



REPUBLIC OF THE PHILIPPINES

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Journal

SESSION NO. 76

Tuesday, May 13, 2008

**FOURTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 76
Tuesday, May 13, 2008

CALL TO ORDER

At 3:39 p.m., the Senate President, Hon. Manny Villar, called the session to order.

PRAYER

Sen. Miriam Defensor Santiago read the prayer written by Rabindranath Tagore, 1913 Nobel Prize Laureate in Literature:

This is my prayer to thee, my Lord – strike,
strike at the root of penury in my heart.

Give me the strength lightly
to bear my joys and sorrows.

Give me the strength
to make my love fruitful in service.

Give me the strength never to
disown the poor or bend my knees
before insolent might.

Give me the strength to raise my
mind high above daily trifles.

And give me the strength to surrender
my strength to thy will with love.

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 into 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, my Father,
let my country awake.

Amen.

ROLL CALL

Upon direction of the Chair, the Deputy Secretary for Legislation, Edwin B. Bellen, called the roll, to which the following senators responded:

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

With 19 senators present, the Chair declared the presence of a quorum.

Senators Arroyo, Biazon and Escudero arrived after the roll call.

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

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended to allow the senators to greet Senator Roxas on the occasion of his birthday.

It was 3:42 p.m.

RESUMPTION OF SESSION

At 3:43 p.m., the session was resumed.

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. 75 and considered it approved.

REFERENCE OF BUSINESS

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

BILLS ON FIRST READING

Senate Bill No. 2268, entitled

AN ACT ESTABLISHING A REWARDS
FOR INFORMATION CONCERNING
TERRORISM PROGRAM

Introduced by Senator Miriam Defensor
Santiago

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

Senate Bill No. 2269, entitled

AN ACT PROVIDING FOR THE
REORGANIZATION OF THE
NATIONAL POLICE COMMISSION

Introduced by Senator Miriam Defensor
Santiago

**To the Committees on Public Order and
Illegal Drugs; Civil Service and Government
Reorganization; and Finance**

Senate Bill No. 2270, entitled

AN ACT CREATING A NATIONAL
TRANSPORTATION SAFETY BOARD
AND APPROPRIATING FUNDS
THEREFOR

Introduced by Senator Miriam Defensor
Santiago

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

Senate Bill No. 2271, entitled

AN ACT GRANTING CASH AND OTHER
NON-MONETARY BENEFITS AND
INCENTIVES TO NATIONAL
ATHLETES, COACHES AND
TRAINERS, AMENDING FOR THE
PURPOSE CERTAIN SECTIONS OF
REPUBLIC ACT NUMBERED
NINETY HUNDRED AND SIXTY-
FOUR, OTHERWISE KNOWN AS
NATIONAL ATHLETES, COACHES
AND TRAINERS BENEFITS AND
INCENTIVES ACT OF 2001

Introduced by Senator Gregorio B. Honasan II

**To the Committees on Games, Amusement
and Sports; and Finance**

RESOLUTION

Proposed Senate Resolution No. 392, entitled

RESOLUTION URGING THE SENATE
COMMITTEE ON LABOR, EMPLOY-
MENT AND HUMAN RESOURCES
DEVELOPMENT TO CONDUCT
AND INQUIRY, IN AID OF LEGIS-
LATION, ON THE SUSPENSION OF
THE PRE-DEPARTURE LOAN
PROGRAM OF THE OVERSEAS
WORKERS WELFARE ADMINIS-
TRATION (OWWA) WITH THE END-
IN-VIEW OF PROMOTING TRANS-
PARENCY AND ACCOUNTABILITY
IN ITS TRANSACTIONS AND
ENSURING DELIVERY OF ITS
WELFARE SERVICES AND
BENEFITS

Introduced by Senator Manny Villar

**To the Committee on Labor, Employment
and Human Resources Development**

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ADDITIONAL REFERENCE OF BUSINESS**BILLS ON FIRST READING**

Senate Bill No. 2272, entitled

AN ACT CREATING THE GOVERNMENT ASSET MANAGEMENT AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committees on Government Corporations and Public Enterprises; Ways and Means; and Finance

Senate Bill No. 2273, entitled

AN ACT LIMITING THE INVESTMENT OF FUNDS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM AMENDING FOR THE PURPOSE SECTION THIRTY-SIX OF PRESIDENTIAL DECREE NUMBERED ELEVEN HUNDRED FORTY-SIX AS AMENDED, OTHERWISE KNOWN AS THE REVISED GOVERNMENT SERVICE INSURANCE SYSTEM ACT

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committee on Government Corporations and Public Enterprises

Senate Bill No. 2274, entitled

AN ACT INSTITUTING THE PHILIPPINE NATIONAL RAILWAY SYSTEM AND FOR OTHER PURPOSES

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committees on Government Corporations and Public Enterprises; Public Services; Ways and Means; and Finance

Senate Bill No. 2275, entitled

AN ACT TO PREVENT DEATHS CAUSED BY DRUG OVERDOSE

Introduced by Senator Miriam Defensor Santiago

To the Committee on Health and Demography

Senate Bill No. 2276, entitled

AN ACT PROHIBITING THE USE OF CELLULAR OR MOBILE TELEPHONES IN CERTAIN PUBLIC AREAS OF HOSPITALS, MEDICAL CENTERS, OR ANY OTHER TREATMENT CENTER

Introduced by Senator Miriam Defensor Santiago

To the Committees on Health and Demography; and Public Services

Senate Bill No. 2277, entitled

AN ACT TO REQUIRE ELEMENTARY AND SECONDARY SCHOOLS TO HAVE MEDICAL AND DENTAL RECORDS OF THEIR STUDENTS

Introduced by Senator Miriam Defensor Santiago

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

Senate Bill No. 2278, entitled

AN ACT TO PROHIBIT THE USE, PURCHASE AND STORAGE OF ELEMENTAL MERCURY BY SCHOOLS

Introduced by Senator Miriam Defensor Santiago

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

RESOLUTIONS

Proposed Senate Resolution No. 393, entitled

RESOLUTION EXPRESSING SYMPATHY
TO THE PEOPLE'S REPUBLIC OF
CHINA ON THE DEVASTATING
MAY 12, 2008 EARTHQUAKE

Introduced by Senator Gordon

To the Committee on Rules

Proposed Senate Resolution No. 394, entitled

RESOLUTION COMMENDING ALEX
PAGULAYAN FOR BEING THE 2008
PARTYPOKER.NET WORLD POOL
MASTERS CHAMPION

Introduced by Senator Manny Villar

To the Committee on Rules

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Pangilinan acknowledged the presence of officers and members of the National Movement of Young Legislators.

Senate President Villar welcomed the guests to the Senate.

PROPOSED SENATE RESOLUTION NO. 393

Upon motion of Senator Pangilinan, there being no objection, the Body considered Proposed Senate Resolution No. 393, entitled

RESOLUTION EXPRESSING SYMPATHY
TO THE PEOPLE'S REPUBLIC OF
CHINA ON THE DEVASTATING
MAY 12, 2008 EARTHQUAKE.

Thereupon, the Chair recognized Senator Gordon for the sponsorship.

SPONSORSHIP REMARKS OF SENATOR GORDON

Senator Gordon said that he was at the Committee on National Defense and Security meeting on disasters

yesterday when he received a text message that a 7.8-magnitude earthquake struck China, and so far, according to reports, there were 8,500 dead and 900 students were trapped under the rubbles of their school.

Expressing his deepest sympathies to the People's Republic of China, Senator Gordon stated that he had spoken with China's Ambassador Song Tao and offered condolences on behalf of the Philippine National Red Cross and the Senate. He said that the PNRC offered to send a rescue team consisting of personnel and a rescue truck complete with equipment that can go through debris. He added that Filipino-Chinese doctors and nurses who speak Mandarin are also being tapped as part of the Red Cross contingent, and that as soon as the green light is given, the contingent will leave for China.

Thereupon, Senator Gordon read the text of the resolution, to wit:

RESOLUTION EXPRESSING SYMPATHY TO
THE PEOPLE'S REPUBLIC OF CHINA
ON THE DEVASTATING MAY 12, 2008
EARTHQUAKE.

WHEREAS, on May 12, 2008, a magnitude 7.8 earthquake struck the city of Chengdu, the provincial capital of Sichuan province, China;

WHEREAS, the strong tremor triggered a mudslide that caused a high school building in Chengdu to collapse and buried 900 students in the building's rubble;

WHEREAS, four other students were killed and at least 100 more injured when two other schools collapsed in Liangping country of Chongqing municipality near Sichuan;

WHEREAS, the latest reports from China paint a gloomy picture as 80% of buildings in Chengdu have either collapsed or suffered damage and an estimated 10,000 people died from what has been considered the strongest earthquake to have hit China in more than 58 years;

WHEREAS, the strength of the earthquake was such that it shook buildings in Beijing for three minutes, causing panic-stricken office workers to scramble out of office buildings, and stopping traffic in the capital's thoroughfares;

WHEREAS, the earthquake's effects was felt as far as Hong Kong and Bangkok in Thailand, 1,950 kilometers away from the quake's epicenter in Chengdu;

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WHEREAS, the Philippines is no stranger to natural calamities and has suffered great loss of lives and property from earthquakes such as the deadly Baguio tremor that shook the summer capital and its environs, including Cabanatuan and Dagupan cities in 1990, and the more recent mudslides in Guinsaugon, Southern Leyte and Legaspi City in the province of Albay;

WHEREAS, the appalling loss of lives, especially of young and promising students, anywhere in the world deserves our sympathy and support;

WHEREAS, China is a close neighbor of the Philippines and the Chinese people and the Filipino people have enjoyed strong historic, cultural, economic, and social ties for many centuries; *Now, therefore, be it*

Resolved, as it is hereby resolved, That the Senate officially send its message of condolences to the government and people of the People's Republic of China (PRoC), and express its sympathy and solidarity with them over the massive deaths, suffering and destruction in the wake of the devastating earthquake in Chengdu, Sichuan province, China.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 393

Upon motion of Senator Pangilinan, there being no objection, Proposed Senate Resolution No. 393 was adopted by the Body.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 3:54 p.m.

RESUMPTION OF SESSION

At 3:55 p.m., the session was resumed.

COMMITTEE REPORT NO. 39 ON SENATE BILL NO. 2077 (Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2077 (Committee Report No. 39), entitled

AN ACT ESTABLISHING THE PRE-NEED CODE OF 2008.

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

Thereupon, the Chair recognized Senator Angara, Sponsor of the measure, who manifested that he would formally introduce the proposed amendments of Senators Aquino and Enrile.

ENRILE-AQUINO AMENDMENTS

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

By Senator Enrile

1. On page 3, lines 20 to 24, insert the following:

(M) "RISK BASED CAPITAL" IS A METHOD TO MEASURE THE MINIMUM AMOUNT OF CAPITAL THAT A PRE-NEED COMPANY NEEDS TO SUPPORT ITS OVERALL BUSINESS OPERATION. IT IS USED TO SET CAPITAL REQUIREMENTS CONSIDERING THE SIZE AND DEGREE OF RISK TAKEN BY THE PRE-NEED COMPANY;

2. On page 7, delete lines 5 to 7 and, in lieu thereof, insert the following paragraph on lines 8 to 13:

THE LICENSE UNDER THIS SECTION SHALL EXPIRE ONE (1) YEAR FROM THE TIME OF THE REGISTRATION. IT MAY BE RENEWED UPON COMPLIANCE WITH THE PRESCRIBED REQUIREMENTS OF THE COMMISSION. SUCH RENEWAL SHALL BE DEEMED APPROVED IF NOT ACTED WITHIN THIRTY (30) DAYS FROM THE TIME OF THE FILING OF THE APPLICATION FOR RENEWAL;

3. On the same page, line 25, delete the word "employee";

By Senator Aquino

4. On page 8, lines 20 to 28, and page 9, lines 1 to 13, insert the following section:

SEC. 10. *INVESTMENT RESTRICTIONS OF DIRECTORS AND OFFICERS.* – NO DIRECTOR OR OFFICER OF ANY PRE-NEED COMPANY SHALL, AFTER HIS ELECTION OR APPOINTMENT AS SUCH, DIRECTLY OR INDIRECTLY, FOR HIMSELF OR AS THE REPRESENTATIVE OR AGENT OF OTHERS, BE SUBSTANTIALLY INTERESTED

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IN OR HAVE AN INVESTMENT IN ANY CORPORATION OR BUSINESS UNDERTAKING, IN WHICH THE PRE-NEED COMPANY'S TRUST FUND HAS AN INVESTMENT IN OR HAS A FINANCIAL INTEREST WITH INTEREST OF MORE THAN TEN PERCENT (10%) IN THE EQUITY OF A CORPORATION OR BUSINESS UNDERTAKING IN WHICH THE PRE-NEED COMPANY'S TRUST FUND HAS AN INVESTMENT IN OR HAS A FINANCIAL INTEREST WITH SHALL BE CONSIDERED SUBSTANTIAL.

NEITHER ANY RELATIVES OF DIRECTORS OR OFFICERS OF THE PRE-NEED COMPANY WITHIN THE FOURTH DEGREE OF CONSANGUINITY OR AFFINITY SHALL HAVE A FINANCIAL INTEREST OF MORE THAN TEN PERCENT (10%) IN ANY CORPORATION OR BUSINESS UNDERTAKING IN WHICH THE PRE-NEED COMPANY'S TRUST FUND HAS AN INVESTMENT DURING THE INCUMBENCY OR TERM OF THE DIRECTOR OR OFFICER INVOLVED.

5. On page 10, delete the sentence on lines 11 to 13 and thereafter, on lines 13 to 16, insert the sentence SUCH LICENSE SHALL AUTOMATICALLY EXPIRE ONE (1) YEAR FROM THE TIME OF THE APPLICATION. IT MAY BE RENEWED UPON COMPLIANCE WITH THE PRESCRIBED REQUIREMENTS OF THE COMMISSION.;
6. On page 11, delete Section 16 on line 28 up to line 4 on page 12 and, in lieu thereof, insert on lines 5 to 13 the following:

Sec. [16] 17. *ADVERTISING OF PRE-NEED PLANS.* – IT SHALL BE UNLAWFUL FOR ANY PRE-NEED COMPANY TO ADVERTISE ITSELF OR ITS PRE-NEED PLANS UNLESS THE COMMISSION HAS APPROVED SUCH ADVERTISING MATERIALS. A FINE OF PHP: 100,000.00 SHALL BE IMPOSED ON ANY PRE-NEED COMPANY FOUND TO HAVE VIOLATED THIS SECTION. *PROVIDED*, THAT A SECOND VIOLATION OF THIS SECTION SHALL, IN ADDITION TO THE FINE IMPOSED, RESULT IN THE SUSPENSION OF THE LICENSE OF THE PRE-NEED COMPANY.;

7. On page 17, delete lines 18 to 23 and, in lieu thereof, insert the following section on line 24 up to line 27 of page 22:

SEC. 26. INVESTMENT OF THE TRUST FUND. – TO ENSURE THE LIQUIDITY OF

THE TRUST FUND TO GUARANTEE THE DELIVERY OF THE BENEFITS PROVIDED FOR UNDER THE PLAN CONTRACT AND LIKEWISE OBTAIN SUFFICIENT CAPITAL GROWTH TO MEET THE GROWING ACTUARIAL RESERVE LIABILITIES, ALL INVESTMENTS OF THE TRUST FUND/S OF A PRE-NEED COMPANY SHALL BE LIMITED TO THE FOLLOWING AND SUBJECT TO LIMITATIONS, TO WIT:

- 1.) *FIXED INCOME INSTRUMENTS.* THESE MAY BE CLASSIFIED INTO SHORT-TERM AND LONG-TERM INSTRUMENTS. THE INSTRUMENT IS SHORT TERM IF THE MATURITY PERIOD IS 365 DAYS OR LESS. THIS CATEGORY INCLUDES:

A.) GOVERNMENT SECURITIES WHICH SHALL NOT BE LESS THAN 10% OF THE TRUST FUND EQUITY.

B.) SAVINGS/TIME DEPOSITS AND COMMON TRUST FUND WITH A COMMERCIAL BANK WITH SATISFACTORY EXAMINATION RATING AS OF THE LAST EXAMINATION BY THE BANGKO SENTRAL NG PILIPINAS.

C.) COMMERCIAL PAPERS DULY REGISTERED WITH THE COMMISSION WITH A CREDIT RATING OF "1" FOR SHORT-TERM AND "AAA" FOR LONG-TERM BASED ON THE RATING SCALE OF AN ACCREDITED PHILIPPINE RATING AGENCY OR ITS EQUIVALENT AT THE TIME OF INVESTMENT.

THE MAXIMUM EXPOSURE TO LONG-TERM COMMERCIAL PAPERS SHALL NOT EXCEED FIFTEEN PERCENT (15%) OF THE TOTAL TRUST FUND EQUITY WHILE THE EXPOSURE TO EACH COMMERCIAL PAPER ISSUER SHALL NOT EXCEED TEN PERCENT (10%) OF THE ALLOCATED AMOUNT.

D.) DIRECT LOANS TO CORPORATIONS WHICH ARE FINANCIALLY STABLE, PROFITABLE FOR THE LAST THREE (3) YEARS AND HAVE A GOOD TRACK RECORD OF PAYING THEIR PREVIOUS LOANS FROM THE TRUST FUND OF PRE-NEED COMPANIES.

THESE LOANS SHALL BE FULLY SECURED BY A REAL ESTATE

MORTGAGE UP TO THE EXTENT OF SIXTY PER CENT (60%) OF THE APPRAISED VALUE OF THE PROPERTY AT THE TIME THE LOAN WAS GRANTED.

THE PROPERTY SHALL BE COVERED BY A TRANSFER CERTIFICATE OF TITLE REGISTERED IN THE NAME OF THE MORTGAGOR AND FREE FROM LIENS AND ENCUMBRANCES.

THE MAXIMUM AMOUNT TO BE ALLOCATED FOR DIRECT LOANS SHALL NOT EXCEED FIVE PER CENT (5%) OF THE TOTAL TRUST FUND EQUITY WHILE THE AMOUNT TO BE GRANTED TO EACH CORPORATE BORROWER SHALL NOT EXCEED TEN PER CENT (10%) OF THE AMOUNT ALLOCATED.

THE MAXIMUM TERM OF THE LOAN SHOULD BE TWO (2) YEARS ONLY.

2. *MUTUAL FUNDS* DULY REGISTERED WITH THE COMMISSION, WHERE SUCH FUNDS ARE INVESTED ONLY IN FIXED INCOME INSTRUMENTS AND BLUE CHIP SECURITIES SUBJECT TO THE LIMITATIONS PRESCRIBED BY LAW, RULES AND REGULATIONS.
3. *EQUITIES*. INVESTMENTS IN EQUITIES SHALL BE LIMITED TO STOCKS LISTED ON THE MAIN BOARD OF A LOCAL STOCK EXCHANGE.

THESE INVESTMENTS SHALL INCLUDE STOCKS ISSUED BY COMPANIES THAT ARE FINANCIALLY STABLE, ACTIVELY TRADED, POSSESS GOOD TRACK RECORD OF GROWTH AND HAVE DECLARED DIVIDENDS FOR THE PAST THREE YEARS.

THE AMOUNT TO BE ALLOCATED FOR THIS PURPOSE SHALL NOT EXCEED TWENTY-FIVE PER CENT (25%) OF THE TOTAL TRUST FUND EQUITY WHILE THE INVESTMENT IN ANY PARTICULAR ISSUE SHALL NOT EXCEED TEN PER CENT (10%) OF THE ALLOCATED AMOUNT. THE INVESTMENT SHALL BE RECORDED AT THE AGGREGATE OF THE LOWER OF COST OR MARKET.

EXISTING INVESTMENTS WHICH ARE NOT IN ACCORDANCE HERE-

WITH SHALL BE DISPOSED OF BY WITHIN ONE (1) YEAR FROM THE EFFECTIVITY OF THIS ACT.

4. *REAL ESTATE*. THESE SHALL INCLUDE REAL ESTATE PROPERTIES LOCATED IN STRATEGIC AREAS OF CITIES AND FIRST CLASS MUNICIPALITIES. THE TRANSFER CERTIFICATE OF TITLE (TCT) SHALL BE IN THE NAME OF THE SELLER, FREE FROM LIENS AND ENCUMBRANCES AND SHALL BE TRANSFERRED IN THE NAME OF THE TRUSTEE IN TRUST FOR THE PLANHOLDERS UNLESS THE SELLER/TRANSFEROR IS THE PRE-NEED COMPANY WHEREIN AN ANNOTATION TO THE TCT RELATIVE TO THE SALE/TRANSFER MAY BE ALLOWED. IT SHALL BE RECORDED AT ACQUISITION COST.

HOWEVER, THE REAL ESTATE SHALL BE APPRAISED EVERY THREE (3) YEARS BY A LICENSED REAL ESTATE APPRAISER, ACCREDITED BY THE PHILIPPINE ASSOCIATION OF REAL ESTATE APPRAISERS, TO REFLECT THE INCREASE OR DECREASE IN THE VALUE OF THE PROPERTY. IN CASE THE APPRAISAL WOULD RESULT IN AN INCREASE IN THE VALUE, ONLY SIXTY PER CENT (60%) OF THE APPRAISAL INCREASE IS ALLOWED TO BE RECORDED IN THE BOOKS OF THE TRUST FUND BUT IN CASE OF DECLINE IN VALUE, THE ENTIRE DECLINE SHALL BE RECORDED. APPRAISAL INCREMENT SHOULD NOT BE USED TO COVER UP THE REQUIRED MONTHLY CONTRIBUTION TO THE TRUST FUND.

THE TOTAL RECORDED VALUE OF THE REAL ESTATE INVESTMENT SHALL NOT EXCEED TWENTY-FIVE PER CENT (25%) OF THE TOTAL TRUST FUND EQUITY OF THE PRE-NEED COMPANY. IN THE EVENT THAT THE EXISTING REAL ESTATE INVESTMENT EXCEEDS THE AFORESAID LIMIT, THE SAME SHALL BE LEVELED OFF TO THE PRESCRIBED LIMIT WITHIN ONE (1) YEAR FROM THE EFFECTIVITY OF THIS ACT.

INVESTMENT OF THE TRUST FUND WHICH IS NOT IN ACCORDANCE WITH THE PRECEDING PARAGRAPHS SHALL NOT BE ALLOWED

UNLESS THE PRIOR WRITTEN APPROVAL OF THE COMMISSION HAD BEEN SECURED. *PROVIDED, FURTHER*, THAT NO INVESTMENT IN ANY SINGLE ENTITY SHALL EXCEED TWENTY-FIVE PER CENT (25%) OF THE TOTAL VALUE OF THE TRUST FUND.

ANGARA AMENDMENT

On page 7, line 12, as proposed by Senator Angara, there being no objection, the Body approved the insertion of the word UPON between the words "ACTED" and "BETWEEN."

INQUIRIES OF SENATOR PIMENTEL

In light of the present situation where even the major pre-need companies have not delivered on their commitment to pay the tuition of planholders or their beneficiaries, Senator Pimentel asked if the Committee would accept an amendment to recognize, in addition to the ones that were already specified in the pre-need code, the right of the investor to sue for the recovery of their investment in a pre-need company that has folded up for any reason or has been declared insolvent or bankrupt. Moreover, he asked if the investor could sue even beyond by using the concept of "disregarding the corporate entity," or piercing the corporate veil where a shareholder or director of a corporation is held liable for the debts or liabilities of the corporation despite the general principle that shareholders are immune from suits in contracts that otherwise would hold only the corporation liable. He believed that allowing the investor to personally sue the directors or the managers of the pre-need companies would stop the tendency of some of these people to play loosely with the trust and confidence of the buyers of pre-need stocks or shares.

Senator Angara pointed out that the present situation happened precisely because of the absence of a pre-need code. He believed that there would be less likelihood for the cited situation to occur again once the pre-need code is approved because a trust fund has been set where strict arm's length transaction is required. He partly blamed the collapse of the pre-need companies to two factors: 1) the lack of fair dealing between the company and its sister or affiliate companies due to inter-company borrowings; and 2) trust funds that were invested practically in any vehicle.

As regards the suggestion to give the planholder the right to sue beyond corporate liability, Senator Angara pointed out that such a right already exists under the general law, thus, it would not be prudent to create such a special right given the elaborate precautions that have already been woven around the bill. He added that this right would give the planholder some extraordinary right that is not available to others who are similarly situated. He said that he would prefer that such a right be availed of under the general law of duty of fiduciary and, in the event that the trust manager is guilty of gross dereliction of duty, for a case to be filed directly against the manager or director of the corporation.

Senator Pimentel expressed appreciation for the work that has been done to tighten up the rules on pre-need companies, considering that they practically did not have guidelines to restrict the free-wheeling deals that they were playing with their investors. However, considering that a general law already exists, he believed that there is all the more reason not to have inhibitions about specifying such a right in the law so that the investor could be assured of some recourse in the event that the pre-need companies find a way of circumventing the general law.

Likewise, Senator Pimentel argued that since the Committee feels that the provisions of the pre-need code are so tight, then there should be no worry about putting in the provision because no such situation would happen. Senator Angara replied that he could not guarantee that nothing wrong would happen, in the same manner that any law could not guarantee it, only that the probability of the situation occurring would be lesser now because there are no opportunities for self-dealing and a trust fund has been set to be tightly managed by an independent agency outside the control of the owners or dominant stockholders and a set of investment guidelines that would increase the income of the trust fund and safeguard its integrity.

In light of the recent experience of the pre-need industry, Senator Pimentel said that he would like to put more teeth into the law by putting such right and recognize it as part of the recourses of the planholder in the event that a pre-need company folds up for one reason or another. He said that he would put his amendment into writing and present this for the Body's consideration. Senator Angara expressed willingness to consider the amendment. *AS*

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2077

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 4:18 p.m.

RESUMPTION OF SESSION

At 4:18 p.m., the session was resumed.

COMMITTEE REPORT NO. 42 ON SENATE BILL NO. 2121 (Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2121 (Committee Report No. 42), entitled

AN ACT AMENDING SECTIONS 4, 9, 20, 21, 23, 25, 26, 30, 31, 32, 33, 34, 35, 38, 41, 43, 45, 48, 51 OF REPUBLIC AT NO. 9136 ENTITLED, "AN ACT ORDAINING REFORMS IN THE ELECTRIC POWER INDUSTRY AND FOR OTHER PURPOSES."

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

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

INTERPELLATION OF SENATOR ANGARA (Continuation)

Upon query of Senator Angara, Senator Enrile confirmed that the bill proposes placing the universal charge in a trust fund, to be administered by the Power Sector Assets and Liabilities Management Corporation (PSALM), for missionary electrification, environmental rehabilitation and subsidy.

Asked on the annual collection for the fund, Senator Enrile stated that since its inception in 2003

up to the present, the annual collection is P1.3 billion or about P6.5 billion in five years, leaving a balance of P900 million. He added that P5.6 billion is earmarked annually for missionary electrification.

Senator Angara stated that "missionary electrification" means electrification of non-electrified or grid locations known as SPUG (small power utilities group) areas such as Batanes, Itbayat, Taganak, Polillo and Alabat islands.

Replying to further queries, Senator Enrile presented the following data:

Missionary Electrification Account:

Remittances	-	P 6,955,669,268.73
Disbursement	-	P 6,901,703,371.97
Balance	-	P 53,965,896.76

Environment Account:

Remittances	-	P 169,229,177.10
Disbursement	-	P 251,921,041.32
Balance	-	P 217,308,135.78

Trust Account:

Remittances	-	P 3,190,405.35
Disbursement	-	None
Balance	-	P 3,190,405.36

Senator Enrile clarified that the total collection for the universal charge up to September 30, 2007, was P 7,428,088,851.19, the amount for the remittance was the same and P7,153,624,413.29 for the missionary and environment accounts, leaving a balance of P274,464,437.90.

Asked whether these amounts are automatically appropriated, Senator Enrile replied in the affirmative, adding that these accounts are managed by the PSALM, an attached agency of the Department of Energy (DOE). He clarified that disbursements from the accounts are approved by the ERC.

Senator Angara expressed hope that the remaining 8,000 barangays that need electrification would be provided with the service as a result of the investment. Further, he suggested putting the money in the development of renewable energy after the fund shall have served its purpose of providing electricity for barangays. Senator Enrile stated that once the remaining areas are provided with electricity, there would be no more allocation for missionary

electrification and the collection of universal charges, he supposed, would stop.

Senator Angara argued that it is a continuous collection as long as there are consumers of electricity. However, he believed that after the fund shall have served its purpose, it could be put to a good use to fund research, development, production and promotion of renewable energy.

Senator Enrile suggested that the Body restudy the use of the fund as he expressed concern that once it is diverted for the use of renewable energy, everyone will go into renewable energy. Senator Angara countered that it is better to anticipate where the fund would be used after it has been completely discharged. Senator Enrile stated that whatever is left of the money after the missionary electrification is over would just be the environmental charge and Congress can decide for what purpose its balance would be used.

Upon further queries, Senator Enrile replied that these matters could be incorporated into the Renewable Energy Act. He also suggested that the DOE identify the areas which benefit from the P1.3 billion annual provision for missionary electrification.

Asked whether "environmental charge" refers to funding for watershed protection, Senator Enrile explained that the provision aims to maintain the forest growth rate which, in turn, would sustain the country's water sources.

To the observation that agencies like the DOE and the PSALM provide financing for the maintenance of watersheds in mountain ranges such as the Caraballo or Sierra Madre even though the care for these areas is primarily the responsibility of the Department of Environment and Natural Resources (DENR), Senator Enrile said that the proposed one-fourth of one centavo per kilowatt hour (P0.0025/kWh) allocation for watershed rehabilitation is precisely intended to benefit all 101 watersheds.

Asked how the P251,921,000 for watershed rehabilitation was utilized, Senator Enrile gave assurance that Senator Angara would be provided with a list detailing the disbursement of the fund.

To the suggestion that the environmental charge be utilized not only for watersheds but also for other areas such as marine research, Senator Enrile pointed

out that watersheds need to be protected, being a source of power generation. He expressed concern that environmentalists would claim the funds for the coastal areas.

To the contention that the funds be used not only for protecting watersheds but also for preservation of forests which are the best antidote to carbon emission which is a byproduct of coal and fossil fuel, Senator Enrile said that the money could be used for providing security against illegal loggers.

Senator Angara pointed out that unlike taxes, the proceeds from the environmental charge are easily collected as it is automatically deducted from the consumer's electric bill. Therefore, he believed that it could be best utilized for reducing carbon emissions.

SUSPENSION OF SESSION

Upon motion of Senator Enrile, the session was suspended.

It was 4:47 p.m.

RESUMPTION OF SESSION

At 5:03 p.m., the session was resumed with Senate President Pro Tempore Ejercito Estrada presiding.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2121

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

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 45 on Senate Bill No. 2213 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 45 ON SENATE BILL NO. 2213

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2213 (Committee Report No. 45), entitled

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AN ACT DECLARING A NATIONAL POLICY FOR TOURISM AS AN ENGINE OF INVESTMENT, EMPLOYMENT, GROWTH AND NATIONAL DEVELOPMENT, REORGANIZING THE DEPARTMENT OF TOURISM AND ITS ATTACHED AGENCIES TO EFFECTIVELY AND EFFICIENTLY IMPLEMENT THAT POLICY, PROVIDING NECESSARY INCENTIVES FOR INVESTMENT AND APPROPRIATING FUNDS THEREFOR.

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.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended to allow the technical staff to set up the audio-visual equipment.

It was 5:05 p.m.

RESUMPTION OF SESSION

At 5:11 p.m., the session was resumed.

Upon resumption, the Chair recognized Senator Gordon for the sponsorship.

SPONSORSHIP REMARKS OF SENATOR GORDON

Senator Gordon stated that the Tourism Act of 2008 was originally presented to the Senate in December 2005, and although the measure was approved by the Body on Third Reading, the House of Representatives was not able to pass the measure because it failed to muster a quorum for the Third Reading in the last session day of the Thirteenth Congress. He stated that he was again presenting the measure to the Body hoping that legislators would realize the benefits which shall result from its proper implementation.

Senator Gordon noted that the Filipino people are finding it hard to move on because they have no sense of history compared to their neighbors who recognize and revere their history. He said that the Tourism Act of 2008 would not only reacquaint the

Filipino people of their own history, culture and tradition but would also entice the appreciation of the international community for the Philippines. He underscored that tourism is the biggest business in the world, pointing out that in 2007 alone, 898 million tourists traveled throughout the world, generating an estimated \$700 billion and that the rate has continued to increase despite the 9/11 tragedy, Bali bombing and disasters brought about by climate change. He stated that tourism provides employment to the nation's workforce, accounting for at least 13% of value added to the national economy and almost 10% of all domestic private consumption.

At this point, Senator Gordon presented the following data on the growth rate of tourists who traveled around the world in the previous year:

Middle East	+13%
Asia Pacific	+10%
Africa	+ 8%
Americas	+ 5%
Europe	+ 4%

SUSPENSION OF SESSION

Upon motion of Senator Gordon, the session was suspended.

It was 5:15 p.m.

RESUMPTION OF SESSION

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

Upon resumption, Senator Gordon presented to the Body the following data on the distribution of the 898 million tourists who traveled around the world:

Number of Americans or American passport holders who traveled to Asian countries:

Thailand	-	594,258
Philippines	-	567,355
Singapore	-	399,712
Vietnam	-	385,654

Number of Japanese who traveled to other Asian countries:

Singapore	-	594,198
Indonesia	-	432,989
Philippines	-	421,808
Vietnam	-	383,000

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Number of Koreans who traveled to other Asian countries:

Thailand	-	1,092,783
Philippines	-	572,133
Singapore	-	454,000
Vietnam	-	421,000

Number of Chinese who traveled to other Asian countries:

Singapore	-	1,036,957
Thailand	-	949,117
Vietnam	-	516,000
Indonesia	-	182,000
Philippines	-	133,000

Number of Taiwanese who traveled to other Asian countries:

Thailand	-	475,000
Vietnam	-	274,663
Indonesia	-	226,000

Thereafter, Senator Gordon presented to the Body the following data on tourist market shares in Asian countries:

Malaysia	-	18,381,000
Thailand	-	10,405,000
Singapore	-	10,275,000
Vietnam	-	4,185,000
Indonesia	-	4,110,000
Philippines	-	3,091,000
Cambodia	-	1,762,000

Moreover, Senator Gordon enumerated the following data:

Visitor Arrival Receipts to Asia Pacific

North East Asia	-	94.1 million
South East Asia	-	56 million
Oceania	-	10.5 million

Tourism Receipts

Northeast Asia	-	\$75 billion
South East Asia	-	\$40.7 billion

Senator Gordon stated that the Philippines should fight for its share in the South East Asia's \$40.7 billion. He noted that the above figures are pretty much the same as those of Asia Pacific where Philippines ranks No. 6. He then presented the following data:

Tourism Receipts of Selected ASEAN Countries (2006/2005)

Malaysia	-	\$9.630 million
Thailand	-	\$12.4 million
Indonesia	-	\$4.448 million
Vietnam	-	\$3.2 million
Philippines	-	\$3.4 million

Senator Gordon wondered why the Philippines is the only country of recent vintage where the dollars spent are higher than the arrivals when normally, the dollar spent is lower than the number of arrivals. He surmised that it is precisely because the Philippines compute arrivals to stay at 16 days, which is incredible.

Citing from McKenzie, Senator Gordon believed that tourism is a big business considering its growth potentials for the next several years, probably until 2020, shown by the increasing number of tourist arrivals since year 2000.

Quoting Alvin Toffler in *Powershift*, Senator Gordon stated that "because the great majority of people would no longer have the high-tech skills needed, new jobs are not likely to be found in manufacturing. People must be trained for human services—caring for children and the elderly, health services, personal security, leisure, recreation and tourism."

Senator Gordon underscored that tourism is one of the three core industries that would accelerate economic progress in the Asia Pacific Region, the other two being telecommunications and transportation.

Also quoting John Naisbitt in *Global Paradox*, Senator Gordon stated that "in the early 1990s, the industry already accounted for 10.6% of global employment and 10.2% of world GNPs, the largest sector in terms of tax revenues at \$655 billion, and the largest industry gross output at \$3.4 trillion." He said that tourism, therefore, is a strategic industry.

Senator Gordon informed the Body that of the additional 22 million tourists in the world, Europe received 19 million; Asia and the Pacific, 17 million; Americas, 6 million; Africa, 3 million; and the Middle East, 5 million. He said that all the different regions registered increases with the Middle East leading the regional growth ranking as already shown. He pointed out, however, that in the Asia Pacific region, the Philippines is practically running in order to stay in

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place, meaning, in the case of the 185 million visitors attracted in 2007, the top performers of the region were Malaysia, plus 20%; Cambodia, plus 19%; Vietnam, plus 16%; Indonesia, plus 15%; Japan, plus 14%; India, plus 13%; and China, plus 10%. He said that the Philippines, having grown by about 8.7%, still needs to run in order to stay in place. Relative thereto, he said that in 2007, the country had 3,091,993 tourist arrivals where it obtained \$4.9 billion in international tourism receipts comprising 4% of the country's GDP and there was 8.7% growth compared to the tourist arrivals in 2006. Nevertheless, he stressed the need to push for the country's tourism programs because, certainly, government can do much better than the estimated 3,543,000 travel and tourism economy employment in 2007 based on the DOT figure with only 10.6% of total employment or one in every nine jobs so that in 2007, it should total to 4,224,000 jobs, 10.3% of total employment or one in every 9.7 jobs.

Senator Gordon stated that the Philippines' 1,388,000 travel and tourism industry jobs account for 4.1% of the total employment in 2007 and the forecast total of 1,656,000 jobs or 4% of the total by 2017 with a noticeable decrease in the employment projection to be generated by the tourism industry in the next 10 years from 14.7% of total employment to 14.3%. At the rate it is going, he said, government cannot afford any step backward. He underscored the need to enact the Tourism Act of 2008.

Senator Gordon believed that building Philippine tourism would rebuild the country's cultural and national endowments. He observed that there is a dearth for tourism capability within Manila. He said that Intramuros can be rebuilt, Post Office can be converted into a hotel that can be connected to Chinatown, Pasig River can be improved as well as other tourist places in Cebu, San Pedro, Zamboanga, among others, and Philippine fashion industry can also be developed. Tourism, indeed, would generate a lot of jobs, he added.

Senator Gordon stated that all three tourism agencies have marketing departments that have different studies and thrusts under the present law and these should be utilized to boost the Philippine tourism industry. He commended Robert Dean Barbers of Philippine Tourism Authority for the establishment of the Manila Ocean Park which has attracted a number of tourists and visitors.

However, he stated that the Philippine Convention and Visitors Corporation (PCVC), which runs the PICC, does not have the funding to market the Philippines as an international convention center. He said that the PICC, which used to be number one in Asia and number nine in the world, now ranks somewhere in the 80s in the world. He expressed the need to streamline tourism governance and maintain the integrity of tourism programs.

Senator Gordon informed the Body that the bill has a three-fold objective — promotions, infrastructure and regulations — which envisions that part of tourism as a purely policy-making, planning and regulatory entity. He said that the bill also provides for a Tourism Promotions Board, a government corporation that also involves the private sector in the goal of expanding the marketing and promotions of the Philippines as a tourism destination. He stated that it was during his watch as Tourism Secretary when *WOW Philippines* was conceived and it won many awards.

He stated that the country could promote many tourism programs to attract European tourists during the winter months featuring, among others, white-water rafting in the rivers of Cagayan de Oro and Kalinga; the Cotta Fort in Ozamis City; whale watching in Donsol, Sorsogon; and the game preserve in Calautit, Palawan.

Senator Gordon stressed that there must be a constant effort to come out not only with "good copy" strategy but also to have money because in terms of competitiveness, the other Asian countries are spending much for tourism promotions and development. He bared that the Malaysian government allocated US\$373 million in 2008 to enhance the country's tourist attractions, diversify tourism products as well as upgrade tourism facilities; it is also giving a leg up to "home stays," whereby tourists can stay in someone's home in a far-flung area. It is not surprising, he said, because tourism contributes 7.2% to the overall GDP of Malaysia.

In the case of Thailand, he said, the tourism authority identified the following strategies for its policy and marketing plan: enhancement of tourism program by putting more money into the promotion and development of proactive marketing; promotion of cooperation at all levels domestically and internationally which means that all Thai cabinet ministries will be focused on promoting tourism or even e-tourism.

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He stated that Vietnam, according to a report of the RNCOS, a U.S. industry research firm, has decided to become one of the top ten global tourist destinations by 2016 and accordingly has set an annual tourism goal at 14% for the next five years. He pointed out that Vietnam is advertising on CNN, just like the Philippines in the past, spending about \$400,000 per spot.

He recalled that with *WOW Philippines* and with the Senate enacting the holiday economics bill, which makes it a 3-day weekend all the time, domestic tourism boomed by leaps and bounds and doubled within four years. The domestic airport, he noted, is a mad house everyday, with domestic travelers and some international tourists flying in and out.

Senator Gordon pointed out that even the means of transportation available to tourists have expanded: the RO-RO, started by President Arroyo in 2003, has created an immense opportunity for people who cannot afford to fly, to go by bus all the way to Boracay or Dipolog; and, Sea Air goes to different destinations, along with Asian Spirit; PAL has started to buy brand-new small aircraft to service the missionary routes. He believed that with these developments, there would be a big boost for domestic and international tourism.

To be able to prepare for the influx of tourists, Senator Gordon underscored that the government has to start promoting all over the world, more specifically in Europe. He noted that there are 56,000 tourists from England, 50,000 from Germany and the French are expected to come in droves because for two consecutive years, the French "Survivor" TV series was filmed in the Philippines: first in Palawan and this year in Caramoan, Camarines Sur – touted to become the next Boracay – that has grown by leaps and bounds through the efforts of its enterprising young governor, LRay Villafuerte, who has built a water sports complex complete with a hotel in Pili that attracted about 685,000 domestic tourists and about 117,000 foreign tourists. Because of that development, he said, there is a new five-star hotel, Avenue Plaza Hotel, in Naga. He stated that Donsol, Sorsogon offers a "Watch Our Whales" (WOW) tourist attraction that put a stop to the killing of *butanding* and enabled a fifth-class municipality to become a third-class municipality. The power of marketing cannot be over-emphasized, he stressed, as seen through the tourism ads "Amazing-Thailand," "Malaysia...Asia," "Incredible India," that are being copied by Vietnam, Indonesia, and the others.

He stated that to be able to prepare for the influx of tourists, the Philippines needs more hotels and this is why the bill seeks to create the Tourism Enterprise Zone Authority. He noted that the bill was approved on Third Reading by the Senate in the last Congress and it simply proposes a six-year tax holiday after which, the 5% tax incentive will kick in. The bill, he stated, also allows establishment within the zone to compete, for example, by allowing them to bring in tax-free equipment like airplanes or helicopters or seaplanes to be utilized for tourism promotion.

Certainly, he stated, the creation of the Authority will involve the private sector and the local governments that will grant the permits but they have to sign up on a resolution saying that they are going to support the Authority. And when that happens, he asserted, the Philippines can have a double marketing program – one, marketing for tourism arrivals, and the other, marketing not only for conventions but also for hotels, beaches, and the like.

Senator Gordon then proceeded to the third aspect of the strategy – to upgrade regulations. He stated that he can foresee the day when jeepney drivers shall be wearing uniforms with their names on the back; their vehicles with body numbers so that there will be accountability; and training of frontliners in the tourism sector. He noted that the Department of Tourism is now empowered to come up with compulsory accreditation for primary tourism enterprises which means that if a particular area or a particular enterprise is not up to speed, it can be closed and there will be a travel advisory against it until it has coped with the problem, the security situation in its vicinity, for instance.

Senator Gordon hoped that with the uplifting of regulation, proper accreditation of establishments and the issuance of travel advisories, the Philippines could finally compete and bring in Japanese tourists who need not travel far to Indonesia or the Maldives because they can travel to any beach or any tourist spot anywhere in the Philippines.

He pointed out that there are 29 flights a day to Caticlan, making Boracay easily accessible. He stated that Isla de Carabao, with its white sand beaches, wants to create a resort like Boracay; it can put up a small airport to accommodate helicopters or small planes; and, it has 11,000 residents who would be provided with economic opportunities.

Senator Gordon underscored that tourism will create job opportunities that will allow Filipinos to work and afford to put food on their table; it will allow them to have dignity and a future in their own country. Filipinos, he said, need not bother go to some forlorn country that does not abide by structures of civilization. Incidentally, he stated that he just saw a television report on the maltreatment of a Filipino and he has raised the matter to the International Red Cross believing that certain countries ought to be confronted because of the way they treat Filipino women as well as Indonesian women.

He recalled that in the '50s and '60s, the Spaniards were the overseas workers of Europe, serving as waiters and cooks. He said that this once mighty country that ruled the seas became very poor because of the civil war and the Franco dictatorship, among others. But when Spain woke up to the reality that tourism will provide jobs and economic opportunities, he stated that Spain rose to the occasion and right now, although nominally No. 2 in terms of tourism arrivals, it is really No. 1 because it has 55 to 66 million tourists who go to the beaches of Spain, soak in the culture of Spain, making that country a major world player in terms of economic development.

He emphasized that tourism can be the engine of growth that can propel the Philippines and its people into the 21st century by generating investments, jobs and money. But he believed that the country has to focus on Europe and get more French, German, British and Spanish tourists to come to the Philippines, especially during the cold months, and enjoy two to three weeks of vacation. For these reasons, he hoped and prayed that the Senate would act with dispatch on the tourism bill.

In closing, he mentioned that the President has made the tourism bill one of the priorities of the LEDAC.

COSPONSORSHIP SPEECH OF SENATOR LEGARDA

In cosponsoring Senate Bill No. 2213, Senator Legarda delivered the following speech:

TOURISM ACT OF 2008

In a research analysis conducted by the National Statistical Coordination Board (NSCB), a sustained double digit-growth rate in tourist arrival would propel the tourism sector to greater

heights. Notably, in 2005, we received about 2.6 million visitors, a 14.50% rise as compared to 2.275 million in 2004. Despite this remarkable growth in 2005, our country ranked sixth among the 10 Southeast Asian countries in terms of visitor arrival. Topping the list were Malaysia, Singapore and Indonesia, while Vietnam garnered the fifth place. For the country's tourism industry to stay on course, if not get ahead of our Asian neighbors, we must provide the necessary policy support to revitalize the sector and maximize its huge potential.

This bill seeks to address the need to tap and promote the tourism industry as an indispensable element of the national economy and an industry of national interest and importance.

The salient features of the measure are as follows:

1. Strengthening the Department of Tourism (DOT) by streamlining its operational relations as well as rationalizing the programs and functions of the various agencies attached to it;
2. Creation of new bureaus to ensure the proper implementation of this bill once enacted into law:
 - ♦ Bureau of Tourism Development Planning that will prepare a national tourism development plan;
 - ♦ Bureau of Tourism Coordination that will assist in the coordination with national government agencies, local government units, nongovernmental organizations, and other private entities for the development and implementation of the national tourism plans and policies; and
 - ♦ Bureau of Tourism Standards, Regulations and Industry Manpower Development that will formulate and enforce standards for tourism enterprises, prescribing minimum levels of operating quality and efficiency in order to ensure that facilities, personnel and services are maintained in accordance with acceptable local and international standards;
3. Providing fiscal and non-fiscal incentives to registered enterprises in the tourism enterprise zones created herein;
4. Creation of Tourism Promotion Board, a body corporate that shall be responsible for marketing and promoting the country domestically and internationally;

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5. Accreditation of tourism establishments to ensure compliance with set standards;
6. Provision of adequate tourism information and services;
7. Creating a culture of tourism through the development of educational programs; and
8. Promotion of tourist safety and security.

The proposed measure gives a boost to the Philippine tourism industry. It institutionalizes a tourism policy framework to ensure long-term direction, generate more investments and employment, and situate the tourism industry as a primary engine for economic growth and national development.

In this light, I enjoin the members of this Chamber to support the measure's immediate enactment.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2213

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

REFERRAL OF BILLS TO COMMITTEES

Upon motion of Senator Pangilinan, there being no objection, Senate Bill Nos. 1979 and 1986, earlier referred to the Committee on Rules, were referred to the Committee on Local Government.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the session was suspended.

It was 5:59 p.m.

RESUMPTION OF SESSION

At 5:59 p.m., the session was resumed.

SECOND ADDITIONAL REFERENCE OF BUSINESS

The Deputy Secretary for Legislation read the Message from the House of Representatives which the Chair referred to the Committee on Ways and Means, to wit:

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

May 12, 2008, the House of Representatives passed House Bill No. 3971, entitled

AN ACT GRANTING TAX RELIEF FOR INDIVIDUAL TAXPAYERS BY REPEALING SECTION 34(L) AND AMENDING SECTIONS 22, 24, 34, 35 AND 79 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES,

in which it requested the concurrence of the Senate.

PROPOSED SENATE RESOLUTION NO. 394

Upon motion of Senator Pangilinan, there being no objection, the Body considered Proposed Senate Resolution No. 394, entitled

RESOLUTION COMMENDING ALEX PAGULAYAN FOR BEING THE 2008 PARTYPOKER.NET WORLD POOL MASTERS CHAMPION.

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

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 394

Upon motion of Senator Pangilinan, there being no objection, Proposed Senate Resolution No. 394 was adopted by the Body.

ADJOURNMENT OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the President Pro Tempore declared the session adjourned until three o'clock in the afternoon of the following day.

It was 6:01 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO REYES
Secretary of the Senate

Approved on May 14, 2008