



REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 67

Tuesday, April 22, 2008

**FOURTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 67
Tuesday, April 22, 2008

CALL TO ORDER

At 3:52 p.m., the Senate President, Hon. Manny Villar, called the session to order.

PRAYER

Sen. MAR Roxas led the prayer, to wit:

*In their hunger you gave them
bread from heaven and in their thirst
you brought them water from the rock;
you told them to go in and take
possession of the land you had sworn
with uplifted hands to give them.*

Nehemiah 9:15

Lord, show the same mercy and compassion to Your people. We hunger for bread for the spirit even as we hunger for bread for the flesh.

You are a refuge, the source of everlasting life.

Enlighten us, enlighten those in the position of financial and political power that they may remember to bend down and lift up those who bear Your cross. This we pray.

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.	Defensor Santiago, M.
Aquino III, B. S. C.	Ejercito Estrada, J.
Cayetano, A. P. C. S.	Enrile, J. P.
Cayetano, C. P. S.	Escudero, F. J. G.

Gordon, R. J.	Revilla Jr., R. B.
Honasan, G. B.	Roxas, M.
Lapid, M. L. M.	Villar, M.
Pangilinan, F. N.	Zubiri, J. M. F.
Pimentel Jr., A. Q.	

With 17 senators present, the Chair declared the presence of a quorum.

Senators Biazon, Legarda and Madrigal arrived after the roll call.

Senator Lacson was unable to attend the session due to a previously accepted out-of-town speaking engagement.

Senator Arroyo was on official mission abroad.

Senator Trillanes was unable to attend the session as he is under detention.

**ACKNOWLEDGMENT
OF THE PRESENCE OF GUESTS**

At this juncture, Senator Pangilinan acknowledged the presence of Mayor Larry Alvarez, Vice-Mayor Danny Datingaling and the barangay chairmen and councilors of the Municipality of Tingloy, Batangas, and former Mayor Daisy Plaza of Butuan City.

APPROVAL OF THE JOURNAL

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session No. 66 and considered it approved, subject to the insertion of the report of Senator Pimentel, dated April 21, 2008, on his attendance in the 118th meeting of the Inter-Parliamentary Union (IPU) held at Cape Town, South Africa. *AS*

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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. 2156, entitled

AN ACT REQUIRING PROBATIONERS TO PLANT AT LEAST THIRTY (30) TREES A YEAR AS PART OF THEIR SERVICE TO THE COMMUNITY, AMENDING FOR THE PURPOSE SECTION 10 OF PRESIDENTIAL DECREE NO. 968 OTHERWISE KNOWN AS THE PROBATION LAW OF 1998

Introduced by Senator Manuel "Lito" M. Lapid

To the Committees on Justice and Human Rights; and Environment and Natural Resources

Senate Bill No. 2157, entitled

AN ACT INCREASING THE PENALTIES FOR ELECTION OFFENSES ATTENDED BY VIOLENCE, COERCION, INTIMIDATION, FORCE OR THREATS AND FOR OTHER ELECTION OFFENSES

Introduced by Senator Manuel "Lito" M. Lapid

To the Committee on Constitutional Amendments, Revision of Codes and Laws

Senate Bill No. 2158, entitled

AN ACT PROVIDING FOR THE STRICT REGULATION AND STIFFER PENALTIES FOR THE ILLEGAL/UNLAWFUL IMPORTATION, MANUFACTURE, ACQUISITION, SALE, DISPOSITION OR POSSESSION OF EXPLOSIVES AND CHEMICALS OR ACCESSORIES USED IN THE MANUFACTURE OF EXPLOSIVES, REPEALING FOR THIS PURPOSE

EXECUTIVE ORDER NO. 522 AND AMENDING CERTAIN PROVISIONS OF PRESIDENTIAL DECREE NO. 1866, AS AMENDED, AND FOR OTHER PURPOSES

Introduced by Senator Manuel "Lito" M. Lapid

To the Committee on Public Order and Illegal Drugs

Senate Bill No. 2159, entitled

AN ACT ADOPTING THE DOCTRINE OF "SUPERIOR RESPONSIBILITY" TO ALL ACTIONS INVOLVING MILITARY PERSONNEL, MEMBERS OF THE PHILIPPINE NATIONAL POLICE AND OTHER CIVILIANS INVOLVED IN LAW ENFORCEMENT

Introduced by Senator Benigno S. Aquino III

To the Committees on Justice and Human Rights; and National Defense and Security

Senate Bill No. 2160, entitled

AN ACT AMENDING SECTION 4 OF REPUBLIC ACT NO. 9184, OTHERWISE KNOWN AS THE GOVERNMENT PROCUREMENT REFORM ACT

Introduced by Senator Benigno S. Aquino III

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

Senate Bill No. 2161, entitled

AN ACT MANDATING THE GOVERNMENT TO PROVIDE ACCESS TO INFORMATION ON FOOD AND OTHER BASIC COMMODITIES TO GUARANTEE THE RIGHT OF THE PEOPLE TO AFFORDABLE FOOD AND ADEQUATE FOOD SUPPLY, PRESCRIBING GUIDELINES THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator MAR Roxas

To the Committees on Agriculture and Food; and Trade and Commerce

Senate Bill No. 2162, entitled

AN ACT TO DECLARE APRIL 27 OF EVERY YEAR AS A SPECIAL NON-WORKING HOLIDAY THROUGHOUT THE COUNTRY TO COMMEMORATE THE VICTORY OF LAPU-LAPU AND HIS MEN OVER THE SPANIARDS LED BY FERNANDO MAGALLANES IN THE HISTORIC BATTLE OF MACTAN ON APRIL 27, 1521, TO BE KNOWN AS LAPU-LAPU DAY OR ADLAW NI LAPU-LAPU

Introduced by Senator Gordon

To the Committee on Constitutional Amendments, Revision of Codes and Laws

RESOLUTIONS

Proposed Senate Resolution No. 347, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED INCREASE IN POVERTY INCIDENCE IN THE CORDILLERA REGION

Introduced by Senator Miriam Defensor Santiago

To the Committee on Social Justice, Welfare and Rural Development

Proposed Senate Resolution No. 348, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, TO ADDRESS THE EMERGING INTERNATIONAL TRENDS OF TIGHTENING LABOR MARKETS AND PRIVATELY OWNED BUSINESSES INCREASINGLY BEING PRESSURED TO RETAIN AND ATTRACT SKILLED WORKERS

Introduced by Senator Miriam Defensor Santiago

To the Committee on Labor, Employment and Human Resources Development

Proposed Senate Resolution No. 349, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED INEFFICIENCY AND IRREGULARITIES AT THE GOVERNMENT SERVICE AND INSURANCE SYSTEM (GSIS)

Introduced by Senator Miriam Defensor Santiago

To the Committees on Government Corporations and Public Enterprises; and Education, Arts and Culture

Proposed Senate Resolution No. 350, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED WANTON SLAUGHTER OF THRESHER SHARKS

Introduced by Senator Miriam Defensor Santiago

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

Proposed Senate Resolution No. 351, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED LACK OF PROPENSITY OF THE PHILIPPINES IN USING INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Introduced by Senator Miriam Defensor Santiago

To the Committee on Science and Technology

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Proposed Senate Resolution No. 352, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE DWINDLING NUMBER OF AGRICULTURAL WORKERS IN ZAMBOANGA DEL SUR, AND ITS POSSIBLE IMPLICATIONS IN THE COUNTRY'S AGRICULTURAL SECTOR AND EDUCATION SYSTEM

Introduced by Senator Miriam Defensor Santiago

To the Committees on Agriculture and Food; and Education, Arts and Culture

Proposed Senate Resolution No. 353, entitled

RESOLUTION CONGRATULATING DR. CHRISTOPHER M. GUERRERO FOR BEING ONE OF THE RECIPIENTS OF THE AMERICAN MEDICAL ASSOCIATION FOUNDATION LEADERSHIP AWARDS

Introduced by Senator Jinggoy Ejercito Estrada

To the Committee on Rules

Proposed Senate Resolution No. 354, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPENDING RICE SHORTAGE IN THE COUNTRY AND THE REPORTED RICE CARTELS

Introduced by Senator Compañera Pia S. Cayetano

To the Committees on Agriculture and Food; and Trade and Commerce

Proposed Senate Resolution No. 355, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES TO

INVESTIGATE, IN AID OF LEGISLATION, THE CONSTRUCTION OF TWO CONDOMINIUM BUILDINGS INSIDE THE SUBIC WATERSHED FOREST RESERVE

Introduced by Senator Compañera Pia S. Cayetano

To the Committees on Environment and Natural Resources; and Urban Planning, Housing and Resettlement

Proposed Senate Resolution No. 356, entitled

RESOLUTION DIRECTING THE COMMITTEE ON AGRICULTURE AND FOOD AND OTHER APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE EFFECTIVENESS AND FINANCIAL OPERATIONS OF QUEDANCOR

Introduced by Senator Biazon

To the Committees on Agriculture and Food; and Accountability of Public Officers and Investigations

Proposed Senate Resolution No. 357, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE MANDATORY REQUIREMENT BY THE PROFESSIONAL REGULATORY COMMISSION (PRC) ON THE SEAFARERS TO TAKE ADDITIONAL COURSE ON THE MANAGEMENT LEVEL COURSES (MLC) BEFORE QUALIFYING FOR EMPLOYMENT AS MARINE OFFICERS

Introduced by Senator Jinggoy Ejercito Estrada

To the Committee on Labor, Employment and Human Resources Development

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Proposed Senate Resolution No. 358, entitled

RESOLUTION CONGRATULATING HONORABLE SENATOR PIA "COMPAÑERA" CAYETANO FOR BEING UNANIMOUSLY ELECTED PRESIDENT OF THE COMMITTEE OF WOMEN PARLIAMENTARIANS OF THE INTER-PARLIAMENTARY UNION (IPU) DURING ITS 118TH GENERAL ASSEMBLY HELD IN SOUTH AFRICA ON APRIL 14-17, 2008

Introduced by Senator Jinggoy Ejercito Estrada

To the Committee on Rules

Proposed Senate Resolution No. 359, entitled

RESOLUTION CONGRATULATING BERNARDO MATUDAN AND JAMILLE BIANCA AGUILAR FOR WINNING FIRST AND SECOND PLACE, RESPECTIVELY, IN THE 15TH ANNUAL WORLD CHILDREN'S PICTURE CONTEST IN JAPAN

Introduced by Senator Jinggoy Ejercito Estrada

To the Committee on Rules

Proposed Senate Resolution No. 360, entitled

RESOLUTION CONGRATULATING AND COMMENDING FILIPINO BOXING CHAMPIONS MANNY "PACMAN" PACQUIAO, GERRY PEÑALOSA, REY "BOOM BOOM" BAUTISTA, AJ "BAZOOKA" BANAL AND CISO MORALES FOR SUCCESSFULLY DEFENDING THEIR PROFESSIONAL BOXING STATURE AS INTERNATIONAL BOXING CHAMPIONS AND FOR BRINGING HONOR AND PRIDE TO OUR COUNTRY

Introduced by Senator Manuel "Lito" M. Lapid

To the Committee on Rules

Proposed Senate Resolution No. 361, entitled

RESOLUTION DIRECTING THE COMMITTEES ON ENVIRONMENT AND NATURAL RESOURCES; AND TOURISM TO INVESTIGATE, IN AID OF LEGISLATION, THE PENDING MASSACRE OF ESTIMATED THIRTEEN THOUSAND TREES IN CAMP JOHN HAY, BAGUIO CITY TO GIVE WAY TO THE EXPANSION OF THE EXPORT PROCESSING ZONE THEREIN WITH A PURPOSE OF ENACTING REMEDIAL LEGISLATION PARTICULARLY THE DECLARATION OF THE ENTIRE CITY OF BAGUIO AS AN ECO-TOURISM ZONE AND ESTABLISHING THE BOUNDARIES OF ITS STRICT PROTECTION AND BUFFER ZONES

Introduced by Senator M.A. Madrigal

To the Committees on Environment and Natural Resources; and Tourism

Proposed Senate Resolution No. 363, entitled

RESOLUTION CONGRATULATING THE HONORABLE SENATOR COMPAÑERA PIA S. CAYETANO FOR BEING UNANIMOUSLY ELECTED PRESIDENT OF THE COMMITTEE OF WOMEN PARLIAMENTARIANS OF THE INTER-PARLIAMENTARY UNION (IPU) DURING ITS 118TH GENERAL ASSEMBLY, THEREBY EARNING THE RARE DISTINCTION OF BEING THE FIRST FILIPINA AND FIRST ASIAN LEGISLATOR TO BE ELECTED TO THE SAID POSITION

Introduced by Senator Manny Villar

To the Committee on Rules

Proposed Senate Resolution No. 364, entitled

RESOLUTION CONGRATULATING AND COMMENDING SEN. PIA S. CAYETANO'S ELECTION AS PRESIDENT OF THE COMMITTEE OF WOMEN PARLIAMENTARYS UNION (IPU)

Introduced by Senator Pangilinan

To the Committee on Rules

COMMITTEE REPORT

Committee Report No. 44, prepared and submitted by the Committee on Foreign Relations, on Proposed Senate Resolution No. 362, entitled

RESOLUTION CONCURRING IN THE RATIFICATION OF THE HEAD-QUARTERS AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE INTERNATIONAL RICE RESEARCH INSTITUTE,

recommending its adoption without amendment.

Sponsor: Senator Miriam Defensor Santiago

To the Calendar for Ordinary Business

ADDITIONAL REFERENCE OF BUSINESS

BILLS ON FIRST READING

Senate Bill No. 2163, entitled

AN ACT AMENDING SECTION 463, CHAPTER 2, TITLE FOUR, BOOK III OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

Introduced by Senator Miriam Defensor Santiago

To the Committees on Local Government; and Environment and Natural Resources

Senate Bill No. 2164, entitled

AN ACT AMENDING SECTION 110 OF PRESIDENTIAL DECREE NO. 1529 OTHERWISE KNOWN AS THE PROPERTY REGISTRATION DECREE

Introduced by Senator Miriam Defensor Santiago

To the Committees on Justice and Human Rights; and Finance

Senate Bill No. 2165, entitled

AN ACT PROVIDING FOR THE WAIVER OF THE RETIREMENT AGE REQUIREMENT OF GOVERNMENT EMPLOYEES WHO HAVE RENDERED AT LEAST TWENTY YEARS (20) OF SERVICE, FURTHER AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1146, AS AMENDED, OTHERWISE KNOWN AS THE REVISED GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1977

Introduced by Senator Miriam Defensor Santiago

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

Senate Bill No. 2166, entitled

AN ACT EMPOWERING THE LOCAL SCHOOL BOARDS TO SCREEN AND RECOMMEND THE APPLICANTS TO TEACHING POSITIONS

Introduced by Senator Miriam Defensor Santiago

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

Senate Bill No. 2167, entitled

AN ACT PROVIDING FOR THE ESTABLISHMENT OF DRUG REHABILITATION CENTER IN EVERY REGION OF THE COUNTRY AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Miriam Defensor Santiago

To the Committees on Public Order and Illegal Drugs; Local Government; and Finance

Senate Bill No. 2168, entitled

AN ACT DEFINING THE CRIME OF BETRAYAL OF DUTY IN THE CUSTODY OF PRISONERS

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PROVIDING FOR ADDITIONAL RULES ON THE IMPRISONMENT, DETENTION, CONFINEMENT AND CUSTODY OF PRISONERS AND DETAINEES, SPECIFYING ADDITIONAL WORK AND RESPONSIBILITIES OF GOVERNMENT PERSONNEL CHARGED WITH THE CUSTODY OF SUCH PRISONERS AND STATING THE PENALTIES THEREFOR

Introduced by Senator Miriam Defensor Santiago

To the Committee on Justice and Human Rights

Senate Bill No. 2169, entitled

AN ACT TO UPGRADE THE POSITION OF SECRETARIES TO THE *SANGGUNIANG*, AMENDING FOR THE PURPOSE SECTION 469 (A), OF CHAPTER 3, BOOK III, TITLE 5, ARTICLE 1 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

Introduced by Senator Miriam Defensor Santiago

To the Committee on Local Government

Senate Bill No. 2170, entitled

AN ACT GRANTING THE LOCAL *SANGGUNIANS*, EXCEPT THE *SANGGUNIANG BARANGAYS*, THE POWER TO CONDUCT INQUIRIES, IN AID OF LEGISLATION, TO ISSUE *SUBPOENA* AND TO PUNISH FOR CONTEMPT ANY PERSON WHO REFUSES TO OBEY SUCH PROCESS, AMENDING FOR THE PURPOSE SECTIONS 447, 458 AND 468 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

Introduced by Senator Miriam Defensor Santiago

To the Committee on Local Government

Senate Bill No. 2171, entitled

AN ACT CREATING THE CHARTER OF THE LOCAL GOVERNMENT ACADEMY (LGA), AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6975, OTHERWISE KNOWN AS "THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT ACT OF 1990", AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Miriam Defensor Santiago

To the Committees on Local Government; Ways and Means; and Finance

Senate Bill No. 2172, entitled

AN ACT INCREASING THE AGE FOR DETERMINING STATUTORY RAPE AND OTHER ACTS OF SEXUAL ABUSE AND EXPLOITATION TO PROVIDE STRONGER PROTECTION FOR CHILDREN AND AMENDING FOR THIS PURPOSE ACT NO. 3815, AS AMENDED, ALSO KNOWN AS THE PENAL CODE

Introduced by Senator Miriam Defensor Santiago

To the Committees on Justice and Human Rights; and Youth, Women and Family Relations

Senate Bill No. 2173, entitled

AN ACT REGULATING THE PRACTICE OF NATUROPATHIC MEDICINE OR NATUROPATHY IN THE PHILIPPINES

Introduced by Senator Miriam Defensor Santiago

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

Senate Bill No. 2174, entitled

AN ACT REQUIRING HEALTH WORKERS TO ADVISE PREGNANT WOMEN *He*

OF THEIR OPTION TO DONATE
UMBILICAL CORD BLOOD AND
ESTABLISHING CORD BLOOD
STORAGE FACILITIES IN ALL
HOSPITALS

Introduced by Senator Miriam Defensor
Santiago

To the Committee on Health and Demography

Senate Bill No. 2175, entitled

AN ACT REGULATING MEDIUM
DENSITY FIBERBOARDS

Introduced by Senator Miriam Defensor
Santiago

To the Committees on Health and Demography; and Trade and Commerce

Senate Bill No. 2176, entitled

AN ACT PROTECTING CONSUMERS
FROM COMPUTER GRAYWARE

Introduced by Senator Miriam Defensor
Santiago

To the Committees on Science and Technology; and Trade and Commerce

Senate Bill No. 2177, entitled

AN ACT EXEMPTING MINIMUM WAGE
EARNERS FROM PAYMENT OF
INCOME TAX AMENDING FOR THE
PURPOSE RELEVANT PROVISIONS
OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS
AMENDED, AND FOR OTHER
PURPOSES

Introduced by Senator Juan Miguel F. Zubiri

To the Committee on Ways and Means

Senate Bill No. 2178, entitled

AN ACT PROVIDING FOR THE
FRAMEWORK IN THE CONSERVATION,
DEVELOPMENT, MANAGE-

MENT AND UTILIZATION OF
ENVIRONMENT AND NATURAL
RESOURCES, AND FOR OTHER
PURPOSES

Introduced by Senator Loren Legarda

To the Committees on Environment and Natural Resources; Economic Affairs; and Finance

Senate Bill No. 2179, entitled

AN ACT PROVIDING FOR A P125.00
DAILY ACROSS-THE-BOARD
INCREASE IN THE SALARY RATES
OF EMPLOYEES AND WORKERS
IN THE PRIVATE SECTOR AND
FOR OTHER PURPOSES

Introduced by Senator Ramon "Bong"
Revilla Jr.

To the Committee on Labor, Employment and Human Resources Development

Senate Bill No. 2180, entitled

AN ACT PROHIBITING AND PENALIZING
THE PILFERAGE AND THEFT,
UNAUTHORIZED USE, INTER-
CONNECTION, OR RECEPTION OF
ANY SIGNAL OR SERVICE OFFERED
OVER A CABLE TELEVISION
(CATV) OR CABLE INTERNET
SYSTEM AND/OR NETWORK OR
THROUGH ANY UNAUTHORIZED
INSTALLATION, ACCESS OR CON-
NECTION THERETO THROUGH
THE USE OF CABLE OR OTHER
EQUIPMENT, AND PRESCRIBING
PENALTIES THEREFOR, AND FOR
OTHER PURPOSES

Introduced by Senator Ramon "Bong"
Revilla Jr.

To the Committees on Public Information and Mass Media; and Justice and Human Rights

COMMUNICATION

Letter from Senator Aquilino Q. Pimentel Jr., dated
21 April 2008, submitting to the Senate a copy

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of his report regarding the 118th Inter-Parliamentary Union Assembly held at Cape Town, South Africa on April 13-18, 2008.

To the Archives

PARLIAMENTARY INQUIRY OF SENATOR GORDON

Senator Gordon inquired why Proposed Senate Resolution No. 355 asking for an investigation on the construction of condominium buildings within the Subic Watershed Forest Reserve was referred to the Committee on Urban Planning, Housing and Resettlement and not to the Committee on Government Corporations and Public Enterprises.

On another matter, he recalled that he delivered a privilege speech on a matter that is also the concern of Proposed Senate Resolution No. 357 which is the mandatory requirement imposed by the Professional Regulation Commission (PRC) on the seafarers to take additional course on the Management Level Courses (MLC) before qualifying for employment as marine officers. He said that said privilege speech was also referred to the Committee on Labor, Employment and Human Resources Development. He hoped that the issues he raised in that speech would be finally taken up in view of the fact that although many Filipinos are expected to become officers in the maritime industry, they do not want to go into officership because of the high cost that the PRC requirement entails.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:13 p.m.

RESUMPTION OF SESSION

At 4:13 p.m., the session was resumed.

ADDITIONAL REFERRAL

Upon motion of Senator Pangilinan, there being no objection, the Chair also referred Proposed Senate Resolution No. 355 to the Committee on Government Corporations and Public Enterprises, with respect to the involvement of the Subic Bay Metropolitan Authority (SBMA).

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 44 on Proposed Senate Resolution No. 362 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 44 ON PROPOSED SENATE RESOLUTION NO. 362

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Proposed Senate Resolution No. 362 (Committee Report No. 44), entitled

RESOLUTION CONCURRING IN THE RATIFICATION OF THE HEAD- QUARTERS AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIP- PINES AND THE INTERNATIONAL RICE RESEARCH INSTITUTE.

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 resolution was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Defensor Santiago for the sponsorship.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Preliminarily, Senator Defensor Santiago acknowledged the presence of IRRI officers, namely, Dr. Robert S. Zeigler, the Director General, and Dr. William Padolina, the Deputy Director General for Operations and Support Services, and DOST Undersecretary Fortunato dela Peña.

SPONSORSHIP SPEECH OF SENATOR DEFENSOR SANTIAGO

Thereupon, Senator Defensor Santiago proceeded to deliver her sponsorship speech as follows:

THE RP-IRRI HEADQUARTERS AGREEMENT

On behalf of the Committee on Foreign Relations, I have the honor to seek concurrence in the ratification of the Headquarters Agreement

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between the Philippines and the International Rice Research Institute (IRRI).

Historical background

The International Rice Research Institute (IRRI) is the world's leading rice research and training center. Based in the Philippines and with offices in eleven other Asian countries and one in Mozambique, covering eastern and southern Africa, it is the oldest and largest international agricultural research institute in Asia.

IRRI was established in 1960 in Los Baños, Laguna, Philippines, as an autonomous, philanthropic, tax-free, nonprofit organization by the Ford and Rockefeller Foundations in cooperation with the Philippine government. Its headquarters features modern laboratories, training and accommodation facilities, and a 200-hectare experimental farm. It lies next to the main campus of the University of the Philippines Los Baños.

In 1972, the Consultative Group on International Agricultural Research (CGIAR) was organized with IRRI as one of the founding members. The CGIAR is an association of national governments, international organizations, and private institutions cosponsored by the World Bank, the Food and Agriculture Organization of the United Nations, and the United Nations Development Programme. The Philippines is a member of the CGIAR.

Rice production

Almost half the world depends on rice as a major source of food. Although most rice producers and consumers live in Asia, rice is also an essential staple and a source of income for millions of others in Africa and South America. Many of these people are among the world's poorest, making rice production one of the planet's most important economic activities. Rice farms also cover 9% of the world's arable area; therefore, the development of sustainable technologies can have a large positive impact on the global environment. According to statistics, 36% of the crop area in the Philippines was planted to rice as of the year 2006.

IRRI's research agenda has developed in line with major global changes. The Institute's goals are to:

- ◆ Reduce poverty through improved and diversified rice-based systems.
- ◆ Ensure that rice production is sustainable and stable, has minimal negative environ-

mental impact, and can cope with climate change.

- ◆ Improve the nutrition and health of poor rice consumers and rice farmers.
- ◆ Provide equitable access to information and knowledge on rice, and help develop the next generation of rice scientists.
- ◆ Provide rice scientists and producers with the genetic information and material they need to develop improved technologies and enhance rice production.

Each of these goals is designed to contribute to the United Nations Millennium Development Goals, which provide a focus for global efforts to help the world's poorest.

IRRI services to the Philippines

IRRI has contributed significantly to the growth and advancement of both Philippine rice production and that of other rice-producing countries. Since its establishment, IRRI has worked at improving the quality and quantity of rice in all phases of rice production to benefit rice-producing and -consuming countries. IRRI has always been a partner of the Philippine government in its efforts to attain self-sufficiency in rice. This partnership was further strengthened with the creation of PhilRice (Philippine Rice Research Institute) in 1985.

The benefits to the Philippines as IRRI's host country took many forms such as:

- ◆ Scientific training of 1,847 Filipino scholars as of 2007, which included 171 for their masters of science degree and 80 for their PhD;
- ◆ Linkage to the IRRI Rice Knowledge Bank, the world's first digital extension service;
- ◆ Free access to IRRI facilities and expert training in new fields of studies like bioinformatics;
- ◆ Project collaborations with PhilRice, universities and research organizations;
- ◆ Technical assistance to provincial governments and NGOs for rice field infestations and adverse soil problems;
- ◆ Provision of seeds of diverse germplasm from both the Philippines and other countries through the International Genebank which contains rice accessions that have grown overtime to 109,000 accessions, the biggest collection in the world; and

- ◆ IRRI's investments in the local economy at an average of ₱2.80 million per day, by way of salaries and benefits to local staff, and expenditures for equipment, goods, supplies and related services. This is exclusive of the retirement funds of IRRI local staff amounting to a total of ₱310 million, which is invested in treasury notes of the Philippines.

The IRRI has long been contributing to the Philippine economy the sum of ₱982 million, more than half of its total expenditures in 2004. It has been providing employment to nationally recruited staff as well as seasonal field workers, janitors and security guards. Its community relations have also shown IRRI's desire to be more than just a research and training center. Los Baños' poor families and dependents have benefited from the Institute's various outreach programs such as public schools computerization through donations, medical missions, emergency response training and livelihood projects. All these show that IRRI has always been a force for good in the Philippines and deserves our further support.

IRRI International Genebank

The IRRI International Genebank, which is the repository of the world's largest rice collection, was established at the initiative of IRRI in the early sixties. Since then, the rice collection has grown to over 100,000 accessions, a clear indication of the full trust and confidence of depositing countries in the stability of the Philippines and the support it provides to IRRI to preserve the integrity of the IRRI Genebank. Consistent with IRRI's undertaking to hold the collection in trust for the whole world, the IRRI Genebank has adopted internationally accepted standards and policies for the protection of each and every depositor's right including the intellectual property right (IPR) over their germplasm.

The role of the Institute in the field of rice research and development has continuously been recognized and supported by numerous nations and international and regional organizations. Recently, on 27 January 2008, the *Manila Bulletin* bannered the headline "Gates donates US\$19.9 M to IRRI" in recognition of the value of IRRI's research work.

IRRI has international juridical personality

It is to the benefit of the rice-producing and -consuming peoples of the world that the Institute be provided with the status and

characteristics appropriate to its international mandate, its international sources of financing, its international operations, and the international character of its Board of Trustees and staff, so that it can more effectively pursue its international activities.

In pursuit of cooperative linkages, the Institute entered into agreements with countries and international and regional organizations. Many of these Memoranda of Understanding and Agreement granted IRRI and its expatriate staff assigned in foreign countries, diplomatic rights and privileges to facilitate collaborative research and development efforts, and training activities. Among these are the MOUs with the Bangladesh Rice Research Institute, Rural Development Administration of Korea, the Malaysian Agricultural Research and Development Institute and the Ministry of Agriculture of China, Egypt, India, Indonesia, and Vietnam.

The status of the Institute as an international organization, as well as its charter, was recognized in the Executive Agreement Recognizing the International Legal Personality of the International Rice Research Institute signed by authorized representatives of 19 nations on 19 May 1995, namely, Australia, Bangladesh, Bhutan, Brazil, Cuba, Denmark, Indonesia, India, Iran, Italy, Korea, Laos, Myanmar, Papua New Guinea, Romania, Russia, Switzerland, Vietnam, and the Republic of the Philippines. Turkey acceded to the Executive Agreement on 15 May 1996.

Six countries have ratified the Executive Agreement: Australia, Turkey, Cuba, Italy, Bangladesh, and the Republic of the Philippines. The Republic of the Philippines ratified the 1995 Executive Agreement on 28 July 2005. The Executive Agreement is still open to accession by other countries and international organizations.

By virtue of this 1995 Executive Agreement, the Institute now enjoys the status, prerogatives, immunities, and privileges of an organization with an international juridical personality.

It is therefore now appropriate to formalize an agreement allowing the Institute to maintain its headquarters in the Philippines and setting the conditions, facilities, privileges, and immunities that the government of the Republic of the Philippines shall accord to the Institute for its operations.

Under the Headquarters Agreement, the privileges and immunities that IRRI currently enjoys are reiterated and reaffirmed. Privileges

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on matters such as: communication; taxation and customs duties; sanitary, phytosanitary, and biosafety protective measures; and freedom of entry and sojourn, including free disposal of funds, are normally accorded to similar international organizations.

Significantly, such privileges and immunities are accorded to ensure in all circumstances the free operation of the Institute. The grant of immunity from local jurisdiction to international organizations is clearly necessitated by their international character and respective purposes. The objective is to avoid the danger of partiality and interference by the host country in their internal workings consistent with international practice.

It is a measure of the deep concern of IRRI for the Philippines, in particular, in addition to its international clientele all over the world in rice-producing and rice-consuming countries, that IRRI released a document, a background paper entitled "The Rice Crisis – What Needs to be Done."

The contents of this paper includes the following subtopics: What is happening? What are the underlying reasons for the rice crisis? How do price rises affect poor rice consumers? How do we prevent shortages and price rises? What needs to be done?

And it is so compelling a reading that I feel that during the sponsorship speech I should at least include a synopsis of the IRRI document concerning the question, what needs to be done?

Here is the IRRI Nine-Point Program of short-term and long-term innovations:

1. Bring about an agronomic revolution in Asian rice production to reduce existing yield gaps.
2. Accelerate the delivery of new post-harvest technologies to reduce losses.
3. Accelerate the introduction and adoption of higher yielding rice varieties.
4. Strengthen and upgrade the rice breeding and research pipelines.
5. Accelerate research on the world's thousands of rice varieties so scientists can tap the vast reservoir of untapped knowledge they contain.
6. Develop a new generation of rice scientists and researchers for the public and private sectors.
7. Increase public investment in agricultural infrastructure.

8. Reform policy to improve the efficiency of marketing systems for both inputs and outputs.
9. Strengthen food safety nets for the poor.

I shall be very happy to explain each of the Nine-Point Program of IRRI tomorrow during interpellation period.

For the meantime, it is with urgency that I recommend to this august Body our concurrence in the ratification of the IRRI Headquarters Agreement.

COSPONSORSHIP SPEECH OF SENATOR ANGARA

Senator Angara, cosponsor of the resolution, delivered the following speech:

I join my colleague, Sen. Miriam Defensor Santiago, in recommending the concurrence of the Senate to the presence of this very valuable institution. *I think this concurrence comes at no better time than this – when rice is the hottest issue not only in the Philippines but almost throughout the rice-eating world and that is half of the world, three billion people.*

The current rice situation – both local and global – calls for a concerted, multifaceted, sustained and sustainable approach to providing solutions not the least important of which is rice research.

Research and development in agriculture is probably the highest paying in terms of return among all activities related to agriculture. Therefore, research that IRRI does in this country and does so very well is most welcome. We need more of the strategic and highly beneficial research that IRRI has conducted and continues to conduct in order to improve productivity, farmers' income, achieve self-sufficiency — that is our hope — and attain food security.

I know the work of this institution because I had the privilege and great pleasure of serving on the IRRI Board for a total of eight years. I participated in reorganizing this institution when I sat on that Board and I know the valuable role it plays not only in the Philippines but in the world. In fact, because of my experience in the IRRI, with the help of its Director General, M. S. Swaminathan, and the rice scientists and research head of Los Baños, we put together an institution that we can say is one of the better rice research institutions in Southeast Asia, the Philrice. *ff*

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As a trustee, I was personally and directly involved in formulating policy and overseeing the scientific programs of the Institute, allowing me to gain direct knowledge about its mission and activities.

In lending support to the Senate concurrence, let me just simply focus on the benefits that the Philippines has gained and will gain as host country of the International Rice Research Institute.

Perhaps the most important benefit is that we have the distinct opportunity, because of the proximity of the institute to us, in the highly productive collaborative efforts between the IRRI and our research institutions and government agencies in the country. We cannot put a price tag on that invaluable collaboration and cooperation.

Institutions like our Philrice, Department of Agriculture, UP Los Baños, and the Bureau of Plant Industry benefit greatly and immensely from this Institute.

Associated with this is the access of our local research and academic institutions and researchers to the Institute's rice research outputs including the many thousands of varieties developed, the germplasm, the largest in the world containing over 100,000 accessions available at the IRRI International Genebank.

IRRI's Genebank is an international treasure. Even if a holocaust engulfs the planet, if that alone survives, then people who survive can plant rice because of this germplasm or Genebank.

There is a tremendous wealth of information that is stored in that bank as well as those being carried in the heads of the scientists of IRRI. There is the IRRI Rice Knowledge Bank which is a digital extension service that links all the rice scientists throughout the world.

Facts and figures about rice are readily available at the IRRI library which holds the world's largest collection of literature on rice. So, IRRI's vast experience and vast store of knowledge will always continue to be available to our local rice experts and local government agencies.

For example, the IRRI has contributed to the reintroduction of practically lost traditional varieties found only in Mindanao and Cagayan. I believe that without IRRI's leadership in varietal preservation, those traditional varieties would have been lost forever, not to mention

the assistance IRRI extended when there was pest infestation in Iloilo and in my home province of Quezon in Infanta. The IRRI helped train the cooperatives improve their seed health, among others.

Speaking of training, which is part and parcel of the research function of the IRRI, as of 2007, a total of 1,847 Filipino scholars have trained at the IRRI, out of which 171 obtained their Masters of Science degree and 80, their PhDs. IRRI continues to share with students its facilities and has provided expert training in new fields like bioinformatics. IRRI will be targeting more interested local students and aspiring young scientists to participate in its training programs.

Today, we are confronting a rice crisis. We are being confronted even by the social unrest that this problem generates. Therefore, it is very important that research institutions help us train more rice scientists. We need to train a new generation of rice scientists, knowledgeable in biotechnology and bioinformatics because of the exploding revolutions in information and communication technology (ICT). We need the young generation of scientists so that we can expand the agricultural scope of the Philippines.

It is also noteworthy — although it is inevitable — that half of the budget of the IRRI is spent right here in the Philippines and its retirement fund of about P300 million is invested in Philippine government securities.

Among the agricultural research institutes all over the world — there are 14 of them scattered from Asia to Africa, to Latin America — the IRRI stands out as the flagship. *Ito po ang pinakamagaling na* research institution and many of these research institutions set up in other continents have IRRI as its prototype and model. So, it is really to the credit of the Philippines and to the initiative and philanthropy of Rockefeller and Ford that they decided to set it up here in the Philippines. Ironically, in spite of its presence, we have become the biggest eater and importer of rice in this part of the world.

I remember during the time I sat on the Board of IRRI, the rice shield was vigorous and large. But I have just seen figures that show that for the past 10 years, the rice shield has not been as vigorous and robust as it used to be. Therefore, we need the IRRI. Perhaps, we even need to push the IRRI to make a second green revolution in rice. IRRI's funding is diminishing. But as Senator Defensor Santiago has said, even Microsoft has seen the value of IRRI and it should perhaps dispense some of its largesse to the IRRI. #

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There is no question at all. IRRI's record as the central rice research institute in the world is so important and we are happy that they are in our midst. But we hope, as I said, that IRRI again will re-spark and re-ignite the rice revolution that made people less hungry because we may be facing another round of unrest and hunger over rice.

With that, I enthusiastically join my colleague, Senator Defensor Santiago, and ask our colleagues to join us in supporting and giving our concurrence in the ratification of the IRRI Headquarters Agreement.

INTERPELLATION OF SENATOR HONASAN

Asked by Senator Honasan whether the present rice problem is one of productivity or primarily that of distribution due to certain requirements like a comprehensive land use policy, Senator Angara replied that the problem is both on production and distribution, but it is not a long-term one. He said that this dilemma could be solved provided that the political leadership is determined to solve it. He noted that the problem is not so much in policy because there is a good policy framework in the AFMA, but in erratic agricultural direction and funding. In particular, he cited the change of leadership in the Department of Agriculture that has resulted in lack of consistency and sustainability due to government's almost cavalier treatment of the matter.

He believed that the Philippines has the capacity, talent and the land to enable it to become self-sufficient in rice. He noted that given the technology and the high level of commitment of Filipino farmers, the Philippines could produce and meet its own requirements for rice. He conceded that glitches in distribution could be ironed out if more money is put into agriculture, farm-to-market roads and credit so that the supply could be taken out of the hands of traders and millers who have a cartel over distribution, and free farmers from being dependent on the traders and millers. He pointed out that the rice crisis is a wake-up call for the government, adding that the Committees on Agrarian Reform and Agriculture and Food could review the existing policies and align this to the current situation.

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

COSPONSOR

At the instance of Senator Zubiri, he was made cosponsor of the resolution.

REMARKS OF SENATOR ZUBIRI

Senator Zubiri commended the International Rice and Research Institute (IRRI) for the strides it has taken in rice production, underscoring that the institution's research is key to self-sufficiency in food and food independence. He stated that the IRRI has produced hundreds of rice varieties that are resistant to pests or field rats and are suitable for planting in different regions, whether they are prone to typhoons or dry spells.

REMARKS OF SENATOR GORDON

Manifesting his appreciation for the presence of IRRI in the Philippines, Senator Gordon observed that the institution has made the world a great deal more food secure by developing different rice varieties and gathering scientists from different parts of the world. He lamented that the present rice price crisis in the Philippines has been brought about by the failure of government to tap the kind of extension services that the IRRI offers and that the grassroots level really needs. He stated that the presence of IRRI in the Philippines should have been a major factor in the country's food and nutrition security.

Many times, he noted, the IRRI has shared its laboratory facilities and researches with the UP Los Baños, thereby making cutting-edge technology available to students and faculty. By undertaking these efforts, he stated that the IRRI has certainly provided leadership and fulfilled the task of teaching, uplifting in the process not only the awareness but also the capability of individuals. He maintained that for science to be effective, the scientists must have discovered something beneficial for humanity, and Filipinos, through their exposure to IRRI, have developed popular rice varieties like the IR32 and IR62, among others.

Senator Gordon stated that the IRRI is the custodian of rice varieties from the different parts of the world that it freely shares with the rest of the world. It behooves the senators, he stated, to exhort more Filipinos to be exposed to the IRRI and to tap the extension services offered by the Institute so that Filipino farmers could maximize their production.

He emphasized that the IRRI could help the Philippines feed its people and the rest of the world.

INTERPELLATION OF SENATOR PIMENTEL

At the outset, Senator Pimentel stated that he shares the sentiments of the sponsors about the presence of IRRI in the Philippines whose primary mission is to develop rice varieties for different parts of the world.

On a matter related to IRRI, Senator Pimentel bared that like the other senators, he has received complaints of some Filipino labor leaders alleging discrimination on the part of IRRI, their employer.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 5:02 p.m.

RESUMPTION OF SESSION

At 5:03 p.m., the session was resumed.

In reply to the query, Senator Angara disclosed that over a period of 48 years, only seven labor cases had been filed against IRRI and all of them have been resolved, and since 2002 not one single case of unfair labor practice has been filed against the institution. He stated that like other international organizations located in the Philippines, IRRI respects the right of labor to self-organization and that, in fact, the IRRI Employees Association has been in existence since 1998. He observed that there is bound to be a complaint of discrimination in any big organization, local or international. However, he conveyed the assurance given by the IRRI officials that not one single case of discriminatory practice against the institution has been proven.

Senator Pimentel recalled that sometime ago, there was a complaint that IRRI supposedly would invoke diplomatic immunity if the labor organization tried to raise the issue of discrimination. With the ratification of the agreement, he hoped that the IRRI would never invoke diplomatic immunity to forestall the Filipino workers' right to legitimately express their grievances. In reaction, Senator Angara stated that he would take the assurance of IRRI officials at

face value as he believed that the institution would not deliberately and consciously discriminate against Filipinos and any other nationals for that matter.

SUSPENSION OF CONSIDERATION OF PROPOSED SENATE RESOLUTION NO. 362

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

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan stated that based on the order of reservations, the proper order for interpellation on Senator Angara's speech entitled "Overcoming the Rice Problem: A Practical Guide To Planting More Rice" should be as follows: Senators Legarda, Biazon, Gordon, Enrile and Pimentel.

RESUMPTION OF THE INTERPELLATIONS ON SENATOR ANGARA'S SPEECH

Upon motion of Senator Pangilinan, there being no objection, the Body resumed the interpellations on Senator Angara's speech.

Thereupon, the Chair recognized Senator Angara, and Senator Legarda for her interpellation.

INTERPELLATION OF SENATOR LEGARDA

Senator Legarda asked Senator Angara if he shares President Macapagal Arroyo's assertion made in the LEDAC meeting that morning that there is no rice crisis yet in the country when government had declared a month ago that there was already a rice shortage.

Senator Angara clarified that there is enough rice supply in the country but there is a tremendous crisis in terms of the price of rice, which has doubled in barely four months, and there is no immediate relief to the rising price because combined with the rising prices of other commodities is the tremendous uptake in the prices of basic food.

Senator Legarda stated that according to an article in *The Economist*, "There has been a long-term fall in investment in farming and the things that sustain it such as irrigation. The share of public

spending going to agriculture in developing countries has fallen by half since 1980. Poor countries that used to export food now import it." She noted that the country is currently facing the problem of rice self-sufficiency when, in fact, it exported rice for two years during the Marcos regime and for one year during the Ramos administration. She asked what caused the increase in the price of rice and the so-called underinvestment in agriculture which is seen not only in the Philippines but worldwide, underscoring a drop of 50% in investment in agriculture since 1980.

Senator Angara confirmed that the Philippines has consistently underinvested in agriculture and the problem would not have come about had the country continued the mandate and the master plan laid out in the Agriculture and Fisheries Modernization Act (AFMA), which mandated a minimum of P17 billion a year that is over and above the regular budget of agriculture in the country. Further, he pointed out that there is also the problem of misapplication which could be illustrated by the fact that government has not provided sufficient funding for agricultural research, both basic and applied, which is the only activity that would sustain yield and productivity. He affirmed that this activity includes the training of rice scientists and building up of human capital. He added that government has failed to attend to the problem of deteriorating canals and ditches when, in fact, water is crucial to rice planting. He echoed the assertion of experts that the Philippines has the capacity to produce enough rice.

Asked how government used its resources in the past years, Senator Angara said that importation was given more importance than basic agriculture. He opined that the root cause of the problem is the failure of political leaderships. He maintained that political resoluteness and determination to provide food and push rural development would have prevented the problem.

Asked on his proposal to limit the NFA's role *vis-a-vis* giving more leeway to private rice traders to do the importation, Senator Angara pointed out that the NFA has failed to achieve its goal to stabilize the price of palay and ensure its stable supply. He explained that when the NFA was given the monopoly to import and trade rice, it created an environment of corruption, smuggling and hoarding. He described the NFA's buying policy as very weak that it has instead influenced price stability because it has not succeeded

in purchasing 10% of the harvest. He said that there is no reason to maintain an agency which lost almost P50 billion in trading and importation in 2007 alone and has an accumulated debt of P69 billion.

Asked whether the NFA's regulatory functions should be set aside from its commercial functions, Senator Angara replied in the affirmative, adding that the NFA should give up its trading functions and its monopoly over rice which could be done only through legislation.

Senator Legarda recalled that last year, she filed a measure seeking the restructuring of the NFA by separating its commercial and regulatory functions and it was referred to the Committee on Agriculture and Food. Senator Angara stated that he would not want to cause undue alarm to the NFA personnel, so he would like an early retirement plan for them but those who have skills can be relocated to other government agencies.

As far as domestic output is concerned, Senator Legarda noted that there is a wastage of at least 15% or 1.7 million metric tons of rice due to lack of post-harvest facilities; in fact, the roads going to provinces are being used as solar driers. She asked whether this could be attributed to the lack of fund allocation for the purpose.

To illustrate the scope and magnitude of the waste, Senator Angara narrated that last year, the country harvested 16 million tons of palay, so that if 10% of it went to waste, that translates to 1.6 million metric tons of palay or about 1.2 to 1.3 million metric tons of rice which is equivalent already to the country's annual average importation, and clearly, just saving what the Filipino farmers had already planted and harvested would already make the country sufficient. Senator Legarda agreed that the solution to the rice crisis is only a matter of plugging the leaks by providing for post-harvest facilities to limit the wastage.

Senator Angara added that the option is fortunately not limited to stemming the wastage because the country also has the ability to increase its yield by simply repairing the 400,000 irrigated areas that have deteriorated. He believed that the potential for growth in the country's rice yield is there for government to seize; it only needs to prioritize and learn how to target and focus on its spending. #

As to the wastage in terms of consumption, Senator Angara replied that he was unsure about the volume of wastage in consumption but he was positive about the loss and wastage for lack of drying facilities. He stressed the importance of the country's capacity to increase its yield not simply by saving on the waste which the government can do but also increasing the yield by simply repairing the deteriorated canals and ditches.

On another matter, Senator Legarda asked how government could limit the 14% loss in its agricultural output due to climate change.

But Senator Angara clarified that his projection is that grains would grow even this year. However, he acknowledged that drought due to climate change had resulted in 98% loss in the rice harvest of Australia, one of the bigger rice growers. He also noted the devastating floods in Guandong, Southern China, one of the richest rice bowls of China, as well as in Thailand and the devastating frost in Northern China that practically destroyed its winter wheat. He stated that climate change has drastically reduced the global yield of grains, rice, wheat, corn and soya in the last two years. He said that global rice production was reduced by 3% that is equivalent to almost a billion tons of production translating to quite a big amount, which is why the amount of tradable rice in the international market is so small that the Philippines is competing with West Africa which is hungry for rice and other Asian countries like Indonesia, which used to be self-sufficient. He said that it was the reason behind the increase in the price of rice from \$343 in November 2007 to \$1,100 dollars a week ago when rice traders from Vietnam and Thailand came in which shows how volatile the global rice market is. He said that the stock pile of rice which used to be huge because of the surpluses of the previous years has already dwindled; also, the huge stock pile of wheat or corn has already gone.

Given that situation, Senator Angara expressed optimism that because of scientific breakthroughs, grains this year would grow barring any unpredictable climate change. He believed that the Philippines has the capacity to produce what it needs because it has the land; all its needs is the determination and the political wisdom to do it.

Senator Legarda noted that the country has millions of hectares of logged-over areas which are not being replanted. While rice cannot be planted in

marginal lands, she believed that they can grow other food crops. She asked whether government would embark on a program to lease all these marginal and unutilized lands to private companies which have the capacity to plant rice and other food crops for self-sufficiency. Senator Angara replied that this can be done later because government's concern is immediate—to meet the shortfall of about 1.2 metric tons of rice so that the country need not import from a very tight global market. He expressed confidence that it can be done because the planting season is near and the preparation can be started in August and September and the planting, in October and November. He said that that there could be a buffer crop in April of next year if government would repair all canals, and give farmers certified seeds, the needed credit and mechanical or flatbed driers.

Senator Legarda stated that agricultural farm inputs and mechanization are among those exempted from the EVAT. She asked if there are still farm inputs or agricultural machineries that are not exempt yet from EVAT. In reply, Senator Angara said that importation of agricultural machineries should be tax-exempt. He explained that EVAT covers primary products like coconut and rice which, if sold, are zero-rated, but if cooked and served in restaurants, would be subject to EVAT.

Senator Legarda said that she was under the impression that agricultural machineries imported through CDA-registered cooperatives are VAT-exempt. Senator Angara replied that this was the concession when the Body was debating on EVAT. However, he lamented that there are only few successful cooperatives in the country and these cooperatives are usually established as a front simply to be able to import EVAT-free machineries which is a dishonest way of doing business. Nevertheless, he affirmed that the proposal to temporarily suspend EVAT on farm inputs and machineries is feasible because 12% of the selling price is a big chunk that adds to the cost of food. He expressed hope that the Committee on Ways and Means would consider the proposal when it discusses the lifting of the duties on the importation of crude.

Adverting to the Agri-Agra Law, Senator Legarda asked whether the 25% of the portfolio of lending institutions is enough to provide credit to farmers. Senator Angara replied that it is farce because under the BSP regulation, one who invests or buys government treasury is deemed to have

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complied with the Agri-Agra Law; hence, it is not an actual credit extension to farmers. He said that in the LEDAC meeting earlier in the day, he pointed out the need to prioritize the Agri-Agra Law amendment, revisit the AFMA, and study the extension of the agrarian reform program because these measures would address the issue of food and food security.

Senator Legarda informed the Body that on June 30, 2007, she filed a bill seeking to correct the Agri-Agra Law loophole and actually limiting its compliance only to providing access to credit to farmers. She agreed that restructuring the NFA and providing credit to farmers through amendments to the Agri-Agra Law are part of the many solutions to the looming rice crisis. Senator Angara added that part of the solution is for the bank community to accept agricultural lands as collateral for loans.

Senator Legarda expressed the belief that in the meantime, legislation is not required to address the rice crisis but political will, leadership and political action.

INTERPELLATION OF SENATOR BIAZON

Senator Biazon expressed hope that the Philippines would not fall into a situation similar to that obtaining in Haiti, Burkina Fasso and Senegal which are already facing a food crisis.

As regards the strategy of NFA of buying high from farmers and selling low to the urban poor, Senator Biazon asked about the average loss that the system generates. Senator Angara replied that NFA lost almost P50 billion in 2007 on rice importation and domestic trading. However, he clarified that NFA actually buys only in small quantities between 1% and 4%, and is not able to provide price support to the farmers.

Replying to further queries, Senator Angara said that if palay is bought at P17, its milling and freight costs would put the price of rice at P32 and should be sold at the same price to break even. However, since rice is being sold at P18 with a support price of P17, selling price at P18, and break even price of P32, he said that the NFA is presently losing P14 per kilo.

To subsidize the losses in the domestic trading, Senator Biazon asked if NFA's strategy is indeed to buy imported rice at a low price and selling it at a

high price. Senator Angara said that while this was the theory at the time when the international price of rice was low compared to domestic rice, it is now more expensive to buy imported rice.

Replying to other queries, Senator Angara disclosed that a DOF-commissioned study before the rice crisis estimated that NFA's accumulated loss shall be P136 billion within two years. He said that while Thai Grade B rice, the international benchmark, was priced at US\$343 then, its price had already reached US\$1,100 last week. Thus, he said that aside from the P136 billion estimated loss based on the old price, NFA would incur another P169 billion in debt based on the new price. He pointed out that the public would carry the burden of paying the debt. Reacting thereto, Senator Biazon said that he would not be surprised if a supplemental budget is submitted to Congress to address the matter.

Senator Biazon proposed to address the current food crisis by first addressing the problem of stock inventory and rising price today up to the end of the lean season in September. Noting the bountiful rice harvests in the countryside during his recent trips, he believed that the problem in pricing and the perception of a global rice shortage was caused by a lot of speculations brought about by the announcement of Vietnam and Thailand that they would cut their exports by as much as 30%.

Asked whether the global shortage is real, Senator Angara replied in the affirmative. He said that according to figures released by the U.S. Department of Agriculture, the production of rice in 2007 dropped by about 7%, whereas consumption went up by 9%. Precisely because of the global shortage, he said that Thailand and Vietnam, the top two rice exporters in the world, saw the opportunity to make more money and announced a cutback on exports which made the price of rice shoot up by almost US\$100 per ton. However, he cited the good news that scientists and economists in the U.S., Australia, Canada and the U.K. have predicted that grains production would go up this year.

Replying to further queries, Senator Angara affirmed that the production of biofuels has added to the food crisis, to the extent that the economic ministers of Germany and the U.K. have declared a halt in the conversion of areas devoted to food crops into crops for ethanol production. He pointed out that the conversion of corn areas in the U.S. became

progressive because the U.S. government provided tremendous incentives to farmers by setting aside US\$5 billion to encourage the shift of soya and corn production from feed to ethanol. However, he clarified that the price of food has risen not only because of the production of bioethanol, but a combination of factors such as climate change, the shift in eating habits of the rising middle classes of China and India, and a lot of speculations, particularly since hedge funds and commodities traders saw the opportunity of making a lot of money.

Senator Biazon said that while he voted for the enactment of the Biofuels Law, he saw the need to file a joint resolution to suspend it until after Congress shall have been assured that there is no scarcity of land. Senator Angara said that the food and fuel equation in the Philippines is still not as bad as in the U.S. or Europe because the country has a surplus in sugar and even coconut. He believed that in the case of the Philippines, the strategic shift from the use of fossil fuel to renewable energy sources like wind, water and solar would be good for the environment and economy in the long term, thus, the biofuels program should not be suspended since it had already attracted big investors.

For his part, Senator Biazon said that he would consider the economic factor more than the environmental factor in the implementation of the Biofuels Law as he pointed out that developed countries that are consuming a lot of fossil fuel and emitting a huge amount of greenhouse gases are the ones pushing for the use of biofuels.

Asked if there is an estimate on how much is needed to address the rice stock problem from now up to the end of the lean months, Senator Angara replied in the negative.

But Senator Biazon believed that continuing with the strategy of the NFA of buying palay from the farmers at a high price and selling the same at a low price would eat into the funding resources of the government. Senator Angara recalled that when he put up the so-called rice passport in 2000 in response to the temporary rice shortage and the sudden increase of prices in Metro Manila, Metro Cebu and Metro Davao, it was estimated that the expenditures would not exceed P5 billion. The rice passports, he said, which were issued to the poorest of the poor based on the registry provided by the DSWD, were then used to buy rice at half the price from accredited

retailers. This project, he pointed out, stopped the looming social unrest in those areas. He said that giving the same passport to the estimated eight million poorest of the poor Filipinos would entitle them to about five kilos of rice every week.

To the argument that implementing the same strategy would entail huge costs, Senator Angara reasoned that the government should be more compassionate and should concentrate at once on the targeted population and disregard the "one kilo-per child" school feeding program.

Senator Biazon said that he was sure that the resolution would be referred to the Committee on Agriculture and Food where he would like his questions to be answered. Senator Angara stated that he has already read the resolution of Senator Biazon and instructed the Committee staff to schedule an inquiry into all the aspects of the problem.

Senator Biazon asked how much of the P48 billion FIELDS funds would be used to address the second level of the rice problem in light of the emergence of a cartel known as the Rice Producing and Exporting Countries (RPEC). He expressed the view that if the rice cartel would behave like the OPEC, one of the solutions to combat the possible increase in the price of rice is to attain self-sufficiency. But he expressed concern that while it could be attained, there is already a land shortage for rice production, the very reason why he filed the resolution. He believed that the Philippines need to do a lot of things to attain self-sufficiency and eventually become a rice exporter like Vietnam. Senator Angara said that while land is very important in rice production, it is no longer the most important factor in this time of revolutionary science and technology. He stated that with a limited land area, the yield could be increased with the use of high-yield seeds, improved irrigation and better management. He disclosed that the country's irrigable land area is 3.5 million hectares, of which only 1.6 hectares is irrigated, thus, there is a potential for self-sufficiency and growth with the right political leadership and agricultural management. He stated that the amount of P250 billion spread over five years is needed to attain self-sufficiency in rice.

Senator Biazon asked if there are 4.1 million hectares of land planted to rice, of which 2.7 million hectares are irrigated and 1.3 million hectares are rainfed.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 6:23 p.m.

RESUMPTION OF SESSION

At 6:25 p.m., the session was resumed.

In reply, Senator Angara stated that the total land area planted to rice is 4.1 million hectares, of which 2.8 million hectares are irrigated for two cropping seasons and the rest is 1.3 million rain-dependent hectares of land which are good for one cropping season. He gave assurance that he would provide the data in due time.

Senator Biazon disclosed that there are reports that using hybrid rice seeds would give a higher yield but there are also reports that in Central Luzon, hybrid rice seeds were withdrawn and inbred rice seeds were reinstated.

Senator Angara stated that inbred seeds are set aside by the farmers after the harvest to be used in the next cropping season and they yield 2.5 tons per hectare but certified seeds would double the yield to 4.5 tons.

Senator Angara stated that there is only two-ton difference in the yields of certified and hybrid seeds. He said that of all the seed classifications, hybrid seeds will yield a farmer six and a half tons per hectare. With 250 thousand hectares for hybrid seeds and about 1.6 million hectares for certified seeds, he said that it is possible to increase hectareage since there is available area for planting the crop.

On the accuracy of the reports that the difference in yield between certified inbred and certified hybrid seeds in Central Luzon is only 10 % compared to 63% in Eastern Visayas, Senator Angara pointed out that the figure is unusually low and therefore might just be an isolated case, particularly since in other areas such as Davao del Sur, hybrid seeds yield 12 tons per hectare.

Asked whether the traditional or the *sabog* method would be more advantageous to the farmer considering that hybrid seeds are planted one at a time while inbred seeds are sown through the *sabog*

method, Senator Angara replied that despite the high cost of planting and maintenance, 250,000 hectares of hybrid rice is grown in the country, indicating that the additional expense is more than compensated by the additional income.

Upon further queries, Senator Angara explained that Region III or Central Luzon produced a higher yield of hybrid rice than Region II even though the latter has bigger hectareage because it is endowed with national irrigation systems like the Pantabangan Dam and the Pampanga irrigation. He noted that Cagayan Valley, which has smaller hectareage for rice crops, produced more than two million metric tons of rice, adding that its yield is almost at par with Central Luzon.

Senator Angara expressed the view that self-sufficiency could be achieved provided that limited resources are correctly allocated. Senator Biazon stated that there is a P43-billion support fund to address the current problem.

Senator Biazon pointed out that the full potential of the Pantabangan-Casacnan complex has not been fully realized since there is need to irrigate 23,000 hectares. On the other hand, he stated that the San Roque Dam requires the construction of infrastructure, specifically a retention pond, a weir and distribution canals which require P10.4 billion. He believed that the dam would help irrigate between 83,000 and 85,000 hectares and all-in-all, there would be 100,000 hectares of irrigated farmland that would yield eight metric tons of palay per hectare.

INTERPELLATION OF SENATOR GORDON

Senator Gordon asked whether the era of affordable rice for the poor is over given the high cost of fertilizer, the heavily damaged irrigation facilities, the high cost of irrigation capability, the lack of extension, the lack of driers and post-harvest facilities, and the lack of farm inputs like certified seeds. Senator Angara agreed, saying that the country is reaping the whirlwind for neglecting to invest in or underfunding agriculture, irrigation and post-harvest facilities. He warned that the Philippines is reaching the point where rice will become so expensive it will become unaffordable. However, he believed that once the government marshaled its limited resources and spent them on a targeted basis, ultimately, the country shall achieve rice sufficiency and with a steady supply, the price shall stabilize. ⁴⁵

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To the observation that attaining self-sufficiency in rice means taming the population growth, Senator Angara stated that he has factored this in his calculation.

Nonetheless, Senator Gordon stated that several key factors such as the climate change that has resulted in typhoons of extreme magnitude and the rising cost of fertilizers that has resulted from the increasing price of oil have also to be factored in the calculation. He asked whether the government is telling the people the truth that certain steps have to be taken like addressing the population growth; applying resources properly; doing extension work on the part of the Department of Agriculture, the colleges and universities; providing incentives to LGUs, farmers and even banks.

For his part, Senator Angara believed that the principal problem in the management of food and agriculture is that the appropriation has not been put to right use. He pointed out that there is P6 billion for irrigation in the yearly budget but up to now, 400,000 hectares still need to be rehabilitated, meaning, because the number has not changed since he was agriculture secretary. He pointed out that of the mandated P20 billion from the agriculture modernization fund in the initial year, only P13 billion has been expended. He stated that if he has P17 billion, he would spend it on irrigation, research, good seeds, and credit, in that order.

Senator Angara affirmed that it would be ideal to create a higher yield per hectare considering that land does not expand and higher yields would result in higher income.

Senator Gordon said that higher yields do not necessarily translate to higher income as government continues to subsidize urban areas which demand cheap rice. Senator Angara explained that precisely, this is the reason behind his proposal for dismantling the monopoly of the NFA and the reduction of tariffs on rice so that the supply could not be controlled by a single agency.

Upon further queries, Senator Angara replied that reducing rice tariffs would be a positive step since aside from implementing one of the highest rice tariffs in Southeast Asia, the Philippines also imposes quantitative restriction on this produce. He stressed the importance of spending on vital components such as water, research, good seeds, credit and agricultural

extension which is also critical to the management of the farm and plant disease. He said that political leadership is the vital ingredient to realizing all these plans; the country's leaders should take the initiative in this matter. He expressed hope that not only has the government's rice policy been clarified after the LEDAC meeting but there is now direction in terms of funding for agricultural undertakings as there had been no concrete plans on how the proposed P43 billion proposed allocation for agriculture would be utilized. He pointed out that government only needs to provide support for the 37 rice-growing provinces.

Senator Gordon believed that if the Executive is not disclosing the truth about the rice crisis, then it is the Senate's duty to do so. He wondered whether, as in the past, government is going into a crisis-oriented mode by creating a task force and appointing a "czar" to manage matters rather than ensuring a long-term positive impact on the situation through curbing population growth, for instance.

For his part, Senator Angara believed that the rice crisis would move all politicians to action specially because they and even the President would pay a heavy price for not addressing the issue.

Pointing out that the rice crisis has resulted in violence in other countries such as Haiti, Senegal and Thailand, Senator Gordon wondered how statements made by the administration denying the possibility of a rice shortage could be reconciled with the reality that the Philippines could be experiencing a severe crisis. Senator Angara believed that the immediate problem is the escalating price of rice triggered by opportunists who hoard the produce to make money.

Senator Gordon speculated that similar to the existing international oil cartel that might cause oil prices to rise to as high as US\$200/barrel, an incipient international rice cartel might also have arisen as a result of the rice crisis. He believed that other countries such as China, might use the current situation to exchange their rice with oil. He noted that although the Philippines is the seventh largest rice producer in the world, the country could be motivated to aim high and produce more rice than what it consumes through the aid of sufficient resources, education and irrigation. Senator Angara believed it is possible for the rice trade to become an oligopoly that has few sellers and suppliers such as the top three surplus rice producers — Thailand, Vietnam and the United States. He expressed concern

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that since there is only a small supply of rice — about 330 million metric tons — that could be traded in the international market or less than three percent of total global production, any aberration in production such as the drought which wiped out about 97% of Australia's rice crop, the floods which destroyed those in Southern China or a decision by big producers such as Thailand or Vietnam to halt rice exports, would further shrink the quantity of available rice in the market and jack prices of this commodity to as high as a hundred dollars/ton. In this kind of situation, he said that is not unlikely that a cartel could arise to parlay such power with poor countries in Africa or Asia.

Senator Gordon believed that while a *de facto* rice cartel is already in existence, government, through purposeful leadership, could generate the kind of motivation to help Filipinos produce better harvests and achieve the goal of self-sufficiency in rice production. This, he said, would also mean better population control, instilling discipline in investments such as in irrigation and the like. Senator Angara believed that this could be realized as he is aware of the capability of the farmers and the potential of the land. He believed that the Philippines could be self-sufficient in two years for as long as government focuses on how it would spend on vital components of agriculture such as water, credit, good seeds and research.

Upon further queries, Senator Angara agreed that the rice crisis and the goal of attaining self-sufficiency could be addressed through step-by-step prioritization such as, for instance, first focusing on the repair of damaged irrigation facilities and then extending credit to farmers.

Senator Gordon suggested that government ought to have a clear vision in terms of providing agricultural funds and how these should be allocated. He reiterated the importance of being honest about the entire situation so that the appropriate action could be taken. He believed it is not enough to have a rice czar to handle the matter. However, Senator Angara believed that having someone in charge would be helpful. He recalled that during the Marcos regime, the country achieved self-sufficiency in only two years under the management of such rice czars like the late Rafael Salas and Arturo Tangco who were really dedicated in coordinating the efforts of various agencies and organizations to producing rice.

To the observation that a lack of firmness and purposefulness in the national leadership is also part of the problem, Senator Angara noted that agriculture is a comprehensive industry which could not be handled without regard to the other elements that also need funding.

Senator Gordon stated that the government should propagate the program of Governor Villafuerte of Camarines Sur among the other provinces. He stated that the Filipinos should lessen their consumption of rice toward which end, the DOST or the DOH could make some suggestion on the nutritional value of other food like *malunggay* or *kalabasa*.

RESERVATIONS TO INTERPELLATE

Senator Pangilinan stated that Senators Enrile, Madrigal and Pimentel have made reservations to interpellate Senator Angara in the next day's session.

SUSPENSION OF INTERPELLATIONS ON SENATOR ANGARA'S PRIVILEGE SPEECH


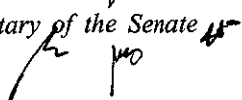
Upon motion of Senator Pangilinan, there being no objection, interpellations on Senator Angara's privilege speech were suspended.

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 7:15 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO REYES
Secretary of the Senate 

Approved on April 23, 2008