



REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 63

Monday, March 10, 2008

**FOURTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 63
Monday, March 10, 2008

CALL TO ORDER

At 3:56 p.m., the Senate President, Hon. Manny Villar, called the session to order.

PRAYER

Sen. Ma. Ana C. Madrigal led the Body in prayer, reading the prayer by Rabindranath Tagore, to wit:

MIND WITHOUT FEAR

Where the mind is without fear
and the head is held high;
Where knowledge is free;
Where the world has not been broken up
into fragments by narrow domestic walls;
Where words come out from the depth of truth;
Where tireless striving stretches
its arms towards perfection;
Where the clear stream of reason has not lost its
way in the dreary desert sand of dead habit;
Where the mind is led forward by Thee into ever-
widening thought and action –
Into that heaven of freedom, our Father,
Let our country awake.

Amen.

NATIONAL ANTHEM

The Senate Choir led the singing of the national anthem.

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

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

Senator Cayetano (A) arrived after the roll call.

Senators Defensor Santiago and Revilla were on official mission abroad.

Senator Legarda was absent.

Senator Trillanes was unable to attend the session.

**ACKNOWLEDGMENT
OF THE PRESENCE OF GUESTS**

Senator Pangilinan acknowledged the presence of Mayor Alejandro Malabag, Vice Mayor Nelson Osuna, *Sangguniang Bayan* members and other municipal officers of Nagcarian, Laguna.

Senate President Villar welcomed the guests to the Senate.

APPROVAL OF THE JOURNAL

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

10

the Journal of Session No. 62 and considered it 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

Letters from the Honorable Speaker Prospero C. Nograles of the House of Representatives, dated 28 February 2008, designating the following Representatives to compose the House panel in the following Joint Congressional Oversight Committees:

- for the Joint Congressional Oversight Committee on the Clean Air Act, Representatives Cabilao, Susano, Bonuan-David, Garcia (A.) and Josen;
- for the Joint Congressional Oversight Committee on the Clean Water Act, Representatives Cabilao, Jaloslos-Carreon, Cajayon, Ilagan and Ferrer;
- for the Joint Congressional Oversight Committee on the Ecological Solid Waste Management Act, Representatives Cabilao, Uy, Marañon III, Sy-Alvarado and Binay.

To the Committee on Rules

Letter from the Secretary General of the House of Representatives, informing the Senate that on 3 March 2008, the House of Representatives approved the Bicameral Committee Report on the disagreeing provisions of House Bill No. 1754 and Senate Bill No. 1646, both entitled

AN ACT TO PROMOTE ENTREPRENEURSHIP BY STRENGTHENING DEVELOPMENT AND ASSISTANCE PROGRAMS TO MICRO, SMALL AND MEDIUM SCALE ENTERPRISES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6977, AS AMENDED, OTHERWISE KNOWN AS THE "MAGNA CARTA FOR SMALL ENTERPRISES" AND FOR OTHER PURPOSES.

To the Archives

Letters from the Secretary General of the House of Representatives, informing the Senate that on 4 March 2008, the House of Representatives passed the following House bills in which it requested the concurrence of the Senate:

House Bill No. 3333, entitled

AN ACT ESTABLISHING A NATIONAL AGRO-INDUSTRIAL HIGH SCHOOL IN BARANGAY BEGUIN, MUNICIPALITY OF BULAN, PROVINCE OF SORSOGON TO BE KNOWN AS THE BEGUIN NATIONAL AGRO-INDUSTRIAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 3334, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY MINOYAN, MUNICIPALITY OF MURCIA, PROVINCE OF NEGROS OCCIDENTAL TO BE KNOWN AS THE MINOYAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

and House Bill No. 3335, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY SALAWAO, STO. NIÑO, MUNICIPALITY OF TALAINGOD, PROVINCE OF DAVAO DEL NORTE TO BE KNOWN AS THE DATU JOSE A. LIBAYAO MEMORIAL NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

Letters from the Honorable Speaker Prospero C. Nograles of the House of Representatives,

dated 4 and 5 March 2008, designating the following Representatives to compose the House panel in the following Joint Congressional Oversight Committees:

- for the Joint Congressional Oversight Committee on the Electoral Modernization Law, Representatives Locsin Jr., Lagman, Rodriguez (R.), Dimaporo (A.), Romulo, Romualdez and Binay;
- for the Joint Congressional Oversight Committee on the Overseas Absentee Voting Law, Representatives Locsin Jr., Defensor, Plaza, Barzaga Jr., Diaz (A.), Binay, Zamora (R.) and Albano.

To the Committee on Rules

Letter from the Secretary General of the House of Representatives, informing the Senate that on 4 March 2008, the House of Representatives elected Representatives Golez and Belmonte Jr. as additional 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

Letter from the Secretary General of the House of Representatives, informing the Senate that on

4 March 2008, the House of Representatives approved the Bicameral Committee Report on the disagreeing provisions of House Bill No. 2845, entitled

AN ACT TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL STATE UNIVERSITY,

and Senate Bill No. 1964, entitled

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

To the Archives

BILLS ON FIRST READING

Senate Bill No. 2112, 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, COMMISSION ON HUMAN RIGHTS AND THE OMBUDSMAN, AND FOR OTHER PURPOSES

Introduced by Senator Juan Miguel F. Zubiri

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

Senate Bill No. 2113, 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 Manuel "Lito" M. Lapid

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

Senate Bill No. 2114, entitled

AN ACT PROVIDING FOR THE MAGNA CARTA OF WOMEN

Introduced by Senator Jinggoy Ejercito Estrada

To the Committee on Youth, Women and Family Relations

Senate Bill No. 2115, 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 Manny Villar

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

COMMUNICATION

Letter from Joaquin C. Lagonera, Senior Deputy Executive Secretary & Acting Head, PLLO of the Office of the President of the Philippines, transmitting to the Senate an original copy of Republic Act No. 9496, 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,

which was approved and signed into law on 28 February 2008, by Her Excellency, President Gloria Macapagal-Arroyo.

To the Archives

INQUIRY OF SENATOR GORDON

Senator Gordon recalled that at end of the Thirteenth Congress, he rose to ask that the Body pay particular attention to the air-conditioning facilities in the building. He noted that a lot of people in the Senate were getting sick because of the very cold air condition inside the building. He believed that the problem could be solved easily if the management would put up thermostats to regulate the temperature in the building so that it would be easier for the people to work. Besides, he said, considering that the Senate is spending about P30.5 million a year on power bills alone, it would set a good example of following government's program on energy conservation.

The Chair replied that the Secretariat had already submitted a purchase request for thermostats but it would have to go through the usual bidding process.

SUSPENSION OF SESSION

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

It was 4:09 p.m.

RESUMPTION OF SESSION

At 4:10 p.m., the session was resumed.

Upon resumption, the Chair stated that the Senate Secretary would submit to all senators a written report on the matter. It informed the Body that the thermostat intended for the session hall is ready for installation.

Senator Gordon stressed that the matter should be acted upon immediately, not only for health but also for economic reasons.

PRIVILEGE SPEECH OF SENATOR GORDON

Availing himself of the privilege hour, Senator Gordon adverted to the typhoid fever epidemic

that has been occurring in Calamba, Laguna for the last month.

Senator Gordon stated that Calamba, a first-class city situated 54 kilometers south of Manila, consists of 54 barangays, large number of industrial parks and business estates, lots of business investments in the area and has an income of about P2 billion a year. He said that its water services are managed by the local water district under the supervision of the Local Water Utilities Administration (LWUA).

Senator Gordon narrated the following facts:

- ◆ On February 2, 2008, the city's health system composed of six hospitals, 51 health stations, three lying-in clinics, four physicians, 11 nurses, 43 midwives, three sanitary inspectors, and two medical technologists, have been under siege by a simple, curable disease called "typhoid fever";
- ◆ The Department of Health's attention was called about two weeks ago and apparently, the water testing occurred only practically a month later, on March 1, 2008.

He rued that to date, the source and cause of the disease or the contamination are still undetermined, when supposedly, on matters of public health, the local health system should be relied upon;

- ◆ 2,100 reported typhoid cases have been actually seen by doctors as well as the regular doctor components;
- ◆ Subsequently, results of microbiological test and residual-chlorine contamination showed that the outbreak was caused by contaminated water; unfortunately, officers of both the Water District and the LWUA denied these findings;

Senator Gordon stated that when he conducted a cursory examination of the situation in the area, he saw that the pipelines pass through five barangays that were severely affected, namely: Barangay 1, with 18 cases out of 7,154 residents; Barangay 3, 14 cases out of 6,549 residents; Barangay 5, 28 cases out of 5,990 residents; Bucal, 48 cases out of 15,262 residents; Jalang, 54 out of 8,587; La Mesa, 51 out of 13,881; and Barandal, seven out of 2,404 residents. He said that it was logical to assume that the sewage caused the outbreak. Moreover, he noted that the

numbers reported seem to be small compared to the actual number of cases that the Red Cross encountered during the visits to the affected barangays. He believed that what was being reported was just the tip of the iceberg.

Citing his visit to Barangay Bucal, Senator Gordon said that 40% of the residents who availed of the medical missions had fever or chills, indicating the onset of typhoid fever. He pointed out that parents of sick children also suffer because they cannot go to work and, in some cases, have been infected themselves. He stressed that the source of the typhoid should be pinpointed immediately because tourists would be coming in during the Holy Week to the spas of Laguna.

Senator Gordon informed the Body that Secretary Duque has been trying to exert effort but has not been getting cooperation from the LWUA. He asserted that in an epidemic situation like this, the public has the right to know who the principal authority is and the concerned agencies should inform the public on what to do and what to avoid about an epidemic that has been raging for a month.

Senator Gordon revealed that the medical services in the province are in a sorry state and the 50-bed capacity Calamba hospital has 450 patients, mostly children, some of whom had been placed in the corridors. There seems to be no effort from authorities to pinpoint the exact cause and location of the contamination, he said.

Senator Gordon wondered what the authorities would do if the avian flu or SARS epidemic hits the country, as he feared that people would drop dead without even knowing what hit them. He stressed that the LGUs and the LWUA should cooperate to pinpoint the source of the problem, otherwise, the Department of Health has to step in.

Senator Gordon said that if CNN were to go down to Laguna and do a report on the country's sorry and almost primitive health resources, it would be a considerable embarrassment for the entire country. He narrated that during the medical mission, it was discovered that most of the patients examined by the Red Cross suffered from tuberculosis as well.

He clarified that his speech is not intended to blame but to urge the proper authorities to fix the problem with a sense of urgency. Citing the

Local Government Code, he said that the local government is mandated to promote health in the community and has to make sure that the people are protected especially during times of calamities. Likewise, he cited Section 15, Article II of the Constitution which states that government is tasked "to protect and promote the people's right to health and to instill health consciousness among them." What is needed, he stressed, is a quick response from the health authorities.

He underscored that at some point in time, one has to make a decision and try to assault the disease from its source which he believed is not so big. He said that if LWUA claims that there are holes in the pipes where contaminants could have sipped in, then they should have been checked and tested, and flushed out. He said that the DOH-Region IV discovered from tests that the contamination came from the water pipes.

Senator Gordon stated that the Red Cross follows the "4 Ps" in handling disasters: predict, plan, prepare and practice. He explained that local government and those at the frontline should be able to predict disasters, their nature and proportions; plan for them and prepare for the necessary equipment, like ambulances and testing kits. He said that it is not merely reacting to the problem but engaging in proactive efforts to mitigate the possible effects of unavoidable tragedies and preventing loss of lives. Since the Calamba hospital has a 50-bed capacity, he said that tents could have been put in place or other buildings could have been emptied and used to house patients.

As part of the efforts of the Red Cross, Senator Gordon informed the Body that a big tent that houses 100 people was put up, with the Red Cross providing 75 cots and the local government, 25 folding beds. However, he said that for as long as the contamination remains unchecked, the number of patients could still rise despite all the efforts to bring relief to the patients.

Lastly, Senator Gordon hoped that the Committee on Health and Demography could look into the matter and perhaps find out the actual state of readiness of the different agencies involved in addressing epidemics and disasters. He recalled that in the 1900s, a flu pandemic killed nearly 50 million worldwide and it went unnoticed; malaria has spread in Africa; and TB is spreading across Russia. He

said that people are being killed by severe negligence and lack of urgency by the proper agencies.

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

REFERRAL OF SPEECH TO COMMITTEE

Upon motion of Senator Pangilinan, there being no objection, the Chair referred the privilege speech of Senator Gordon to the Committee on Health and Demography.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:32 p.m.

RESUMPTION OF SESSION

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

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 30 on Senate Bill No. 1987 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 30 ON SENATE BILL NO. 1987

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1987 (Committee Report No. 30), entitled

**AN ACT TO ESTABLISH A SOCIAL-
IZED AND LOW-COST HOUSING
LOAN RESTRUCTURING PROGRAM,
PROVIDING THE MECHANISMS
THEREFOR AND FOR OTHER
PURPOSES.**

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

The Chair recognized Senator Zubiri for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR ZUBIRI

In sponsoring Senate Bill No. 1987, Senator Zubiri delivered the following speech:

The members of the Committee on Urban Planning, Housing and Resettlement, jointly with the members of the Committee on Local Government, are happy to report out Committee Report No. 30, AN ACT TO ESTABLISH A SOCIALIZED AND LOW-COST HOUSING LOAN RESTRUCTURING PROGRAM, PROVIDING THE MECHANISMS THEREFOR, AND FOR OTHER PURPOSES.

One of the most painful experiences that could happen to a family is to be stripped of its possessions and be evicted from its home. Such horrifying experience is humiliating, it degrades one's dignity and, at the very least, it is traumatic for the children, as they lose a home which has nurtured them. But such is the case of around 49,531 homeowner borrowers in the country who have availed of housing loan programs from various government housing agencies and financial institutions. That is 41.5% of the total housing loan accounts of the covered GFIs and housing agencies which is about 202,061 homes.

If an average family size is six persons per family, that would be more or less 1.5 million Filipinos to be driven out of their homes if we fail to provide the mechanism that will address their delinquencies. They are delinquents in their monthly amortization payments for at least six consecutive months and their properties are now subject to foreclosure proceedings.

Let me state for the record that we are not and should not be lenient with this type of behavior. We do not want to encourage nonpayment of loans. However, times have been difficult for these families. Prices of basic commodities have gone up. Price of electricity is up. Transportation fees are very high. Even the price of staples such as rice had surged, but salaries of the people have not.

The other problems involved the displacement of these people from the workplace. Many of these families were actually occupying the *riles* in the north and south portions of the National Capital Region and they were trans-

located from these places to Laguna, Bulacan and Rizal and, therefore, their opportunity for employment has diminished, leaving their comfort zones where they have been working for the last several years. Therefore, in such situation, they have a difficult time paying for their monthly amortization.

It may be easy to point an accusing finger at these delinquent borrowers – that they are responsible for the predicament they are facing now. But at the end of the day, it is society and we, in government, who would bear the burden of their problems as hundreds of thousands of families are being driven away from their homes not by war, conflagration or natural calamities, but from nonpayment of their housing amortizations. It will further aggravate our already problematic housing and resettlement issues. It could affect the economy, especially that these homes will have to be auctioned once again, instead of just trying to find the mechanism for them to pay their delinquent loans and remain in these homes for good.

To avoid such scenario and provide a mechanism for these delinquent borrowers to retain their housing units, the Committees on Urban Planning, Housing and Resettlement; and Local Government, are proposing the passage of Senate Bill No. 1987.

Salient features of the bill

- A. The bill provides for the following benefits to the delinquent borrowers:
1. Condonation of all penalties and surcharges of the delinquent borrower and restructuring of his loan upon approval of his application by the concerned housing and financial institutions;
 2. The application for restructuring shall be charged a processing fee lower than the previous restructuring program;
 3. No downpayment required for availment of the benefits under the restructuring programs;
 4. Condonation of a portion of interest which amount or percentage shall be determined by the respective boards of the government financial institutions and housing agencies;
 5. All accrued interests shall be treated as noninterest-bearing principal to be equally repaid during the term of the restructured loan; *16*

16

6. All corresponding penalties and surcharges which the NHMFC and SHFC may have to pay its funders shall be automatically adjusted and condoned; and
 7. The term of the housing loan account being applied for restructuring may be extended longer than its original term to lower the amount of monthly amortization under the restructuring program.
- B. It covers the following housing agencies and financial institutions:
1. Government Service Insurance System (GSIS);
 2. Social Security System (SSS);
 3. Home Development Mutual Fund (HDMF);
 4. National Home Mortgage Finance Corporation (NHMFC);
 5. Social Housing Finance Corporation (SHFC);
 6. Home Guaranty Corporation (HGC); and
 7. National Housing Authority (NHA).
- C. Other terms and conditions provided in the bill:
1. Availment period being three (3) years upon effectivity of the law. However, the governing boards of the National Home Mortgage Finance Corporation, the Social Housing Finance Corporation, the Home Guaranty Corporation and the National Housing Authority are authorized to continue the restructuring program under the bill;
 2. The original principal amount of the housing loans to avail of the restructuring program and the benefits under the bill shall not exceed P2.5 million, however, HUDCC is authorized to adjust the amount every year after the effectivity of the law;
 3. Upon failure of the borrower to pay six (6) consecutive monthly amortizations during the term of the restructured loan, the concerned GFI or the housing agency may pursue foreclosure proceedings on the property, so as not to say that we are always favoring these delinquent borrowers;

4. In case of incapacity of the borrower, his/her legal heirs and successors-in-interest may assume payment of his/her outstanding loan;
5. The availment of loan restructuring under the bill shall be allowed only once; and
6. The borrower has the option to choose which condonation program he/she may avail of if the GFIs and housing agencies have other condonation programs, because there are housing agencies now that have ongoing condonation programs in their charter.

The following shall be excluded from the coverage of the bill:

1. Any account without a single payment since take out. Since they availed of the housing program and had not paid, they are excluded from the coverage of this bill;
2. An account whose housing unit has been abandoned by the borrower-owner for more than two (2) years from the date of delinquency;
3. An account whose housing unit is occupied by a third party other than the original registered beneficiary; and
4. An account that has been foreclosed, the title of which has already been consolidated/transferred in the name of the government financial institution or the housing agency.

We also provide incentives for prompt payment of monthly amortizations of all accounts which include a reasonable discount on loan interest, the amount or percentage of which shall be determined by the respective boards of the GFIs and housing agencies.

A Congressional Oversight Committee is created composed of the Chairman of the Senate Committee on Urban Planning, Housing and Resettlement and the Chairman of the House Committee on Housing and Urban Development and six (6) members from each House to review and approve the implementing rules and regulations (IRRs) to be drafted by the HUDCC, and the GFIs and housing agencies concerned. The Congressional Oversight Committee shall become *functus officio* and cease to exist upon approval of the Implementing Rules and Regulations.

In 1998, we passed a similar bill into law, Republic Act No. 8501. However, the success of that law could not be determined as there are no available data on the number of availments from the concerned government financial institutions and housing agencies. In the course of our public hearings, we surmised that the republic act previously passed by Congress, Republic Act No. 8501, may not have been that successful because it had more stringent requirements to avail of the benefits and incentives provided therein. For example, all due and demandable arrearages composed of the principal and interest are restructured and paid within the remaining period of the loan. Also, the condonation of the penalties corresponds only to the amount proportional to the payment made by the borrower and only those who have not availed of any previous condonation programs are qualified under Republic Act No. 8501. That could be some of the reasons why the impact of the implementation of that law could not be felt.

In the previous Congresses, we passed Republic Act No. 9182 or the Special Purpose Vehicle Act of 2002, Republic Act No. 9243 or Rationalizing the Provisions of Documentary Stamp Tax, Republic Act No. 9294 or Restoring the Tax Exemption of Offshore Banking Units (OBUs) and the Foreign Currency Deposit Units (FCDUs), Republic Act No. 9480 or the Tax Amnesty Law, and Republic Act No. 9337 or the Expanded VAT Law.

All these laws provided some form of fiscal incentives or benefits to the banking sector, businesses and so-called "moneyed class," while the Expanded Vat Law imposed additional tax burden especially among the poorest of the poor. However, I could only think of Republic Act No. 9161 or the Rental Reform Act of 2001 and its subsequent extension, Republic Act No. 9341 which provided some form of relief for our less fortunate *kababayan*. My point is, in the last Congresses, we passed more laws which primarily provide incentives and benefits to the business sector and to the rich purportedly to improve the economy, while enacting laws that will cater and provide relief to the poor is still very much wanting.

I believe that this bill will provide relief to the poor Filipinos who are facing eviction from the place which for a long time has become their homes, our poor *kababayan* who are already burdened by the rising costs of basic commodities. Once enacted into law, this bill will contribute in solving our ever-increasing housing and resettlement problems. Hence, I urge my dearest colleagues for the immediate approval of this bill.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1987

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 4:47 p.m.

RESUMPTION OF SESSION

At 4:47 p.m., the session was resumed.

MANIFESTATION OF SENATOR ESCUDERO

Senator Escudero stated that he previously made a manifestation on the floor that the Committee on Justice and Human Rights would be filing a separate bill to exclude women and/or men engaged in prostitution from criminal liability which is the subject of Senate Bill No. 1836, authored by Senator Defensor Santiago, which was included in Senate Bill No. 2066 under Committee Report 38.

In compliance with the commitment made to Senator Cayetano (P), Senator Escudero manifested that the Committee on Justice and Human Rights would be submitting a separate committee report on Senate Bill No. 1836, thereby removing this bill from the list of bills that were consolidated in Committee Report No. 38 on Senate Bill No. 2066.

The Chair noted Senator Escudero's manifestation.

COMMITTEE REPORT NO. 36 ON SENATE BILL NO. 2046

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2046 (Committee Report No. 36), entitled

AN ACT PROMOTING AND ENHANCING THE DEVELOPMENT, UTILIZATION AND COMMERCIALIZATION OF RENEWABLE ENERGY RESOURCES. *As*

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

Thereupon, the Chair recognized Senator Angara, cosponsor of the measure, and Senator Enrile for the continuation of his interpellation.

INTERPELLATION OF SENATOR ENRILE *(Continuation)*

On page 14 of the bill, Senator Enrile noted that the losses incurred during the first three years of commercial operations may be carried forward and charged against gross income for five years. He asked whether the privilege would mean an eight-year privilege of charging net loss carry forward for any of the three types of business entities when they incur losses. Senator Angara replied that the period of deduction is only five years, but the losses that could be deducted should have been incurred during the first three years of operation.

Replying to further queries, Senator Angara affirmed that in the case of the first year of the three years, the losses at the end of that period would be charged over the five years, and the losses of the second year of the three years would be charged over five years. He gave assurance that while there is an overlap, the loss of the first year would end on the fifth year, and whatever is left cannot be charged anymore to any gross income.

Asked what the base would be of the accelerated depreciation, Senator Angara replied that it is the acquisition cost, so that for purposes of depreciation, the developer cannot revalue its assets. He agreed with Senator Enrile to indicate in the bill the types or methods of acceleration to depreciate the assets.

Referring to the grant of exemption from TRANSCO wheeling charge, Senator Enrile noted that in the generation of renewable energy, only the small types of generating assets would be involved. He then asked how the volume of this generated power passing through the national transmission grid could be accounted for for purposes of determining what amount of energy would be exempted. In reply, Senator Angara explained that each distributor/supplier would have a record or ledger that would track down the one percent contribution. He said that this would be subject to inspection and audit by the Renewable Energy Board.

Supposing an RE supplier with 100 kilowatts goes through several private properties to connect his facility to the national grid, Senator Enrile asked whether it could be provided in the law that the supplier could put up posts free of rent or charges. Senator Angara replied that it cannot be done as he explained that the national grid serves other commercial users whereas the transmission of renewable electricity serves a developmental purpose. But Senator Enrile argued that an owner cannot be compelled to allow his private property to be used for commercial purposes.

On the concern that it could be a case of impairment of the obligation of contract between the government and the concessionaire of TRANSCO, Senator Angara asserted that it is a constitutionally permissible.

Given the fact that TRANSCO has already been privatized, Senator Enrile questioned how this provision could be possible without violating the Constitution. He pointed out that Congress cannot impair the obligations of contract because the Constitution itself makes no exception when it says, "No law impairing the obligation of contracts shall be passed." In the case of private property, he noted, the Constitution provides that no person shall be deprived of his property without due process of law and that private property shall not be taken without just compensation.

Senator Angara asserted that government can impose conditions on existing concessionaires if it serves the larger purpose of developing energy from indigenous and almost inexhaustible sources. He stressed that there is a clear-cut distinction between impairment of ownership of private property and impairment of rights and liberties because the law and the Constitution permit such intervention and even interference in the exercise of ownership of private property but not in the exercise of rights and liberties. He noted that TRANSCO has a monopoly and no other entity wields that kind of power, therefore, the State has a legitimate interest in pursuing a separate interest in renewable energy (RE).

Senator Enrile argued that the State has authorized TRANSCO to have a monopoly that is bought and paid for by the grantee. With such a provision, he pointed out that the State would be encouraging individuals to set up RE units and, at the same time, it would be asking TRANSCO to transmit the electricity through its own lines free of charge. He

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wondered whether TRANSCO would be compensated, for instance, through a reduced franchise tax.

On the issue of TRANSCO's monopoly, Senator Angara asserted that the operative principle is not the impairment of the obligation of a contract but the regulation of a monopoly and in this case, the regulation to be imposed on TRANSCO is legitimate and reasonable given the end sought to be achieved. He said that the reduction of the franchise tax of TRANSCO is something that could be worked out through another law.

Asked whether the State could ask a toll concessionaire to grant tricycles free passage on a highway, Senator Angara replied that if it is the only highway servicing the area, the State could ask the toll concessionaire to probably set aside a portion of the highway for a tricycle path, but certainly not the same passageway of vehicles.

Senator Enrile noted that under the EPIRA, universal charges are collected even on self-generated and used power but under the bill, electricity generated from indigenous sources for commercial purpose is exempted from such charges. In reaction, Senator Angara clarified that the bill provides that electricity generated for one's own consumption or for free distribution in an off-grid area shall be exempted from the universal charges. He stated that the phrase "power and electricity" refers simply to electricity and shall be restyled accordingly during the period of committee amendments.

As to the estimate of foregone revenues arising from the tax exemptions, Senator Angara stated that the Committee would ask the DOF to do a simulation, adding that the estimated potential benefit to the country from RE is US\$1.2 billion.

Asked to identify the prohibited acts which shall be subject to the penalties stated in Section 23 of the bill, Senator Angara said that the Committee would revisit Section 23 (*Penalty Clause*) and Section 22 (*Prohibited Acts*) and come up with more specific language so as to make a proper correspondence between the crimes and the penalties associated with them.

Senator Enrile pointed out that the present wording of Section 23 would be unconstitutional as it gives the court the power to legislate and determine the penalties to be imposed on the prohibited acts.

Upon further query, Senator Angara conceded that lines 1 and 2 on page 21 would constitute double jeopardy and, as such, the Committee would amend the provision to make it more precise and less vulnerable to attack.

In closing, Senator Enrile said that he would suspend his interpellation to give other Members the chance to ask questions.

RESERVATIONS TO INTERPELLATE

Senator Pangilinan informed the Body that Senators Madrigal and Lacson have made reservations to interpellate on the bill in the next two days.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2046

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

ADDITIONAL 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 Honorable Speaker Prospero C. Nograles of the House of Representatives, dated 27 February 2008, designating Representatives Arroyo (J.M.) as Co-Chairman, Fuentebella, Valdez, Locsin Jr., Albanao III, Dumarpa and Guingona III as members of the House panel in the Joint Congressional Power Commission.

To the Committee on Rules

RESOLUTIONS

Senate Joint Resolution No. 9, entitled

JOINT RESOLUTION CREATING A CONGRESSIONAL COMMISSION ON NATIONAL TERRITORY

Introduced by Senator Miriam Defensor
Santiago

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**To the Committees on Foreign Relations;
and Finance**

Proposed Senate Resolution No. 322, entitled

RESOLUTION DIRECTING THE COMMITTEE ON NATIONAL DEFENSE AND SECURITY AND OTHER APPROPRIATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPACT OF THE PLANNED DEVELOPMENT OF THE EAST AND NORTH TRIANGLE AREAS IN QUEZON CITY ON THE VETERANS MEMORIAL MEDICAL CENTER

Introduced by Senator Biazon

**To the Committees on National Defense
and Security; and Health and Demography**

Proposed Senate Resolution No. 323, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALARMING RISE OF DENGUE CASES IN THE COUNTRY

Introduced by Senator Miriam Defensor Santiago

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

Proposed Senate Resolution No. 324, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PLIGHT OF OVERSEAS FILIPINO WORKERS IN THE MIDDLE EAST

Introduced by Senator Miriam Defensor Santiago

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

Proposed Senate Resolution No. 325, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED PRESENCE OF HIGH LEVELS OF LEAD IN SEVERAL PUBLIC AND PRIVATE ELEMENTARY SCHOOLS IN TARLAC CITY

Introduced by Senator Miriam Defensor Santiago

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

Proposed Senate Resolution No. 326, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE DEPLORABLE STATE OF HYGIENE AND SANITATION IN THE COUNTRY

Introduced by Senator Miriam Defensor Santiago

**To the Committees on Health and Demography;
and Environment and Natural Resources**

COMMUNICATION

Letter from Joaquin C. Lagonera, Senior Deputy Executive Secretary & Acting Head, PLLO of the Office of the President of the Philippines, transmitting to the Senate two original copies of Republic Act No. 9497, entitled

AN ACT CREATING THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES, AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES,

which was approved and signed into law on 4 March 2008, by Her Excellency, President Gloria Macapagal Arroyo.

To the Archives *MS*

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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 the following day.

It was 5:23 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO REYES
Secretary of the Senate
for B po AW

Approved on March 11, 2008