Senate version; both provisions were adopted in the final bill;
8. Section 9 (*Democratic Access*), the Senate version was adopted;
9. Section 12 (*The Board of Regents*), the Senate version was largely adopted with some modified provisions, namely:
 - a) In the selection of a staff regent, the phrase "in accordance with the rules and qualifications set by their duly recognized organizations," was added;
 - b) In the selection of a faculty regent, the House version was adopted except for the deletion of the word "tenured" in the phrase "tenured faculty members";
 - c) The notice of special meeting to the Board of Regents, which should be given to members three (3) days before the date of meeting in the original Senate version, was changed to ten (10) days, and a requirement that the notice shall contain a brief description of the agenda items to be discussed was added; and
 - d) On the requirement that any member of the Board of Regents shall not appoint representatives to act on their behalf, a qualification was added that the *ex-officio* members of the Board coming from Congress may participate and vote through teleconferencing or equivalent verifiable means of communication.
10. Section 13 (*Powers and Duties of the Board of Regents*), both versions are basically similar, but in the differing provisions, the Senate version was largely adopted, but with a particular addition in subsection (j) which states that in case of vacancy in the Office of the President, the vacancy should be filled no longer than ninety (90) calendar days from the day the vacancy occurs, and a Chancellor chosen by the Board of Regents may act as Officer-in-Charge of the University while the search process is ongoing.
11. Both Senate and House versions have similar provisions on the sections on the *President of the University* (Section 14), the *Secretary of the University and of the Board of Regents* (Section 15), and the *Powers of the University Council* (Section 17), except for the deletion of subparagraph (f) in this particular section in the House version; otherwise, these sections were all adopted in the final bill;
12. Sections 17 (*The University Consultative Assemblies*) and 18 (*The Role and Functions of the Consultative Assemblies*) of the House version were deleted;
13. Sections 18 (*The Chancellor of the Constituent University*), 19 (*The Faculty*), and 20 (*Appointment Requisites and Practice of Profession*) of both Senate and House versions are basically the same, the Senate version was adopted;
14. Section 21 (*Student Affairs*), subparagraph (a) of the House version was adopted, except for the deletion of its last paragraph; and subparagraph (b) of the same Section 21 (*Student Affairs*) of the Senate was adopted;
15. On Section 22 (*Land Grants and Other Real Properties of the University*), the Senate

version was adopted, except for the following changes:

a) in subparagraph (c), the phrase “contracts, mechanisms, and financial instruments, such as joint ventures, long-term leases, fully-owned subsidiaries, securitization and, in exceptional cases, sale to give the University the flexibility to generate revenues and other resources from land grants and other properties” was deleted, and the same subparagraph now reads:

“(c) The Board may plan, design, approve and/or cause the implementation of land leases: *Provided*, That such mechanisms and arrangements shall sustain and protect the environment in accordance with law, and be exclusive of the academic core zone of the campuses of the University of the Philippines: *Provided, further*, That such mechanisms and arrangements shall not conflict with the academic mission of the national university.”

b) two (2) more subparagraphs were added which read:

“(d) The Board may allow the use of the income coming from real properties of the national university as security for transactions to generate additional revenues when needed for educational purposes.

“(e) The Board may approve the implementation of joint ventures: *Provided*, That in the event real properties of the national university are involved, only the income derived by the University from the use of the real properties shall be the subject of its participation or obligation in the joint ventures: *Provided, further*, That no joint venture shall result in the alienation of the real properties of the national university.”

16. Section 23 (*Safeguards on Assets Disposition*) of the Senate version was adopted, except for the following changes:

a) After the first paragraph, a new paragraph was added to read:

“The sale of any existing real property of the national university shall be prohibited: *Provided*, That the Board may alienate real property

donated after the effectivity of this Act if the terms of the donation specifically allow it.”

b) The second and third paragraphs were deleted and replaced with the following paragraph:

“Notwithstanding the provision of this Act or any other law to the contrary, the lease of more than five (5) years of the assets of the national university and any transaction referred to in Section 22 shall be subject to the following conditions and procedures: xxx”

c) The original subparagraph (a) in the succeeding enumeration was replaced with the following:

“a) The transactions shall be discussed with the members of the Board, in any of its formally convened regular or special meeting, at least one (1) month before a decision is to be made;”

d) The original subparagraph (a) in the succeeding enumeration was renumbered/relettered as subparagraph (b), which now reads:

“b) The transactions shall be based on a multi-year comprehensive development plan, crafted and developed by qualified urban planning professionals having at least five (5) years experience xxx”

e) The original subparagraph (b) in the said enumeration was renumbered/relettered as subparagraph (c), which now reads:

“c) The transactions shall be subject to competitive and public bidding as provided under Republic Act No. 9184, otherwise known as the ‘Government Procurement Reform Act.’”

f) The original subparagraph (c) in the said enumeration was renumbered/relettered as subparagraph (d), but with an additional provision which now reads:

d) “xxx using management projections and the assumptions used therein and a comparison of similar transactions: *PROVIDED*, THAT IF THE BOARD DIFFERS WITH THE FAIRNESS OPINION REPORT

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THEY SHALL JUSTIFY THEIR DECISION IN WRITING AND MAKE THIS AVAILABLE TO THE COMMUNITY OF THE NATIONAL UNIVERSITY.

THIS PROVISION SHALL NOT APPLY TO LEASES GRANTED TO FACULTY AND STAFF AS PART OF THEIR BENEFIT AND THOSE FOR ACADEMIC PURPOSES.”

g) The original subparagraph (d) has been renumbered/relettered as subparagraph (e) and that the requirement for the approval of contract or transaction involving an amount of more than Fifty Million Pesos (P50,000,000.00) was changed from two-thirds of all the members of the Board of Regents to three-fourths of all the members of the Board.

17. Sections 24 (*Grant of Special Allowances*), 25 (*Effects of Subsequent Salary Increases*), and 26 (*Funding Source*) of the House version were deleted;
18. Section 24 (*Management of Funds*) of the Senate version was adopted, with the addition of a new provision making the President of the University of the Philippines, the Chairperson of the Trust Committee;
19. Sections 25 (*Tax Exemptions*) and 26 (*Reportorial Requirements and Auditing of Accounts*) of the Senate version were adopted;
20. Section 27 (*Applicability of Procurement Laws, Rules and Regulations to the UP System*) of the Senate version was deleted;
21. Section 29 (*Appropriations*) of the Senate version was adopted with the addition of the following paragraph:

“In addition to the regular appropriations and increases for the university under the annual GAA, a centennial fund shall be appropriated in the amount of ONE HUNDRED MILLION PESOS (P100,000,000.00) per year for a period of five years, which shall likewise be included in the annual GAA.”
22. Sections 32 of both the Senate and House versions (both pertaining to *Transitory Provisions*) were deleted;
23. Sections 30 (*Separability Clause*), 31 (*Repealing Clause*), and 33 (*Effectivity*) are the same in both versions; and
24. Finally, the title of the Senate version was adopted, to read: “AN ACT TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL UNIVERSITY.”

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

Thereafter, Senator Pangilinan moved for the approval of the Bicameral Conference Committee Report.

INQUIRIES OF SENATOR ANGARA

At the outset, Senator Angara stated that he was not objecting to the Report but he wanted some clarification on certain provisions.

Senator Angara asked on the impact of making the University of the Philippines (U.P.) as the “national university” in terms of preferential annual budget allocations, standing in the hierarchy of SUCs and preferential grants outside the annual budget. Senator Pangilinan replied that the establishment of a national university is a global trend in education whereby a country designates a school as its national university, an act that puts the onus on government to ensure adequate support necessary for the university. He then mentioned several countries that have designated their respective national universities, namely: Thailand – Chulalongkorn University; Singapore – National University of Singapore; Japan – Tokyo University; and South Korea – Seoul National University.

Senator Pangilinan likewise underscored the need to provide the necessary stature to the University of the Philippines as the “national university” considering that there were already 112 state universities in the country, when more than 20 years ago only one was referred to as the “state university” – the University of the Philippines.

Senator Angara pointed out that beyond obtaining the honorific title of “national university,” the characterization would allow U.P. to always maintain the lead in budgetary appropriations among the hierarchy of SUCs. However, he pointed out that U.P. has now the corresponding obligation to be the champion of education in the country, like other national universities worldwide whose scientists and academicians of national and international stature lead the pioneering research and academic work in their respective countries. *MS*

Replying to further queries, Senator Pangilinan affirmed that U.P. is already leading in academic work in the country and with this new charter, it is hoping to widen that lead. Senator Angara expressed hope that it could do so within its centenary.

Asked whether the reinvigorated charter would make it easier to manage, direct and drive the development of U.P. as the leading institution in terms of faculty development, research, and attracting and maintaining the best and the brightest within its ranks, Senator Pangilinan expressed confidence that it would, pointing out that aside from removing U.P. from the coverage of the Salary Standardization Law, the measure gives U.P. enough flexibility to design a good enough compensation package to attract the best and the brightest, comparable to private universities like Ateneo that are offering twice to thrice the amount of what a U.P. professor receives.

However, Senator Angara clarified that while it is true that an Ateneo professor gets higher compensation, a U.P. professor enjoys certain privileges that an Ateneo professor does not, such as absolute personal and institutional freedom as well as security of tenure. He believed that if a U.P. professor gets at least two-thirds of the salary of an Ateneo professor, then he is already at par in terms of compensation. Senator Pangilinan added that among other advantages, the psychological reward of being a professor in the national university is something priceless.

In reply to further queries, Senator Pangilinan stated that even in the old charter, the Board of Regents already had the flexibility in formulating and designing new academic programs. He acknowledged that the creation of new academic programs brings with it the burden of being able to provide the necessary resources, and he expressed confidence that the new charter would give U.P. more flexibility in terms of utilization of resources to raise necessary revenues.

Senator Angara noted that there are indeed new flexibilities allowed under the new charter such as the issuance of bonds by the Board of Regents for the U.P. Science Park instead of waiting 20 years for the income to flow in. But he described as a crippling provision that which would not allow the university to dispose of its real property. For instance, he informed the Body that U.P. received several

prime real estates during the 1970s when the Laurel-Langley Agreement expired, one of them in Parafiaque with a market value of P400 million. He believed that there should be no prohibition in converting such hard asset into cash when it has greater chances of yielding more.

Relative thereto, Senator Angara pointed out that since government could not support all of U.P.'s financial needs, it was given large parcels of land which made it one of the biggest landowners in the country. He mentioned the 10,000-hectare Quezon land grant in Quezon and Laguna. He warned that if his land grant remains idle, in 10 years time, it would be swamped with squatters and U.P. could never utilize it for academic and educational purposes.

Senator Angara stated that the Quezon land grant could possibly become a future town site, but neither the U.P. nor the government cannot do it alone, so it has to enter into a joint venture which, however, requires the alienation of the property. He then asked if transferring the property to the joint venture company is tantamount to alienation. Senator Pangilinan replied that the university would retain ownership of the land; thus, in the joint venture, only the income derived by U.P. from the use of the real property shall be the subject of its participation and obligation.

Senator Angara described the provision as anomalous, as he pointed out that joint venture could not derive income from a land grant that is a virgin raw land. He averred that under the ordinary meaning of joint venture, a joint venturer who contributes land must transfer the land in favor of the joint venture.

Senator Pangilinan stated that, as the records of the bicameral conference committee meetings would show, he, in fact, took the position of Senator Angara. He said that the House conferees were very concerned about the particular provision that the committee meeting had to be suspended so that he could confer with U.P. President Roman and Vice President for Legal Affairs Leonen.

Senator Angara reiterated that a joint venture implies necessarily the transfer of title to the joint venture company. He underscored the need to look for the interpretation of the law that would be consistent with the whole spirit of the charter which is to give U.P. flexibility in designing academic programs, awarding its professors and staff, and generating its own income. *AK*

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At this juncture, the Chair stated that there is nothing wrong with joint ventures involving leases as these had been done many times in the past. In fact, he said, one cannot even own land in some countries, like China and Hong Kong. The Chair explained that that one who joins a joint venture and contributes his land does not necessarily have to transfer the title of his land to the joint venture company because in many instances, sharing of properties could be done within a leased land, as was the case when U.P. entered into a joint lease-with-sharing venture with Ayala Land where both shared in the income.

Senator Angara pointed out that the joint venture contemplated in the measure is of a different concept, thus, if one cannot transfer title, then it is impossible under a joint venture to share an income of a non-income generating property like the Quezon land grant. Senator Pangilinan revealed that when he asked the U.P. Vice President for Legal Affairs if the university could utilize its resources and assets despite the particular provision, the lawyer said that U.P. could live with it and find a way to overcome the legal impediments.

At this point, the Chair said that another example is Camp John Hay which is only under lease and is being developed by the government, Fil-Estate and lately, Ayala Land.

Senator Pangilinan stated that the conference committee agreed that the prohibition on alienation does not apply to donations that may yet be received.

For U.P. to be able to optimize its income from landholding, Senator Angara believed that it must be able to enter into joint venture as allowed in the new charter. He noted, however, that in the same breath the charter says that it cannot alienate. He said that if the word "alienation" would be strictly interpreted consistent with "joint venture" and with the overall spirit of the U.P. charter, whether original or amended, which is to derive income from its landholding, then joint venture companies could never go into joint venture on big estates like the Quezon land grant; while they could do long-term lease and share in the profits of a Diliman piece of property which is less than 30 hectares, or a four-hectare Parañaque property, a big landholding like 10,000 hectares in Quezon and Laguna could never be leased as it could not even be disposed of. Thus, he underscored the need to find a definition and an interpretation

of "joint venture" consistent with the larger purpose of the charter.

Senator Pangilinan reiterated that there was no conflict with respect to his and Senator Angara's position on the matter. Senator Angara, however, wondered whether their positions jibe with the meaning that the Senate as well as the House would like to give to the provision. Senator Pangilinan said that, in fact, he clarified with the U.P. leadership the issue on whether the particular restriction in any way diminishes what U.P. already enjoys at present considering that the measure provides more flexibility.

Senator Angara believed that the exclusion of the provision from the new charter was a diminution of the authority of U.P. in the old charter to enter into joint ventures, alienate and sell properties like, for instance, the four-hectare lot in Paranaque City which has no academic use at present but could be placed in a P400-million endowment. This, he said, could double to P800 million in five years which is sufficient enough to support several colleges within the university.

SUSPENSION OF SESSION


Upon motion of Senator Pangilinan, the session was suspended.

It was 4:20 p.m.

RESUMPTION OF SESSION

At 4:23 p.m., the session was resumed.

Upon resumption, Senator Angara said that he would defer to the interpretation of Senator Pangilinan that even in a joint venture project in a land grant in Quezon, for example, the title to the property cannot be alienated, disposed or transferred. However, he recognized that the new provision would create great difficulty for the university to monetize its real properties and, in effect, it contradicts the very purpose of giving the university financial flexibility. He informed the Body that he and Senator Pangilinan agreed to file a bill to amend the particular provision.

Senator Pangilinan affirmed the statement of Senator Angara who, he said, precisely articulated his position in the conference committee, but just like in any other instances where there is a "give and take" situation, he said that the Senate gave in to the House contingent which insisted on the provision. 

Asked if there is any provision in the new charter that strengthens the general taxation policy that any donation to the U.P., be it a professorial chair, a piece of property or a painting, is exempted from the donor's tax and shall be considered allowable deduction from the donor's gross income, Senator Pangilinan replied in the affirmative, as he explained that Section 25 was placed in the proposed Act to insulate the U.P. from bureaucratic red tape and, further, to reiterate the constitutional intent to promote education by providing tax benefits and incentives to donors and private investors.

Senator Angara expressed the view that the purpose of the provision is not really to reduce the income of the government but to enable philanthropic groups or citizens to donate to the institution what the State is unable to give. Senator Pangilinan believed that it is not money loss for the government because the donation is directly and effectively utilized by the university.

Senator Angara stated that based on his own experience, he recognizes the difficulty of running a university like U.P. He then asked whether there are provisions in the new charter that make it less difficult for the president to manage the university. Senator Pangilinan replied that with the wider flexibility under the new charter, the U.P. president has more leeway to administer the university more effectively by raising the necessary resources and maintaining the best faculty.

Senator Angara stated that while the new charter may not be a great leap forward, it is still a significant beginning.

APPROVAL OF THE CONFERENCE COMMITTEE REPORT

Submitted to a vote, there being no objection, the Conference Committee Report on the disagreeing provisions of Senate Bill No. 1964 and House Bill No. 2845 was approved by the Body.

REMARKS OF SENATOR PANGILINAN

At this juncture, Senator Pangilinan expressed his appreciation to Senator Cayetano (A), Chair of the Committee on Education, Arts and Culture, for graciously allowing him to sponsor the bill which was finally approved after three Congresses.

SUSPENSION OF SESSION

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

It was 4:32 p.m.

RESUMPTION OF SESSION

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

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan manifested that after conferring with Senate President Villar and the Minority Leader, Senator Pimentel, the session would be suspended to allow the members to go into an all-senators' caucus to discuss the developments on the case filed before the Supreme Court by Sec. Romulo Neri on the issue of executive privilege and the actions that the Senate would undertake in relation thereto.

MANIFESTATION OF SENATOR GORDON

Senator Gordon informed the Body that the Oversight Committee on Automated Elections of the Committee on Constitutional Amendments, Revision of Codes and Laws shall hold a meeting next week on the status of the automation of the ARMM elections. However, he informed the Body that the oversight committee has not been fully constituted because the Minority has yet to designate its representatives. He said that for the Majority, Senators Enrile, Angara and Lapid are members and he is co-chair.

The Chair gave assurance that it would consult the Minority Leader on the matter.

REMARKS OF SENATOR CAYETANO (A)

Senator Cayetano expressed his appreciation to Senator Pangilinan for the hard work he exerted in shepherding the bill through three Congresses. He said that Senator Pangilinan's perseverance has paid off with the passage of a new U.P. charter.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:36 p.m. *AK*

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RESUMPTION OF SESSION

At 6:48 p.m., the session was resumed.

ADDITIONAL REFERENCE OF BUSINESS

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

BILLS ON FIRST READING

Senate Bill No. 2109, entitled

AN ACT GRANTING OLD AGE PENSION FOR LIFE TO SENIOR CITIZENS WHO RETIRED UNDER REPUBLIC ACT 1616 AS WELL AS SURVIVORSHIP BENEFITS TO THEIR SURVIVORS

Introduced by Senator Jinggoy Ejercito Estrada

To the Committees on Government Corporations and Public Enterprises; Civil Service and Government Reorganization; and Finance

Senate Bill No. 2110, entitled

AN ACT TO AMEND SECTION TWO HUNDRED AND SEVENTY-ONE OF THE REVISED ADMINISTRATIVE CODE, AS LAST AMENDED BY REPUBLIC ACT NUMBERED FOUR THOUSAND THREE HUNDRED SEVEN, RELATIVE TO VACATION LEAVE OF JUDGES OF FIRST INSTANCE

Introduced by Jinggoy Ejercito Estrada

To the Committees on Justice and Human Rights; and Constitutional Amendments, Revision of Codes and Laws

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

Senate Bill No. 2111, entitled

AN ACT AMENDING SECTION 4 (PARAGRAPH 58) OF R.A. 8550,

ENTITLED: AN ACT PROVIDING FOR THE DEVELOPMENT, MANAGEMENT AND CONSERVATION OF THE FISHERIES AND AQUATIC RESOURCES, INTEGRATING ALL LAWS PERTINENT THERETO, AND FOR OTHER PURPOSES

Introduced by Senator Jinggoy Ejercito Estrada

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

RESOLUTION

Proposed Senate Resolution No. 317, entitled

RESOLUTION DIRECTING THE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATION TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE BUREAU OF CUSTOMS' NON-INTRUSIVE CONTAINER INSPECTION SYSTEM (NCIS) PROJECT IN THE LIGHT OF ITS ALLEGED OVERPRICE, LACK OF PUBLIC BIDDING AND INTERVENTION OF THE FIRST GENTLEMAN IN THE PROCUREMENT PROCESS

Introduced by Senator M.A. Madrigal

To the Committees on Accountability of Public Officers and Investigations; and Finance

COMMITTEE REPORT NO. 40 ON SENATE BILL NO. 2092

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2092 (Committee Report No. 40), entitled

AN ACT ESTABLISHING LIVELIHOOD AND SKILLS TRAINING CENTERS IN FOURTH, FIFTH AND SIXTH CLASS MUNICIPALITIES AND FOR OTHER PURPOSES.

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Senator Pangilinan stated that the parliamentary status was the period of individual amendments.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

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

APPROVAL OF SENATE BILL NO. 2092 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 2092 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2092

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

COMMITTEE MEMBERSHIPS

Upon nomination by Senator Pangilinan, there being no objection, Senators Legarda, Roxas and Madrigal were elected members of the Oversight Committee on Automated Elections, representing the *Minority*.

SENATE CONFEREES

Upon nomination by Senator Pangilinan, there being no objection, the following Members were designated to constitute the Senate panel in the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 1659 and House Bill No. 3323 (*World War II Veterans' Pension and Benefits*): Senator Biazon as chair, and Senators Gordon and Honasan as members.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 6:51 p.m.

RESUMPTION OF SESSION

At 7:01 p.m., the session was resumed.

SECOND ADDITIONAL REFERENCE OF BUSINESS

The Deputy Secretary for Legislation read the following Resolutions which the Chair referred to the Committees hereunder indicated:

RESOLUTIONS

Proposed Senate Resolution No. 318, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INVESTIGATION IN AID OF LEGISLATION ON THE ALLEGED CORRUPT PRACTICES AND IRREGULARITIES BY SEVERAL OFFICIALS AND EMPLOYEES IN THE HOUSING AND LAND USE REGULATORY BOARD IN REGION XI

Introduced by Senator Juan Miguel F. Zubiri

To the Committees on Accountability of Public Officers and Investigations; and Urban Planning, Housing and Resettlement

Proposed Senate Resolution No. 319, entitled

RESOLUTION DIRECTING THE COMMITTEE ON NATIONAL DEFENSE AND SECURITY TO CONDUCT AN INVESTIGATION INTO THE SIGNING OF AN AGREEMENT FOR A JOINT MARINE SEISMIC UNDERTAKING IN THE SOUTH CHINA SEA, INCLUDING THE DISPUTED SPRATLY ISLANDS, WITH THE PEOPLE'S REPUBLIC OF CHINA ALLEGEDLY IN EXCHANGE FOR US\$8 BILLION IN OFFICIAL DEVELOPMENT ASSISTANCE FROM THE CHINESE GOVERNMENT, WITH THE END IN VIEW OF PROVIDING REMEDIAL LEGISLATIONS THAT WILL FURTHER PROTECT OUR INTEREST IN THE SAID ISLANDS

Introduced by Senator Lacson

To the Committees on Accountability of Public Officers and Investigations; National Defense and Security; and Environment and Natural Resources

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Proposed Senate Resolution No. 320, entitled

RESOLUTION DIRECTING THE COMMITTEE ON JUSTICE AND HUMAN RIGHTS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ILLEGAL ARREST AND DETENTION BY PLAIN-CLOTHED POLICE OFFICERS OF FOUR SENATE EMPLOYEES OF SENATOR ANTONIO F. TRILLANES IV WHO ATTENDED THE INTERFAITH RALLY IN MAKATI CITY ON FEBRUARY 29, 2008, AND FOR OTHER PURPOSES

Introduced by Senator Antonio "Sonny" F. Trillanes IV

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

Proposed Senate Resolution No. 321, entitled

RESOLUTION URGING THE SENATE TO AMEND ITS RULES OF PROCEDURE GOVERNING INQUIRIES IN AID OF LEGISLATION, TO PROVIDE RULES ON DEPOSITION AUTHORITY AND THE PRIOR SUBMISSION OF SWORN STATEMENTS BY WITNESSES IN ORDER TO EXPEDITE INQUIRIES IN AID OF LEGISLATION

Introduced by Senator Gordon

To the Committee on Rules

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 7:03 p.m.

RESUMPTION OF SESSION

At 7:04 p.m., the session was resumed.

COAUTHOR





Upon his request, Senator Lapid was made coauthor of Senate Bill No. 2095.

ADJOURNMENT OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the Senate President Pro Tempore declared the session adjourned until three o'clock in the afternoon of Monday, March 10, 2008.

It was 7:05 p.m.

I hereby certify to the correctness of the foregoing.


 EMMA MIRIO-REYES
 Secretary of the Senate
  

Approved on March 10, 2008