REPUBLIC OF THE PHILIPPINES

Senate

Pasay City

Journal

SESSION NO. 13

Wednesday, August 26, 2009

FOURTEENTH CONGRESS

THIRD REGULAR SESSION

SESSION N0. 13
Wednesday, August 26, 2009

CALL TO ORDER

At 3:20 p.m., the Senate President, Hon. Juan Ponce Enrile, called the session to order.

PRAYER

Sen. Gregorio B. Honasan led the prayer, to wit:

Ama naming Panginoon
Kayo Po ang kandungan
Ang ugat at bunga
Ang puno at dulo
Ng kaalaman at katotohanan.

Tulungan Po Ninyo kaming mga senador
Na magkaisa at maging buo
Sa harap ng mapanganib na banta
At sunud-sunod na hamon
Sa pagpapatupad ng batas
at katatagan ng aming bansa.

Patibayin Ninyo Po ang aming kalooban
At gabayan Ninyo kami
Upang ipagtanggol naming ang
karapatan, kalayaan at kapakanan
ng mamamayan.

Gawin Ninyo Pong buhay na halimbawa
itong aming Senado ng
Sambayanang Pilipino
Sa pagtutulungan, paninindigan at
pagmamahal sa Inyo, sa kapwa
At sa Inang Bayan.

Siya Nawa.

ROLL CALL

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

Aquino III, B. S.	Lapid, M. L. M.
Arroyo, J. P.	Legarda, L.
Cayetano, C. P. S.	Madrigal, M. A.
Defensor Santiago, M.	Pangilinan, F. N.
Ejercito Estrada, J.	Pimentel Jr., A. Q
Enrile, J. P.	Zubiri, J. M. F.
Honasan, G. B.	

With 13 senators present, the Chair declared the presence of a quorum.

Senators Angara, Biazon, Escudero and Revilla arrived after the roll call.

Senators Cayetano (A) and Gordon, who were on official business, also arrived after the roll call.

Senators Lacson, Roxas and Villar were on official mission.

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

DEFERMENT OF APPROVAL OF THE JOURNAL

Upon motion of Senator Zubiri, there being no objection, the Body deferred the consideration and approval of the Journal of Session No. 12 (August 25, 2009) to a later hour.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Zubiri acknowledged the presence in the gallery of the following guests:

- Local officials of the Municipality of Barotac Viejo, Iloilo, headed by Mayor Raul Tupas, the vice mayor and the members of the Sangguniang Bayan;
- Political science students form the University of Northern Philippines in Vigan City, Ilocos Sur; and
- Winners in the 5th ASEAN Para Games headed by PSC Commissioner Michael Barredo.

The Senate President welcomed the guests to the Senate.

REMARKS OF SENATOR CAYETANO (P)

Senator Cayetano (P) congratulated and gave recognition to the winners in the recently held Para Games who brought home 24 gold, 24 silver and 26 bronze medals for a total of 74 medals, the highest tally in the history of the Philippines' participation in the Para Games. She said that the winners also set several new game records despite the lack of budget and fewer athletes.

At this juncture, Senate President Juan Ponce Enrile relinquished the Chair to Senate President Pro Tempore Jinggoy Ejercito Estrada.

APPROVAL OF HOUSE BILL NO. 5092 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 5092, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT SEPARATING THE AURORA NATIONAL HIGH SCHOOL – ANNEX II IN BARANGAY BAYANIHAN, MUNICIPALITY OF MARIA AURORA, PROVINCE OF AURORA FROM THE AURORA NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS BAYANIHAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino	Honasan
Arroyo	Lapid
Biazon	Legarda
Cayetano (P)	Madrigal
Defensor Santiago	Pangilinan
Ejercito Estrada	Pimentel
Enrile	Zubiri
Escudero	

Against

None

Abstention

None

With 15 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 5092 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 5093 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 5093, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT SEPARATING THE AURORA NATIONAL HIGH SCHOOL – ANNEX I IN BARANGAY BORLONGAN, MUNICIPALITY OF DIPACULAO,

PROVINCE OF AURORA FROM THE AURORA NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS BORLONGAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino
Arroyo
Biazon
Cayetano (P)
Defensor Santiago
Ejercito Estrada
Enrile
Escudero
Honasan
Lapid
Legarda
Madrigal
Pangilinan
Pimentel
Zubiri

Against

None

Abstention

None

With 15 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 5093 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 3931 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 3931, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY DIBACONG, MUNICIPALITY OF CASIGURAN, PROVINCE OF AURORA TO BE KNOWN AS DIBACONG NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino
Arroyo
Biazon
Cayetano (P)
Defensor Santiago
Ejercito Estrada
Enrile
Escudero
Honasan
Lapid
Legarda
Madrigal
Pimentel
Zubiri

Against

None

Abstention

None

With 14 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 3931 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 5324 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 5324, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT CONVERTING THE MAKIWALO INTEGRATED SCHOOL IN BARANGAY MAKIWALO, MUNICIPALITY OF MONDRAGON, PROVINCE OF NORTHERN SAMAR INTO A NATIONAL HIGH SCHOOL TO BE KNOWN AS MAKIWALO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Madrigal
Ejercito Estrada	Pimentel
Enrile	Zubiri

Against

None

Abstention

None

With 14 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 5324 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 5325 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 5325, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT SEPARATING THE ALEGRIA NATIONAL HIGH SCHOOL – VERIATO ANNEX IN BARANGAY VERIATO, MUNICIPALITY OF SAN ISIDRO, PROVINCE OF NORTHERN SAMAR FROM THE ALEGRIA NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS VERIATO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Madrigal
Ejercito Estrada	Pimentel
Enrile	Zubiri

Against

None

Abstention

None

With 14 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 5325 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 4536 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 4536, printed copies of which distributed to the senators on August 19, 2009.

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

AN ACT SEPARATING THE T'BOLI NATIONAL HIGH SCHOOL – NEW DUMANGAS ANNEX IN BARANGAY NEW DUMANGAS, MUNICIPALITY OF T'BOLI, PROVINCE OF SOUTH COTABATO FROM THE T'BOLI NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS NEW DUMANGAS NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino
Arroyo
Biazon
Cayetano (P)
Defensor Santiago
Ejercito Estrada
Enrile
Escudero
Honasan
Lapid
Legarda
Pimentel
Zubiri

Against

None

Abstention

None

With 13 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 4536 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 4812 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 4812, printed copies of which were distributed to the senators on August 19, 2009

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

AN ACT SEPARATING THE LAMIAN NATIONAL HIGH SCHOOL – LAMBONTONG CAMPUS IN BARANGAY LAMBONTONG, MUNICIPALITY OF SURALLAH, PROVINCE OF SOUTH COTABATO FROM THE LAMIAN NATIONAL HIGH SCHOOL, CONVERT-ING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS LAMBONTONG NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting as follows:

In favor

Aquino
Arroyo
Biazon
Cayetano (P)
Defensor Santiago
Ejercito Estrada
Enrile
Escudero
Honasan
Lapid
Legarda
Pimentel
Zubiri

Against

None

Abstention

None

With 13 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 4812 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 5399 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 5399, printed copies of which were distributed to the senators on August 19, 2009.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Zubiri, there being no objecton, Secretary Reyes read only the title of the bill, to wit:

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY SAN ISIDRO, CITY OF KORONADAL, PROVINCE OF SOUTH COTABATO TO BE KNOWN AS BACONGCO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Pimentel
Ejercito Estrada	Zubiri
Enrile	

Against

None

Abstention

None

With 13 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 5399 approved on Third Reading.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 3:32 p.m.

RESUMPTION OF SESSION

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

APPROVAL OF HOUSE BILL NO. 4535 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 4535, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT SEPARATING THE LAKE SEBU NATIONAL HIGH SCHOOL – NED ANNEX IN BARANGAY NED, MUNICIPALITY OF LAKE SEBU, PROVINCE OF SOUTH COTABATO FROM THE LAKE SEBU NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS NED NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Pimentel
Ejercito Estrada	Zubiri
Enrile	

Against

None

Abstention

None

With 13 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 4535 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 5141 ON THIRD READING

Upon motion of Senator Zubiri, there being no bjection, the Body considered, on Third Reading, House Bill No. 5141, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT SEPARATING THE TANTANGAN NATIONAL HIGH SCHOOL – BUCAY PAIT ANNEX IN BARANGAY BUCAY PAIT, MUNICIPALITY OF TANTANGAN, PROVINCE OF SOUTH COTABATO FROM THE TANTANGAN NATIONAL HIGH SCHOOL, CONVERTING IT INTO

AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS BUCAY PAIT NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Pimentel
Ejercito Estrada	Zubiri
Enrile	

Against

None

Abstention

None

With 13 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 5141 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 220 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 220, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT CONVERTING THE BACLAYON HIGH SCHOOL IN BARANGAY LANDICAN, MUNICIPALITY OF BACLAYON, PROVINCE OF BOHOL INTO A NATIONAL HIGH SCHOOL TO BE KNOWN AS THE BACLAYON NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Enrile
Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Pimentel
Ejercito Estrada	Zubiri

Against

None

Abstention

None

With 14 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 220 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 4549 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 4549, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT SEPARATING THE PANGANGAN HIGH SCHOOL – CALAPE ANNEX IN BARANGAY STA. CRUZ, MUNICIPALITY OF CALAPE, PROVINCE OF BOHOL FROM THE PANGANGAN HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS CALAPE NATIONAL

HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Enrile
Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Pimentel
Ejercito Estrada	Zubiri

Against

None

Abstention

None

With 14 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 4549 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 217 ON THIRD READING

Upon motion of Senator Zubiri, there being objection, the Body considered, on Third Reading, House Bill No. 217, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT CONVERTING THE FATIMA HIGH SCHOOL IN BARANGAY FATIMA, MUNICIPALITY OF CORTES, PROVINCE OF BOHOL INTO A NATIONAL HIGH SCHOOL TO BE KNOWN AS FATIMA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Enrile
Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Pimentel
Ejercito Estrada	Zubiri

Against

None

Abstention

None

With 14 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 217 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 213 ON THIRD READING.

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 213, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT CONVERTING THE FERMIN TAYABAS HIGH SCHOOL IN BARANGAY CABAYUGAN, MUNICIPALITY OF CALAPE, PROVINCE OF BOHOL INTO A NATIONAL HIGH SCHOOL TO BE KNOWN AS FERMIN TAYABAS NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Enrile
Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Pimentel
Ejercito Estrada	Zubiri

Against

None

Abstention

None

With 14 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 213 approved on Third Reading.

APPROVAL OF HOUSE BILL NO. 4548 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 4548, printed copies of which were distributed to the senators on August 19, 2009.

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

AN ACT SEPARATING THE MANGA NATIONAL HIGH SCHOOL – MANSASA ANNEX IN BARANGAY MANSASA, CITY OF TAGBILARAN, PROVINCE OF BOHOL FROM THE MANGA NATIONAL HIGH SCHOOL, CON-VERTING IT INTO AN INDEPEN-DENT NATIONAL HIGH SCHOOL TO BE KNOWN AS MANSASA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Enrile
Aquino	Escudero
Arroyo	Honasan
Biazon	Lapid
Cayetano (P)	Legarda
Defensor Santiago	Pimentel
Ejercito Estrada	Zubiri

Against

None

Abstention

None

With 14 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 4548 approved on Third Reading.

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. 3405, entitled

AN ACT REGULATING THE PRACTICE OF RESPIRATORY THERAPY, CREATING A PROFESSIONAL REGULATORY BOARD OF RES-PIRATORY THERAPY, APPROPRIAT-ING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Revilla Jr.

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

Senate Bill No. 3406, entitled

AN ACT TO DEVELOP AND ADOPT GRADE-LEVEL-APPROPRIATE MODEL PROGRAM ON INTERNET

SAFETY FOR PUPILS IN ALL GRADE LEVELS

Introduced by Senator Trillanes IV

To the Committee on Education, Arts and Culture

Senate Bill No. 3407, entitled

AN ACT TO PROTECT THE SAFETY, MORAL, AND WELL-BEING OF SCHOOLCHILDREN BY PROHIBITING LISTED SEX OFFENDERS FROM ENTRANCE TO SCHOOL PREMISES OR ACTIVITIES, AND FOR OTHER PURPOSES

Introduced by Senator Trillanes IV

To the Committees on Education, Arts and Culture; and Justice and Human Rights

Senate Bill No. 3408, entitled

AN ACT AMENDING REPUBLIC ACT NO. 9490, OTHERWISE KNOWN AS THE AURORA SPECIAL ECONOMIC ZONE ACT OF 2007

Introduced by Senator Angara

To the Committees on Economic Affairs; Local Government; and Ways and Means

Senate Bill No. 3409, entitled

AN ACT PROHIBITING THE DISPOSAL OF ELECTRONIC EQUIPMENT AT SOLID WASTE MANAGEMENT FACILITIES

Introduced by Senator Defensor Santiago

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

Senate Bill No. 3410, entitled

AN ACT PUNISHING THE DEFILEMENT OF WATER SUPPLY

Introduced by Senator Defensor Santiago

To the Committee on Health and Demography

Senate Bill No. 3411, entitled

AN ACT REQUIRING CERTAIN EMPLOYERS TO PROVIDE EMPLOYMENT LEAVE FOR VICTIMS OF DOMESTIC VIOLENCE, PROHIBITING CERTAIN ACTS, AND PRESCRIBING PENALTIES

Introduced by Senator Defensor Santiago

To the Committees on Civil Service and Government Reorganization; and Labor, Employment and Human Resources Development

Senate Bill No. 3412, entitled

AN ACT TO REDUCE POVERTY AND PROMOTE HUMAN CAPITAL DEVELOPMENT THROUGH THE CREATION OF A NATIONAL CONDITIONAL FUND TRANSFER PROGRAM

Introduced by Senator Defensor Santiago

To the Committees on Social Justice, Welfare and Rural Development; and Finance

Senate Bill No. 3413, entitled

AN ACT PROMOTING THE AGRICULTURAL AND FISHERIES MECHANIZATION DEVELOPMENT IN THE COUNTRY

Introduced by Senator Legarda

To the Committees on Agriculture and Food; Science and Technology; and Finance

RESOLUTION

Proposed Senate Resolution No. 1322, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES TO CONDUCT AN ASSESSMENT AND REVIEW, IN AID OF LEGISLATION,

ON THE PROGRAMS AND EFFORTS OF VARIOUS GOVERNMENT AGENCIES AIMED AT ENSURING THE PROMOTION OF SUSTAINABLE DEVELOPMENT IN THE COUNTRY

Introduced by Senator Villar

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

COMMITTEE REPORT

Committee Report No. 564, submitted jointly by the Committees on Education, Arts and Culture; and Finance, on House Bill No. 4410, introduced by Representative Solis, *et al.*, entitled

AN ACT INTEGRATING THE BICOL UNIVERSITY – GUBAT EXTENSION CAMPUS IN THE MUNICIPALITY OF GUBAT, PROVINCE OF SORSOGON AS A REGULAR BRANCH OF THE BICOL UNIVERSITY IN LEGASPI CITY, PROVINCE OF ALBAY, DEFINING ITS OBJECTIVES AND APPROPRIATING FUNDS THEREFOR,

recommending its approval without amendment.

Sponsors: Senators Roxas and Angara

To the Calendar for Ordinary Business

PARLIAMENTARY INQUIRY OF SENATOR AQUINO

Referrign to items j, k, l and m on the agenda dated August 26, 12 noon, Senator Aquino questioned why Committee Report No. 550 on House Bill No. 4264 which seeks to reapportion the legislative districts of Camarines Sur, was placed higher on the agenda than Committee Report No. 456 on House Bill No. 4254 (Reapportioning the legislative districts of Cavite), Committee Report No. 455 on House Bill No. 4163 (Reapportioning the legislative districts of Camarines Norte), and Committee Report No. 514 on House Bill No. 5258 (Dasmariñas City Charter), when per Senate records, the Committee on Local Government filed Committee Report Nos. 455 and 456 for Camarines Norte and Cavite, respectively, on May 25, 2009, while Committee Report No. 514 for the Dasmariñas City Charter was filed on May 28, 2009, ahead of Committee Report No. 550 for Camarines Sur which was filed only on August 17, 2009, after acquiring the signatures of the majority of the members.

Asked what the rule was that would justify the calendaring of House Bill No. 4264 for plenary consideration ahead of House Bill Nos. 4254, 4163 and 5258, Senator Zubiri clarified that the listing of measures in the agenda does not necessarily mean that their consideration shall be based on the order that they appeared in the list, citing, for instance, Senate Bill No. 61, "An Act Providing for the Rehabilitation or Liquidation of Financially Distressed Enterprises," which would be tackled earlier than the two bills scheduled for amendments because the sponsors of those measures were not ready with their amendments. He stressed that all the measures in the agenda are considered priority measures.

Invoking the practice which normally dictates first-in first-out in the consideration of the measures, and in order to preclude any possibility to claims of priority by any Member, Senator Aquino moved that the bills that were reported out by the Committee on Local Government and listed in the agenda be reordered based on the date of their filing.

Senator Zubiri appealed to Senator Aquino not to, in effect, tie his hands with the motion, especially in instances when the sponsors of the measures supposed to be called based on the order as they appeared in the agenda are not around. He stated that precisely, the Committee on Rules painstakingly confirms and reconfirms everyday with the sponsors of the measures if they are ready to be interpellated or to submit their amendments, so that he would know what bills in the agenda are going to be taken up.

Senator Aquino replied that he commiserates with Senator Zubiri on his desire to preserve peace within the Chamber. But he pointed out that the sponsors who are not available cannot complain when the hierarchy of measures is observed because they are not around in the first place; that there can always be a reordering of the bills listed in the agenda; and that the purpose of furnishing the Members with a copy of the agenda is to give them ample time to prepare. He said that it would

serve no purpose if the agenda contains several divergent topics and the Members do not have any idea which measure would be called on a particular date. He then reiterated his motion, insisting that the three bills that were filed ahead of the Camarines Sur bill should be given due consideration and not be delayed by a bill that was filed later and is more controversial.

Senator Zubiri assured Senator Aquino that there was no malice on anyone's part when the agenda was prepared. In fact, he stressed, the Body can always consider even the last item in the agenda ahead of the other items. He reiterated his appeal to Senator Aquino not to tie his hands with the motion which, he cautioned, would give problems later on with the other measures.

Senator Aquino recalled that he had an agreement with Senator Zubiri that the three bills would be handled in the order that they were presented before the Committee on Rules. He noted, however, that the agreement seemed to have been reversed as indicated in the hierarchy of measures in the agenda as enumerated by letters. In this regard, he sought a formal assurance from Senator Zubiri that the said agreement shall be reflected in the agenda. He insisted that the bills that were filed ahead of the Camarines Sur bill should be considered first.

Senator Aquino said that he wanted to face the representatives of the people of Cavite and Camarines Norte and say that he was able to give them a fair shake, hence, his reiteration of his earlier motion that the agenda be reflective of the agreement with the Majority Leader.

Senator Zubiri gave the assurance that he will make the necessary reordering of the agenda for the following week.

Senator Aquino temporarily withrew his motion.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 3:53 p.m.

RESUMPTION OF SESSION

At 3:54 p.m., the session was resumed.

COMMITTEE REPORT NO. 50 ON SENATE BILL NO. 1836

(*Continuation*)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1836 (Committee Report No. 50), entitled

AN ACT ADDRESSING THE SYSTEM OF PROSTITUTION, IMPOSING PENALTIES ON ITS PERPETRATORS, PROVIDING PROTECTIVE MEASURES AND SUPPORT SERVICES FOR ITS VICTIMS, AMENDING FOR THE PURPOSE ARTICLES 202 AND 341 OF THE PENAL CODE.

Senator Zubiri stated that the parliamentary status was the period of committee amendments.

Thereupon, the Chair recognized Senator Cayetano (P), Sponsor of the measure.

MANIFESTATION OF SENATOR CAYETANO (P)

Senator Cayetano (P) manifested that she would be introducing an amendment by substitution instead of introducing committee amendments.

In the meantime, she sought leave from the Body to allow Senator Defensor Santiago to propose her amendments so that the Committee can incorporate them in the final substitute bill.

DEFENSOR SANTIAGO AMENDMENTS

As proposed by Senator Defensor Santiago and accepted by the Sponsor, there being no objection, the Body approved the following amendments, one after the other:

1. On the Definition of Terms, page 2, line 17, replace the phrase "presumed to obtain sexual gratification for the buyer" with the phrase OF A SEXUAL NATURE;

Senator Defensor Santiago explained that the use of the word "presumed" may generate a lot of problems since the term is very subjective.

2. On the same page, line 24, insert a new subsection (G), to read:

(G) "CULT" REFERS TO, BUT NOT LIMITED TO FANATIC GROUPS THAT ENTICE, RECRUIT AND CONDITION ANY PERSON TO BECOME SEXUAL OFFERINGS IN ORGANIZATIONAL RITUALS OR IN OTHER CIRCUMSTANCES AS PART OF MEMBERSHIP REQUIREMENT.

Senator Defensor Santiago underscored the importance of adding the term "cult" because of numerous reports of sexual exploitation within such a context that usually happen through abuse of vulnerability of women and children or in exchange for payment or consideration.

3. On page 3, line 13, replace the word "work" with SERVE;

4. On the same page, delete lines 16 and 17 and in lieu thereof, insert:

(F) ANY PERSON WHO ORGANIZES OR ARRANGES TRAVEL TOURS AND/OR TOURISM-RELATED ACTIVITIES THAT INVOLVE THE SEXUAL EXPLOITATION OF ANY PERSON OR THE ESCORT SERVICES OF ANY PERSON WHO IS EXPECTED TO PERFORM THE SEXUAL ACT AS DEFINED IN THIS ACT.;

Senator Defensor Santiago stated that the existing item (f) should be deleted because it is already contained in the Anti-Trafficking Law of 2003.

5. On the same page, replace lines 18 and 19 with a new paragraph, to read:

(G) ANY PERSON WHO, AS A PART OF CULT OR RELIGIOUS OBLIGATION, USES, ENTICES, RECRUITS, OR OFFERS ANY PERSON AS SEXUAL OFFERING OR FAVOR TO OTHER MEMBERS OF THE CULT OR RELIGIOUS ORGANIZATION.;

Senator Defensor Santiago likewise noted that the original item (g) could be removed because it is contained in the Anti-Trafficking Law of 2003.

6. On the same page, change lines 20 and 21 to:

(H) ANY OFFICIAL OR EMPLOYEE OF ANY JAIL OR DETENTION CENTER OR ANY PERSON CONNECTED THERETO WHO COMMITS, CAUSES, PROMOTES, FACILITATES, ALLOWS OR TOLERATES THE COMMISSION OF ANY OF THE ACTS DEFINED IN THIS SECTION UPON INMATES OR WHO, IN ANY MANNER, PROVIDES PROTECTION TO THE PERPETRATORS OF THE SAID ACT.;

Senator Defensor Santiago stated that the existing item (h) could be replaced since the acts stated therein were already included in item (i) of Section 3.

7. On the same page, replace lines 22 to 24, with a new paragraph to read:

(i) ANY PERSON WHO USES INFORMATION TECHNOLOGY OR ANY FORM OF MEDIA FOR THE PURPOSE OF PROSTITUTION.;

Senator Defensor Santiago stated that the amendment seeks to broaden the acts intended to be covered by item (i) and simplify the presentation of the bill.

8. Delete lines 11 to 27 on page 5 up to lines 1 to 10, and lines 18 to 27 on page 6, and replace them with the following new subsections:

(A) ANY PERSON FOUND GUILTY OF THE ACTS DEFINED IN SECTION 4 SHALL SUFFER THE PENALTY OF IMPRISONMENT OF TWENTY (20) YEARS AND A FINE OF NOT LESS THAN ONE MILLION PESOS (P1,000,000.00) BUT NOT MORE THAN TWO MILLION PESOS (P2,000,000.00);

(B) ANY PERSON GUILTY OF THE ACTS DEFINED IN SECTION 4 WHO IS ALSO EXPLOITED IN PROSTITUTION OR HAD BEEN EXPLOITED IN PROSTITUTION SHALL SUFFER THE PENALTY OF IMPRISONMENT OF TEN (10) YEARS FOR THE FIRST OFFENCE AND FIFTEEN (15) YEARS FOR THE SUCCEEDING VIOLATIONS, AND A FINE OF NOT LESS THAN FIVE HUNDRED PESOS (P500,000.00) BUT NOT MORE THAN ONE MILLION PESOS (P1,000,000.00);

(C) ANY PERSON GUILTY OF ATTEMPTING TO COMMIT ANY OF THE PROHIBITED ACTS SHALL SUFFER THE PENALTY OF IMPRISONMENT OF FIFTEEN (15) YEARS AND A FINE OF NOT LESS THAN FIVE HUNDRED THOUSAND PESOS (P500,000.00) BUT NOT MORE THAN ONE MILLION PESOS (P1,000,000.00);

(D) WHEN THE OFFENDER IS AN ESTABLISHMENT AS DEFINED IN THIS ACT, THE PENALTY SHALL BE IMPOSED UPON THE OWNER AND OPERATOR OR MANAGER, OR THE DIRECTORS AND OFFICERS, OR THE RESPONSIBLE OFFICERS OR AGENTS OF THE ESTABLISHMENT, CORPORATION, PARTNERSHIP, OR ASSOCIATION FOUND TO BE ENGAGED IN ANY OF THE ACTS DEFINED IN SECTION 4 OF THIS ACT.

IN ADDITION, THE ESTABLISHMENT, CORPORATION, PARTNERSHIP OR ASSOCIATION SHALL BE IMMEDIATELY CLOSED AND ITS REGISTRATION AND/OR LICENSE TO OPERATE SHALL BE REVOKED. A SIGN WITH THE WORDS "OFF LIMITS" SHALL BE CONSPICUOUSLY DISPLAYED OUTSIDE THE ESTABLISHMENT BY THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) FOR SUCH A PERIOD AS THE DSWD MAY DETERMINE WHICH SHALL NOT BE LESS THAN ONE YEAR. THE UNAUTHORIZED REMOVAL OF SUCH SIGN SHALL BE PUNISHED BY IMPRISONMENT OF SIX (6) MONTHS.

(E) WHEN THE OFFENDER IS A FOREIGNER, S/HE SHALL BE DEPORTED IMMEDIATELY AFTER SERVICE OF SENTENCE AND PERMANENTLY BARRED FROM ENTRY INTO THE COUNTRY;

(F) ANY PERSON FOUND GUILTY OF COMMITTING OR ATTEMPTING TO COMMIT ANY OF THE PROHIBITED ACTS UNDER SECTION 4 SHALL, IN ADDITION TO THE PENALTIES STATED IN THIS SECTION, UNDERGO COUNSELING, REHABILITATION AND MANDATORY EDUCATION ON THE HUMAN RIGHTS SITUATION OF VICTIMS OF PROSTITUTION WITH THE DSWD OR ITS ACCREDITED NGO FOR A PERIOD OF NOT LESS THAN THREE (3) MONTHS BUT NO LONGER THAN ONE (1) YEAR. THE DSWD SHALL SUBMIT TO THE COURT A REPORT ON THE REHABILITATION OF THE OFFENDER.

Senator Defensor Santiago stated that the UN Trafficking Protocol of 2000 encourages States to strengthen legislative measures to discourage the demand. She added that the CEDAW Concluding Comments of August 2006 that was directed to the Philippines called on the state party to "take appropriate measures to suppress the exploitation of prostitution of women, including through the discouragement of the demand for prostitution." Consistent with this, she maintained that demand determines the existence of prostitution, thus, all actors within demand – buyers and sellers – must be heavily penalized. However, she said that those who are or have been victims of prostitution who commit the penalized acts should be given the services due to other victims, and their penalties are recommended to be a grade lower than that meted to other perpetrators. She pointed out that the complex dynamics of the prostitution system and the lack of governmental alternatives for these former victims pushed them to graduate into perpetrators.

9. On page 8, line 21, replace the word and figure "ten (10)" with TWENTY (20);

Senator Defensor Santiago stated that the amendment would make the bill consistent with other laws such as RA 9208 or the Anti-Trafficking Law. She explained that the proposed amendment would give consideration to the realities that victims need to undergo intensive healing processes and may not always be ready to go through a legal battle and confront their perpetrators in court. She noted that given the powerful perpetrators in the sex industry, enormous preparations in all aspects may be required.

9. On page 10, line 8, before the word "It," insert SECTION 16. *CONFIDENTIALITY.*;

10. Renumber the succeeding sections accordingly;

11. On page 13, after line 25, insert the following to be denominated as Sections 21, 22 and 23:

SECTION 21. *IMMUNITY OF GOVERNMENT AND DSWD-ACCREDITED NGOs FROM UNDUE INTERFERENCE.* – MEMBERS OF THE NATIONAL ANTI-PROSTITUTION COUNCIL AND DSWD-ACCREDITED NON-GOVERNMENTAL ORGANIZATIONS THAT ARE INVOLVED IN THE IMPLEMENTATION OF ANTI-PROSTITUTION PROGRAMS ARE GRANTED IMMUNITY FROM SUIT AND OTHER LEGAL PROCEEDINGS IN CONNECTION WITH THE ENFORCEMENT OF SAID PROGRAMS.

SECTION 22 *EXEMPTION FROM FILING FEES.* – WHEN THE VICTIM OF

PROSTITUTION INSTITUTES A SEPARATE CIVIL ACTION FOR THE RECOVERY OF CIVIL DAMAGES, SHE SHALL BE EXEMPT FROM THE PAYMENT OF FILING FEES.

SECTION 23. *CONFISCATION AND FORFEITURE OF THE PROCEEDS AND INSTRUMENTS DERIVED FROM PROSTITUTION.* – IN ADDITION TO THE PENALTY IMPOSED FOR THE VIOLATION OF THIS ACT, THE COURT SHALL ORDER THE CONFISCATION AND FORFEITURE, IN FAVOR OF THE GOVERNMENT, OF ALL THE PROCEEDS AND PROPERTIES DERIVED FROM THE COMMISSION OF THE CRIME, UNLESS THEY ARE THE PROPERTY OF A THIRD PERSON NOT LIABLE FOR THE UNLAWFUL ACT: *PROVIDED, HOWEVER,* THAT ALL AWARDS FOR DAMAGES SHALL BE TAKEN FROM THE PERSONAL AND SEPARATE PROPERTIES OF THE OFFENDER: *PROVIDED, FURTHER,* THAT IF SUCH PROPERTIES ARE INSUFFICIENT, THE BALANCE SHALL BE TAKEN FROM THE CONFISCATED AND FORFEITED PROPERTIES.

WHEN THE PROCEEDS, PROPERTIES AND INSTRUMENTS OF THE OFFENSE HAVE BEEN DESTROYED, DIMINISHED IN VALUE OR OTHERWISE RENDERED WORTHLESS BY ANY ACT OR OMISSION, DIRECTLY OR INDIRECTLY, OF THE OFFENDER, OR IT HAS BEEN CONCEALED, REMOVED, CONVERTED OR TRANSFERRED TO PREVENT THE SAME FROM BEING FOUND OR TO AVOID FORFEITURE OR CONFISCATION, THE OFFENDER SHALL BE ORDERED TO PAY THE AMOUNT EQUAL TO THE VALUE OF THE PROCEEDS, PROPERTY OR INSTRUMENTS OF THE OFFENSE.

SECTION 24. *TRUST FUND.* – ALL FINES IMPOSED UNDER THIS ACT AND THE PROCEEDS AND THE PROPERTIES FORFEITED AND CONFISCATED PURSUANT TO SECTION 12 HEREOF SHALL ACCRUE TO A TRUST FUND TO BE ADMINISTERED BY THE COUNCIL TO BE USED EXCLUSIVELY FOR PROGRAMS THAT WILL PREVENT PROSTITUTION AND PROTECT, HEAL, AND REINTEGRATE PROSTITUTED PERSONS INTO THE MAINSTREAM OF SOCIETY. SUCH PROGRAMS SHALL INCLUDE BUT NOT LIMITED TO THOSE PROVIDED FOR UNDER THIS ACT.;

Referring to Section 21, Senator Defensor Santiago explained that the perpetrators being contemplated in the measure may be powerful and threatening, more so when they are the children's own parents or guardians. She pointed out that there have been cases of social workers being counter-charged with kidnapping or confronted with a petition for a writ of *habeas corpus* for intervening for the children by providing shelter to protect them from parents' exploitation, for example, filed by the parents themselves. She stated that the provision would protect those who intervene in behalf of the helpless children from undue legal harassment.

As regards Sections 22 to 24, Senator Defensor Santiago noted that law enforcers and other government agencies justify inaction on the implementation of the anti-trafficking law by citing lack of budget. Similarly, she added that the greatest challenge of NGOs in their effort to help rebuild the victims' lives is the lack of economic programs towards their empowerment.

12. Renumber the succeeding sections accordingly;

13. On page 14, line 4, replace the phrase "control prostitution activities" with ELIMINATE PROSTITUTION;

Senator Defensor Santiago stated that the term "control" resides within a "regulation framework," and she underscored that the entire bill has to be consistent in its intent on elimination, even as a long-term goal.

14. On the title of the bill, replace the word "amending" with REPEALING, so that the title of the bill would now read:

"AN ACT ADDRESSING THE SYSTEM OF PROSTITUTION, IMPOSING PENALTIES ON ITS PERPETRATORS, PROVIDING PROTECTIVE MEASURES AND SUPPORT SERVICES FOR ITS VICTIMS, REPEALING FOR THE PURPOSE ARTICLES 202 AND 341 OF THE PENAL CODE."

Senator Defensor Santiago explained that the word "amending" connotes that parts of the mentioned articles of the Revised Penal Code will remain. She noted that the bills amending both articles are deeply problematic because they failed to remove the criminalization of victims of prostitution and included the penalization of the demand, that is the buyers.

INQUIRIES OF SENATOR ARROYO

Senator Arroyo asked whether a person who would ask for sexual favors from a subordinate in exchange for promotion could qualify as prostitution. Senator Cayetano (P) answered in the affirmative as she reasoned out that promotions should be based on merit and skills. She adverted to the definition of "prostitution" under the bill as being "any act, transaction, scheme or design involving the use of a person, whether woman, man or child, for sexual gratification, exploitation or pleasure of another in exchange for cash, profit or other consideration."

Senator Arroyo suggested that the bill criminalize and properly define the act of sexual harassment in a workplace as distinguished from "sexual harassment" as defined in an existing law.

Senator Cayetano (P) stated that the Anti-Sexual Harassment Act will be reviewed so that the bill, if it is necessary, would provide the definition of the acts that are considered "prostitution" to keep it aligned with the existing law.

Senator Arroyo asked whether the act of a woman flirting with her boss in exchange for promotion could be classified as prostitution, noting that this was being done even among the educated and the rich.

At this juncture, the Chair pointed out that such an act is not as worse as that committed by prostitutes who are victims of poverty or were sold by their parents because the decision to sell one's body was voluntary.

Senator Arroyo stated that he would leave it to the Committee to refine the language of the bill.

INTERPELLATION OF SENATOR PIMENTEL

At the outset, Senator Pimentel expressed his appreciation to Senator Pia Cayetano's performance in the recent Ironman 70.3 Philippines, particularly for placing the Filipino women in the map of the ironman competition. He informed the Body that Senator Cayetano's performance entitles her to participate in next year's finals of the Ironman Competition abroad.

Senator Pimentel recalled that prostitution was originally defined as an act of a woman who engages in sex for profit, but he noted that the bill seeks to broaden the scope of the definition so that even men are covered by the provisions of the Penal Code on prostitution.

Senator Cayetano (P) explained that while prostitution under the Revised Penal Code points to the woman as the criminal, the bill intends to decriminalize the act because the woman is now seen as the victim. She said that the criminal act is imputed upon the perpetrators such as the recipients of sexual favors and the pimps who facilitate the transactions. She added that the bill provides for the rehabilitation of the female victims and the provision of social services for them.

Asked if the bill would exempt a professional prostitute from criminal liability, Senator Cayetano (P) replied in the affirmative, citing the overwhelming view that in prostitution, women are the victims. She stated that even women who have engaged in the trade for 20 years are considered victims of society and are in need of rehabilitation and support.

Citing the amendment of Senator Defensor Santiago earlier, Senator Cayetano (P) stated that the word "Amending" Article 202 and 341 of the Revised Penal Code from the title of the bill was replaced with the term REPEALING because the measure is a different law altogether.

But Senator Pimentel believed that there should be a distinction between ordinary prostitutes and those who operate such establishments engage in the promotion of prostitution as he recalled a story about a woman who ran a very profitable brothel of call girls in New York servicing a lot of prominent people.

Senator Cayetano (P) stated that she would consult with women's groups that have studied the matter extensively. Nonetheless, she said that she was certain that there is a way to differentiate a woman who was only forced to engage in prostitution from the one who is proud of this profession. She said that she would also look into other scenarios, for instance, one involving an exploiter, who was once exploited, who sells girls in his/her brothel, and who should also be penalized under the law.

INQUIRIES OF SENATE PRESIDENT ENRILE

Senate President Enrile how the law would be enforced in a situation involving a man who engages the services of a woman and they perform the act in

a private home. He doubted whether the woman, who is supposed to be the victim and the only witness to the act, would go to court to complain and testify against her client. He also asked how professional prostitutes disguised as tourists coming to the country or tourists exploiting Filipino women would be penalized under the proposed law.

Senator Cayetano (P) said that the primary objective of the bill is to set the policy that would dramatically change a centuries-old concept of women being used as objects and the ones being put in prison when in many cases, they are brought into these acts out of poverty by their own families and people they trust. She said that the bill introduces the policy that these women are the victims. She stated that under the bill, it shall be the policy of the State to penalize prostitution, be they tourists or Filipinos themselves.

Senator Cayetano (P) admitted that there would be difficulty in enforcing the law but she asserted that the woman should not be blamed, and those who have enticed the young girls into prostitution and those who continue to exploit women should not be kept free from liability.

Asked whether "call boys" or male prostitutes are likewise covered by the bill, Senator Cayetano (P) replied in the affirmative, saying that they are also victims. She stated that the bill seeks to protect any person who is exploited.

On the matter of prosecuting the offenders, Senator Cayetano (P) informed the Body that all over the world, there is a strong movement of NGOs and government agencies that encourage victims to come forward and get the perpetrators prosecuted. She said that it may be a little difficult to prosecute one client but there are cases where pimps and syndicated groups are being prosecuted.

Senate President Enrile posited that the bill would be an intrusion into the freedom of the individual to live, saying that a man or woman may have been compelled to enter prostitution in order to have money to buy food to eat. He clarified that he was not against the bill and that he was, in fact, in favor of eradicating prostitution, but he expressed concern that there might be problems in enforcing the law basically because of the question as to whether or not prostitution, like gambling, could realistically be eradicated on earth. Likewise, he pointed out the difficulty of determining who the witness to the crime would be, unless the woman would denounce the client for a purpose. He cautioned that this could be a source of extortion by women against innocent victims.

Senator Cayetano (P) acknowledged that it would indeed be a herculean task to try to eradicate prostitution, considered the oldest profession in the world, but as Senator Defensor Santiago has proposed, it must be eliminated even as a long-term goal.

Senator Cayetano (P) said that while it is indeed a valid apprehension that there might be reverse exploitation if the woman bribes the man or makes up stories to extort money, the percentage of that happening versus the number of cases of young girls and boys drawn to prostitution is incomparable. She agreed that the bill should encompass all possible scenarios, but reiterated that the prevalence and impact of the social disease needs to be addressed.

INQUERIES OF SENATOR PIMENTEL
(*Continuation*)

Resuming his inquiries, Senator Pimentel asked whether the bill, in effect, would no longer penalize women engaged in prostitution but only men who give something for sexual gratification. Senator Cayetano (P) replied that it would criminalize any person, man or woman, who is engaged in the act of prostitution which is proposed to be defined to exclude the victim. She said that in the same manner, a woman who sells the services of girls in her prostitution den is also guilty of prostitution by virtue of her engaging in the selling and transacting to exploit the other persons, whether they are young girls or not.

Asked who would determine who the victim is supposing two persons engaged in a sexual act for profit on either one of them, Senator Cayetano (P) said that it is the person who sought the act for sexual gratification, in exchange for cash, profit or other consideration who is going to be penalized. She clarified that it is not so much of what was received and how it was received, but that someone was looking for sexual gratification and promises, or has given something in exchange for that. She pointed out that sometimes the victim never even received anything because the transaction was intercepted by the pimp, thus, in terms of being on the receiving end, that cannot be the qualification because he or she

may not have received anything but still performed the sexual act.

Asked if the sexual gratification of both parties without any money changing hands would not be considered prostitution, Senator Cayetano (P) said that, without stepping into the realm of the Anti-Sexual Harassment Law, the act would be considered prostitution only when there is an exchange for cash, profit or other consideration or any act that promotes or facilitates the accomplishment of said act.

On whether infatuation, such as a young man or woman overwhelmed by the beauty of the other, is covered by the bill, Senator Cayetano (P) replied that feelings of affection for somebody would not be covered because these are natural acts of love and infatuation. She said that the act would be considered a crime only if it is in exchange for something like cash, profit and other considerations.

On whether gay and lesbian relationship is covered by the bill, Senator Cayetano (P) stated that sexual acts between persons of the same sex, regardless of age, would be covered by the bill, including gay and lesbian relationships. She reiterated that the sexual act between persons of the same sex or between opposite sex would only be considered prostitution if it is for sexual gratification, in exchange for cash, profit or other consideration.

Senator Pimentel agreed with Senate President Enrile that it would be very difficult to implement the law, unless there may be trained detectives to follow, for instance, young boys and girls who are living in the streets who are picked up by strangers and brought to their hotel rooms. He pointed out that in other countries, the mere act of allowing young boys and girls into the rooms of strangers would get the latter into trouble. Moreover, he said that defining who the victim is in a situation where both parties are consenting adults would be a tremendous obstacle to overcome in criminal law, because it has to be proven beyond reasonable doubt that they are covered by the terms of the legal provisions involved. He expressed hope that the provisions of the bill could be tightened up until debates are resumed again so that possible amendments to the bill could be proposed. In reply, Senator Cayetano (P) underscored the need to send a strong message that in the Philippines, the Congress intends to protect girls and boys from prostitution.

INQUIRIES OF SENATOR BIAZON

Senator Biazon agreed on the need to address the problem of prostitution especially if one engages in it because of destitution. He then asked if solicitation is a factor in determining who the victim is and who is the criminal, for instance, when a woman solicits from an intoxicated person a fee in exchange for sexual gratification. Agreeing that it would be hard to put the blame on the man, Senator Cayetano (P) stated that the determination of guilt would be on a case-to-case basis.

Senator Biazon said that similarly, it would be difficult to determine who the victim is if, for example, a woman flashes her beautiful and shapely legs and flags down a motorist who might think that she only needs to hitchhike, but eventually solicits money from the motorist in exchange for a sexual favor.

Senator Cayetano (P) said that there are numerous court rulings in the world that do not give a person the license to have sexual acts with a woman, no matter how provocative her attire is. Admitting that the bill does not give any distinction, she expressed the view that the man is still guilty of prostitution, even if the woman initiated the action, if it involved sexual gratification for a consideration. She said that the underlying view is that the woman is the victim for economic reasons, such as starving children or perhaps her father sold her into the business when she was young. She pointed out that if at that moment the person seemed like a scheming, conniving woman who wants money for sexual gratification, the theory is that she was already a disturbed, victimized woman, that was why she was into the business, that she did not choose to sell her body unless she was forced to do so at some point—whether at that moment, ten minutes ago by the pimp, or ten years ago by their father.

Senator Cayetano (P) stated that although a 25-year old prostitute, for instance, would no longer be considered destitute if she was able to send her child to an exclusive girls school, she could not recall of any documented case of a good family that brought its child into prostitution. Nonetheless, she lamented the fact that there are still a lot of women today who are living comfortable lives because of this profession and are unable to leave it.

Senator Biazon opined that the word "victims" connotes that the woman is being made to do

something against her will. He pointed out that there are a lot of women from good and well-to-do families who, for one reason or another, are into prostitution. He suggested that the bill include a provision that would take the issue of solicitation into consideration.

Senator Cayetano gave the assurance that she would study the suggestion but she stressed that the philosophy of the measure is that the women are the real victims even if they made the initial solicitation.

At this juncture, Senator Biazon made reservation to continue his interpellation at a later date.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1836

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

PROPOSED SENATE RESOLUTION NO. 1326

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 1326, entitled

RESOLUTION EXPRESSING THE SINCERE CONDOLENCE OF THE PHILIPPINE SENATE ON THE DEATH OF KIM DAE-JUNG, FORMER PRESIDENT OF SOUTH KOREA.

Thereupon, the Chair recognized Senator Gordon, Sponsor of the resolution.

SPONSORSHIP REMARKS OF SENATOR GORDON

At the outset, Senator Gordon thanked the Body for giving him the opportunity to present a resolution which he thought was necessary and worthy of its time. He referred to Proposed Senate Resolution No. 132 expressing the sincere condolence of the Philippine Senate on the death of Kim Dae-Jung, the former President of South Korea.

Following is the text of his sponsorship remarks:

On August 18, 2009, the Honorable Kim Dae-Jung, the 8th President of the Republic of Korea and a Nobel Peace Prize winner for the year 2000, peacefully joined his Creator.

Mr. Dae-Jung was born on December 3, 1925, in a small village on a southwestern island coast in South Korea. He graduated from a commercial high school in 1943.

When the Syngman Rhee administration became increasingly dictatorial, he decided to enter politics. His political career proved to be rather turbulent from the start. After two unsuccessful bids, he was finally elected to the National Assembly in 1961, but three days after his election, the Assembly was dissolved following a military coup d' etat led by General Park Chung Hee.

When he was elected again to the Assembly in 1963, he began to emerge as a junior leader within his own party. He served as a spokesman for the Democratic Party in 1965 and became the chairman of the party's Policy Planning Committee the following year.

When President Park Chung Hee sought constitutional revisions in 1969 to allow himself to run for a third term, Kim Dae-Jung objected to the scheme and led rallies, and he was widely acclaimed for his vision and courage.

He was chosen as the presidential candidate of the New Democratic Party in 1971, running against the all-powerful incumbent president. Despite the obstructionist tactics and illegal election practices of the ruling party, he garnered over 46% of the votes cast.

During the election campaign for the National Assembly that soon followed the presidential election, opposition leader Kim Dae-Jung experienced what was to be the first of at least five attempts on his life by his political foes. A heavy-loaded truck rammed into his car, seriously injuring him and his two aides, and President Kim suffered a leg injury for life.

Barely a year after the election, President Park imposed martial law, banned all political activities, and rammed the so-called *Yushin* (revitalizing reform) Constitution through the National Assembly. He became the president for life. Kim Dae-Jung strenuously objected to these extralegal measures and led campaigns against Park's regime in the U.S. and Japan.

In August 1973, agents of the Korean Central Intelligence Agency abducted Kim from a Tokyo hotel. The plot was to eliminate him but swift and strong reaction from the United States and Japan resulted in his release in Seoul a week later. He was immediately placed on house arrest.

On March 1, 1976, the indomitable opposition leader joined other democracy fighters in issuing the "Independence Day Declaration for Democratization," which touched off yet another wave of pro-democracy demonstrations in Korea. Subsequently, he was sentenced to five years. He remained in jail until the authorities released him and put him under house arrest in 1978.

Soon after the assassination of President Park by one of his close aides in October 1979, Kim's civil and political rights were restored. After a few months of political unrest, another group of soldiers seized power and Kim Dae-Jung was thrown into prison again in May 1980 on charges of treason. On November of that year, a military court sentenced him to death. The sentence was later commuted to life imprisonment, and then a 20-year term.

In December 1982, his prison term was suspended and he was allowed to travel to the United States. Kim ended his exile in the United States and returned home in early 1985 despite warning from his supporters that he might meet the same tragic fate like Philippine Senator Benigno Aquino.

Back in Seoul, he was immediately put under house arrest but his return intensified a nationwide pro-democracy movement. In June 1987, Kim was cleared of all outstanding charges and his civil and political rights were fully restored.

He ran but was defeated in the presidential elections in 1987 and 1992. In 1997, he was elected to the presidency, winning 40.3% of the votes as the 8th President of Korea. His election marked the first transition of power from the ruling regime to the opposition party in Korea's modern history.

Taking over the government in the midst of an unprecedented financial crisis, President Kim devoted himself to the task of economic recovery and managed to pull his country back from the brink of bankruptcy. Reforms and restructuring that began early in his administration still continue. If we read the papers today, the Korean government has just launched a rocket into space and this is from a country that the Philippines fought against in the 1950s, with only one bridge left over the Han river at the time the war ended.

I was privileged to have been invited to a Korean destroyer a couple of times yesterday. And I was filled with envy – if you will for lack of a better word – because I believed that an archipelagic country like the Philippines should be able to build its own navy like the Koreans and yet their destroyer look mighty competent and maybe even comparable with the destroyers of the United States.

Kim Dae-Jung's vision for the Korean people led him to pursue a policy of "Sunshine" engagement with North Korea. As we all know, North and South are still divided up to this day. And yet when President Kim died on August 18, a week ago, North Korea made an unprecedented move to send delegates to South Korea. And now they are starting the stalled peace talks between their two countries.

We can see here the struggle of a freedom fighter going through the process of democracy: losing and winning, being incarcerated not once, not twice, not three times. Attempts upon his life were made by his opponents. This involved fighting against a very, very powerful politician in the person of Park Chung Hee, and yet, in the end, he won that fight for democracy very much like our own leaders here in our country that stood their ground not only during the Spanish regime but even all the way down to the present time.

It is for this reason that I ask the Senate today to unanimously approve a resolution expressing the sincere condolence of the Philippine Senate on the death of Kim Dae Jung, former President of South Korea and honoring him as a freedom fighter worthy of emulation by all nations here in Asia. The only reason why I prevailed upon our colleagues to present the resolution was that the Ambassador of Korea has invited me to go to a reception and he will be waiting for me in ten minutes. He does not know that I am bringing the resolution and I thought it will be worth the Senate's time to be able to adopt it.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 1326

Upon motion of Senator Zubiri, there being no objection, Proposed Senate Resolution No. 1326 was adopted by the Body.

ALL SENATORS AS COAUTHORS

Upon motion of Senator Zubiri, there being no objection, all the senators were made coauthors of the resolution.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 5:12 p.m.

RESUMPTION OF SESSION

At 5:23 p.m., the session was resumed.

ACKNOWLEDGMENT OF THE PRESENCE OF GUEST

At this juncture, Senator Zubiri acknowledged the presence in the gallery of Mayor Abdulkarim Langkuno of the Municipality of Paglat, Maguindanao.

The Senate President Pro Tempore welcomed the guest to the Senate.

COMMITTEE REPORT NO. 542 ON SENATE BILL NO. 61

(*Continuation*)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 61 (Committee Report No. 542), entitled

AN ACT PROVIDING FOR THE REHABILITATION OR LIQUIDATION OF FINANCIALLY DISTRESSED ENTERPRISES.

Senator Zubiri stated that the parliamentary status was the period of interpellations.

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

INTERPELLATION OF SENATOR PIMENTEL

At the outset, Senator Pimentel acknowledged the worthwhile endeavors of Senator Angara to project the identity of Baler as a quaint old town that deserves recognition throughout the country because many of the beautiful places in the country are not given the same opportunity.

As he thanked Senator Pimentel, Senator Angara believed that in this age of globalization when culture, fashion, speech and practically everything are becoming uniform, there is a need to go back to one's roots and highlight the unique and distinct customs and habits of his hometown just like what Senator Pimentel has done with his hometown in Claveria, Cagayan De Oro, which is a very distinct historical place.

Senator Pimentel stated that, although there was nothing bad with the influx of foreign concepts, ideas and values in the country today, the people, especially the youth, should not forget the country's indigenous tradition and culture because these are the things that make them unique. He said that without one's culture, Filipinos can be citizens of the world but with no country to speak of.

Senator Pimentel believed that the bill at hand is needed by the country at this point, when a good number of business enterprises are sinking or affected directly or indirectly by the global meltdown. He argued that rehabilitation of these enterprises is called for and is of vital interest to the country because, to him, poverty can be solved by creating businesses domestically and not necessarily foreign investments alone because these businesses generate jobs for the people which would free them from too much dependence on politicians. He cited as an example the housing problem which could be very well put aside if the people have jobs especially relatively good paying ones, because it is only then that the people can acquire their own homes, send their children to school, buy their own medical supplies and pay for a doctor should they need medication. He lamented, however, that the problem is that about 3,000 Filipinos go out of the country everyday to look for jobs, a terrible indictment of the situation of the country because it proves that there are no available jobs locally.

Providing the historical background of the Insolvency Law, Senator Angara pointed out that the law was enacted in 1909, and since then, there have been some attempts at modernizing it especially during the martial law years through the issuance of presidential decrees. He cited the amendments to the Corporation Code and the Securities Act, but he lamented that there was never an attempt at modernizing the liquidation or dissolution of corporations. He bemoaned that the country is stuck with the old-fashioned type of either liquidating the corporation, letting it die slowly or killing its potential or capacity to create jobs through a very protracted process.

Asked if the bill intends to get the process of rehabilitation away from the courts, Senator Angara replied that partly, it is the intent, but not entirely because ultimately, it is the court that would approve a rehabilitation or a dissolution. He explained that in the court's supervised rehabilitation, the bill introduces

private party-initiated rehabilitation, provided that all parties – creditors and debtors – agreed to it; in other words, there is the presumption of a previous agreement. He explained that instead of the original choice of being just liquidated, or in the case of one company that survived and waiting for a protracted proceeding, the enterprise is now, first of all, given a chance at surviving by rehabilitation; in doing so, the chances of satisfying the demands of the creditors and suppliers would all be served by keeping that enterprise alive rather than killing it by liquidation. He said that the agreement among the parties can be followed after the court has approved it.

Asked whether the parties – debtors, creditors, a suppliers — involved in running a particular company, would have the first crack at what they should do regarding the rehabilitation or any other recourse in the liquidation of the company, Senator Angara explained that the bill provides several options to all the parties involved where they can choose the right remedy for them so that their individual interests would be balanced and equally satisfied, and the courts would only interfere when there is no probability at all that the enterprise would survive.

Senator Pimentel agreed that giving the private parties all the options to solve the problem is a very wise proposal because, as he observed, Filipinos are litigious people. He added that the lesser they resort to the legal process as a mechanism to settle disagreement, the better it would be. He noted that the process would not prolong the agony in finding solutions because there is no assurance how speedy court decisions would be, not to mention the additional period spent on appeals.

In response, Senator Angara said that with the proposed measure, the Senate is addressing the heart of the problem of the present bankruptcy and insolvency law. He pointed out that under the present procedure, there is a large chance of prolonging an insolvency or bankruptcy proceeding that in the end, valuable assets and resources would have vanished and none of the parties would have satisfied except maybe the debtor, executor or the receiver, together with its lawyers, who may have deliberately tried to prolong the proceeding.

Senator Angara emphasized that to provide stability, there is a mechanism in the bill to break any deadlock through voting as well as setting a definite or fixed period or date, wherein certain steps in the process must be undertaken by the receiver, by the parties or the court so that there is a predictable period within which either an enterprise is rehabilitated or dissolved.

Upon further queries, Senator Angara said that the court would still need to approve the liquidator of the financially distressed enterprise. He clarified that if the parties extrajudicially agree to settle, a higher than majority vote of the creditors is required under the process.

Adverting to Section 5 (*Exclusions*), Senator Pimentel asked why banks, insurance companies, pre-need companies and cooperatives are not included in the term "debtors," Senator Angara explained that banks, insurance companies and pre-need companies have their own methods of rehabilitation and dissolution under the Banking Law, Insurance Law and Cooperative Law.

On Sections 42 and 43, Senator Pimentel sought clarification on the phrase "classes of creditors." Senator Angara said that these are general creditors that extend credit to the enterprise without any lien or collateral as opposed to specific creditors who extend credit against a specific property of the debtor which they hold as a collateral.

On the other hand, Senator Angara said that suppliers refer to suppliers of labor and materials that form part of the classes of creditors.

Asked whether the measure would affect the listing of the classes of creditors under the Civil Code, Senator Angara said that the preference of credit would be kept and preserved. He explained that under the bill, a creditor belonging to the same class would be treated equally and without discrimination. This, he said, is an improvement over the present system which allows a creditor to receive preferential treatment over colleagues within the same class.

Senator Pimentel asked whether the bill will not go against the rules of procedure on corporate rehabilitation issued by the Supreme Court in 2000, which recognized "judicial or administrative proceedings outside the Philippines, pursuant to the insolvency law in which the assets and affairs of a debtor are subject to the control or supervision of a foreign court for purposed of rehab or reorganization." Senator Angara replied in the negative.

At this juncture, Senator Pimentel revealed an alleged plot by Banco de Oro and some other foreign and local commercial banks for the hostile takeover of Steel Corporation, the country's largest producer and exporter of galvanized sheets, through involuntary rehabilitation proceedings. Relative thereto, he asked how a rehabilitation proceeding would take place under the present circumstances. Senator Angara replied that it should be done upon petition with a court. Under the present setup, he said that the court is not bound by time limits and as such could prolong a proceeding and, in effect, control the company under rehabilitation. He surmised that the local and international banks might have connived to petition the court to put that company under rehabilitation or dissolution.

Senator Pimentel expressed hope that the measure could forestall such a situation since there is a provision that specifies the number of months allotted for the completeness of the rehabilitation process. Senator Angara explained that this would prevent valuable resources from being wasted as well as to keep the company from being controlled by people who may not have good intentions about the enterprises.

In closing, Senator Pimentel manifested his support for the bill.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 61

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

RESERVATIONS TO INTERPELLATE

Senator Zubiri stated that Senators Arroyo and Legarda made reservations to interpellate on the bill.

COMMITTEE REPORT NO. 407 ON SENATE BILL NO. 3240

(*Continuation*)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 3240 (Committee Report No. 407), entitled

AN ACT CREATING THE MILITARY SERVICE BOARD AND PROVIDING FUNDS THEREFOR.

Senator Zubiri stated that the parliamentary status of the bill was still the period of interpellations. However, he informed the Body that Senator Biazon had requested that he be allowed to introduce the committee amendments without prejudice to the reopening of the period of interpellations.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

Upon motion of Senator Zubiri, the Body closed the period of interpellations and proceeded to the period of committee amendments.

COMMITTEE AMENDMENTS

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

1. On page 1, replace the second sentence of Section 2, starting with the article "The" on line 11, until the acronym "(PVAO)" on line 13 with the sentence to read: THEY SHALL BE APPOINTED BY THE SECRETARY OF NATIONAL DEFENSE.

Senator Biazon explained that the deletion was made to ensure that there was proper representation in the board.

2. On the same page, lines 14 to 15, reword Section 3 (*Period of Existence*) to read:

   SEC. 3. *PERIOD OF EXISTENCE.* – THE BOARD SHALL CEASE TO EXIST FIVE (5) YEARS AFTER THE EFFECTIVITY OF THIS ACT OR UNTIL SUCH TIME THAT THE LAST APPLICATION SHALL HAVE BEEN PROCESSED, WHICHEVER COMES FIRST.

Senator Biazon said that the provision would give the new board ample time to perform its mandated task.

3. On the same page, line 19, insert a new Section 5 (*Application by Survivors*) to read:

   SEC. 5. *APPLICATION BY SURVIVORS.* – AN APPLICATION FOR CONFIRMATION OF MILITARY SERVICE SUBMITTED BY THE SURVIVING SPOUSE, CHILD OR PARENT IN BEHALF OF THE DECEASED PERSON SHALL BE TREATED AS AN APPLICATION BY SUCH PERSON.;

Senator Biazon stated that the provision existed in RA 8440 but was omitted in EO 198. He believed that the omission of the provision was an injustice to the surviving immediate relatives of still unconfirmed veterans, hence, it must be included in the new law.

4. On the same page, after the new Section 5, insert a new Section 6 (*Evidence to be Considered*) to read:

SEC. 6. *EVIDENCE TO BE CONSIDERED.* – IN EVALUATING ANY CLAIM FOR MILITARY SERVICE, THE BOARD SHALL CONSIDER ALL AVAILABLE INFORMATION AND EVIDENCE, BOTH TESTIMONIAL AND DOCUMENTARY, INCLUDING OFFICIAL UNIT HISTORICAL RECORDS AND PERSONNEL RECORDS IN THE VARIOUS AGENCIES AND OFFICES OF THE GOVERNMENT AND ANY OTHER EVIDENCE SUBMITTED BY OR ON BEHALF OF THE APPLICANT. THE BOARD SHALL AUTOMATE ALL RECORDS OF THE APPLICANTS INCLUDING ITS SUPPORTING EVIDENCE FOR FUTURE REFERENCE.

Senator Biazon stated that the provision would help the board determine the service groups of the applicants from December 8, 1941 to July 3, 1946, and it mandates that all possible sources of evidence, including the Revised Reconstructed Guerilla Roster (RRGR) of 1948, also known as the "Missouri List," should be considered. He said that the directive to the board to include all records and pieces of evidence to the automated databases would serve as reference for future board deliberations.

5. Insert another new Section 7 to read:

SEC. 7. *FRAUDULENT CLAIMS.* – WHEN FRAUD IS SHOWN TO HAVE BEEN COMMITTED BY OR WITH THE KNOWLEDGE OF AN APPLICANT UNDER THIS ACT, SUCH APPROVAL AND ANY AWARD, HONOR OR BENEFIT RECEIVED AS A CONSEQUENCE THEREOF SHALL BE DEEMED NULL AND VOID ON THE DATE OF ITS EFFECTIVITY: *PROVIDED,* THAT THE PARTY OR PARTIES TO THE FRAUDULENT ACT, INCLUDING THOSE WHO PROVIDED FALSE TESTIMONY OR WHO ISSUED FALSIFIED DOCUMENTS IN SUPPORT THEREOF, SHALL, UPON CONVICTION, BE PUNISHED WITH A FINE OF NOT LESS THAN TWENTY THOUSAND PESOS (P20,000.00) BUT NOT MORE THAN FIFTY THOUSAND PESOS (P50,000.00) OR BY IMPRISONMENT OF NOT MORE THAN SIX (6) MONTHS OR BY SUCH FINE AND IMPRISONMENT, AT THE DISCRETION OF THE COURT, IN ADDITION TO THE REFUND OF SUCH AMOUNT THAT THE APPLICANT MAY HAVE RECEIVED AS A RESULT OF THE FRAUDULENT CLAIM.

Sentor Biazon stressed that a provision on "Fraudulent Claims" should be provided to serve as a deterrent to unscrupulous individuals to take advantage of the benefits being provided by this proposed law. He added that a similar provision was also found under RA 8440 which created the first Military Service Board.

6. Renumber the sections accordingly.

7. On page 2, line 10, delete the word "prospectively" and insert the phrase RETROACTIVELY THREE (3) YEARS BEFORE THE EFFECTIVITY OF THIS ACT.

8. On the same page, lines 11 to 13, reword Section 8 to read as follows:

SEC. 8. *RESULTANT BENEFITS.* – ANY BENEFIT UNDER THIS ACT SHALL BE ADMINISTERED BY THE PVAO IN ACCORDANCE WITH EXISTING LAWS, RULES AND REGULATIONS.

Senator Biazon stated that since the PVAO has supervisory and final authority insofar as the entitlement of a claimant is concerned, it stands to reason that it be given the power to administer the grant of benefits under this Act.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 3240

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

MANIFESTATION OF SENATOR BIAZON

Senator Biazon stated that Senator Angara would introduce amendments to Senate Bill No. 3240 during the period of individual amendments.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri stated that Senator Defensor Santiago would also propose amendments to the bill.

On another matter, Senator Zubiri manifested that Senator Legarda has waived her reservation

to interpellate on Senate Bill No. 61 (providing for the liquidation of financially-distressed enterprises).

ADDITIONAL REFERENCE OF BUSINESS

The Deputy Secretary for Legislation, Atty. Edwin B. Bellen read Senate Concurrent Resolution No. 13 which the Senate President Pro Tempore referred to the Committee on Rules, to wit:

Senate Concurrent Resolution No. 13, entitled

CONCURRENT RESOLUTION AMENDING S. CT. RES. NO. 12 PROVIDING FOR THE LEGISLATIVE CALENDAR FOR THE THIRD REGULAR SESSION OF THE FOURTEENTH CONGRESS OF THE PHILIPPINES.

Introduced by Senator Zubiri

SENATE CONCURRENT RESOLUTION NO. 13

Upon motion of Senator Zubiri, there being no objection, the Body considered Senate Concurrent Resolution No. 13, entitled

CONCURRENT RESOLUTION AMENDING S. CT. RES. NO. 12 PROVIDING FOR THE LEGISLATIVE CALENDAR FOR THE THIRD REGULAR SESSION OF THE FOURTEENTH CONGRESS OF THE PHILIPPINES

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

ADOPTION OF SENATE CONCURRENT RESOLUTION NO. 13

Upon motion of Senator Zubiri, there being no objection, Senate Concurrent Resolution No. 13 was adopted by the Body.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:06 p.m.

RESUMPTION OF SESSION

At 6:07 p.m., the session was resumed.

SENATE CONFEREES

Upon nomination by Senator Zubiri, there being no objection, the Chair designated the following to constitute the Senate panel in the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 2077 and its counterpart House Bill No. 6407 (Pre-Need Code): Senator Angara as chair: Senators Legarda, Zubiri and Roxas on the part of the Majority; and Senator Cayetano (A) on the part of the Minority.

CREATION OF SUBCOMMITTEE

Senator Zubiri stated that on October 18, 2008, he manifested on the floor the creation of a subcommittee of the Committee on Cultural Communities to hear Senate Bill No. 2089, along with Senate Bill Nos. 673, 930, 1175 and 4253. He said that he will chair the subcommittee by virtue of the authorization granted him by the Committee chairperson, Senator Madrigal.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:08 p.m.

RESUMPTION OF SESSION

At 6:09 p.m., the session was resumed.

PROPOSED SENATE RESOLUTION NO. 1309

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 1309, entitled

RESOLUTION CONGRATULATING AND COMMENDING THE AWARDEES FOR THE 2009 SEARCH FOR OUTSTANDING TEACHERS HONORED BY THE METROBANK FOUNDATION, INC.,

taking into consideration Proposed Senate Resolution Nos. 1317 and 1321.

With the permission of the Body, upon motion of Senator Zubiri, 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. 1309

Upon motion of Senator Zubiri, there being no objection, Proposed Senate Resolution No. 1309, taking into consideration Proposed Senate Resolution Nos.1371 and 1321, was adopted by the Body, subject to style.

PROPOSED SENATE RESOLUTION NO. 1298

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 1298, entitled

RESOLUTION COMMENDING AND CONGRATULATING HALILI-CRUZ SCHOOL OF BALLET (HCSB) FOR WINNING THE 11TH ASIA-PACIFIC DANCE COMPETITION IN BANGKOK, THAILAND LAST JULY 16-21, 2009,

taking into consideration Proposed Senate Resolution No. 1303.

With the permission of the Body, upon motion of Senator Zubiri, 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. 1298

Upon motion of Senator Zubiri, there being no objection, Proposed Senate Resolution No. 1298, taking into consideration Proposed Senate Resolution No.1303, was adopted by the Body, subject to style.

PROPOSED SENATE RESOLUTION NO. 1291

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 1291, entitled

RESOLUTION COMMENDING ATTY. ANTONIO A. OPOSA JR. FOR BEING A RECIPIENT OF THE 2009 RAMON MAGSAYSAY AWARD BY THE RAMON MAGSAYSAY AWARD FOUNDATION.

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

COAUTHOR

Upon his request, Senator Zubiri was made coauthor of the reservation.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 1291

Upon motion of Senator Zubiri, there being no objection, Proposed Senate Resolution No. 1291 was adopted by the Body.

PROPOSED SENATE RESOLUTION NO. 1212

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 1212, entitled

RESOLUTION CONGRATULATING AND COMMENDING THE MEMBERS OF THE PHILIPPINE TEAM FOR EARNING MERIT CERTIFICATES IN THE INDIVIDUAL CATEGORY COMPETITIONS AT THE 10TH INVITATIONAL WORLD YOUTH MATHEMATICS INTER-CITIES COMPETITION (IWYMIC) IN DURBAN, SOUTH AFRICA ON 5-10 JULY 2009,

taking into consideration Proposed Senate Resolution Nos. 1203, 1213, 1214, 1215 and 1216.

With the permission of the Body, upon motion of Senator Zubiri, 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. 1212

Upon motion of Senator Zubiri, there being no objection, Proposed Senate Resolution No. 1212, taking into consideration Proposed Senate Resolution Nos. 1203, 1213, 1214, 1215 and 1216, was adopted by the Body, subject to style.

PROPOSED SENATE RESOLUTION NO. 1165

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 1165, entitled

RESOLUTION CONGRATULATING AND COMMENDING THE COUNTRY'S OUTSTANDING POLICEMEN IN SERVICE (C.O.P.S.) OF 2009 AWARDED BY THE ROTARY CLUB OF NEW MANILA-EAST, METROBANK FOUNDATION, INC. AND PSBANK.

With the permission of the Body, upon motion of Senator Zubiri, 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. 1165

Upon motion of Senator Zubiri, there being no objection, Proposed Senate Resolution No. 1165 was adopted by the Body.

COAUTHORS

Upon his request, Senator Zubiri, as well as Senators Pimentel, Gordon, Cayetano (A), Angara and Ejercito Estrada, was made coauthor of Proposed Senate Resolution No. 1165.

SPECIAL ORDER

Upon motion of Senator Zubiri, there being no objection, the Body approved the transfer of Committee Report No. 534 on Senate Bill No. 3308 from the Calendar for Ordinary Business to the Calendar for Special Orders

COMMITTEE REPORT NO. 534 ON SENATE BILL NO. 3308

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, Senate Bill No. 3308 (Committee Report No. 534) entitled

AN ACT IMPLEMENTING THE RIGHT OF THE PEOPLE TO INFORMATION ON MATTERS OF PUBLIC CONCERN GUARANTEED UNDER SECTION SEVEN, ARTICLE THREE OF THE 1987 CONSTITUTION AND THE STATE POLICY OF FULL PUBLIC DISCLOSURE OF ALL ITS TRANSACTIONS INVOLVING PUBLIC INTEREST UNDER SECTION TWENTY-EIGHT, ARTICLE TWO OF THE 1987 CONSTITUTION, AND FOR OTHER PURPOSES.

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

The Chair recognized Senator Cayetano (A) for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR CAYETANO (A)

Senator Cayetano (A) presented for plenary consideration Senate Bill No. 3308 and forthwith delivered his sponsorship speech as follows:

Righteousness exalts a Nation, but sin is a reproach to any people. - ***Proverbs 14:34***

When the righteous increase, the people rejoice, but when the wicked rule, people groan. - ***Proverbs 29:2***

For everyone who does wicked things hates the light and does not come to the light, lest his deeds should be exposed. But whoever does what is true comes to the light, so that it may be clearly seen that his deeds have been carried out in God. - ***John 3:20-21***

These are some Biblical principles applicable to governance. It is a privilege to stand here today to honor these biblical principles, the basic concept of good governance, transparency and accountability. It is a privilege to honor all the people who struggled, sacrificed much and worked hard that a mechanism to enforce the right of people to information be put into place.

Allow me to mention the Access to Information Network and members of the Philippine media.

The right of the people to information held by governments is being recognized by a rapidly

growing number of countries around the world. Today, over 70 countries have adopted laws giving citizens the right to access government information.

The Philippines is one among countries that have elevated the right to information into a constitutional guarantee. Such high level of importance accorded to the right to information is only proper given the key role that the right to information plays in empowering the people, ensuring good governance, deepening democracy, and working for sustainable development.

Today I stand to sponsor Senate Bill No. 3308 in substitution of several bills on freedom of information authored by six distinguished colleagues, namely, Senators Revilla Jr., Ejercito Estrada, Villar, Legarda, Zubiri and Pia Cayetano, myself and supported by the members of the Committee on Public Information and Mass Media and the Committee on Civil Service and Government Reorganization.

Please allow me to set out the following reasons for the immediate passage of Senate Bill No. 3308.

It must be emphasized that freedom of information is a constitutional right that is at the heart of an informed citizenry and a transparent, accountable and responsible government.

The framers of the Constitution, cognizant of the necessity to ensure transparency and accountability in government, have included such right of the people under the Declaration of Principles and State Policies, and under Section 28, Article II which provides that: "Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest." This has been strengthened under Section 7, Article III which provides that: "The right of the people to information on matters of public concern shall be recognized. Access to official records, and to documents and papers pertaining to official acts, transactions, or decisions, as well as to government research data used as basis for policy development, shall be afforded the citizen, subject to such limitations as may be provided by law."

This right to information is not limited to making government open and accountable but the "right to know" is also indispensable to the exercise of the related freedoms of speech, of expression, and of the press, as well as the right of the people and their organizations to effective and reasonable participation at all levels of social, political and economic decision-making. The people's right to information is an indispensable element of a functioning democracy.

The idea of "a government by the people" presupposes that the people have access to information on matters of public concern. The free flow of information about the affairs of government paves the way for public participation, and fosters accountability in government. Access to such information ensures an informed citizenry who can better participate in policy- and decision-making. It also strengthens the role of public institutions in ensuring checks and balances in government, thereby helping prevent the commission of graft and corruption, which ultimately should lead to an efficient and effective government.

The people's right to information is not only a political imperative. It is also essential in economic life. It provides the institutional foundation for a more responsive government planning by enhancing the capacity of the public to provide timely feedback to government, and build consensus around policy objectives and design. The availability of information on official rules, policies, programs, and resource allocation also enables the private sector to make sound long-term economic decisions.

Senate Bill No. 3308 will provide the enabling law to the constitutional guarantee and mandate on the people's right to information.

We have been paying a high price for the absence of such an enabling law. Corruption has been so rampant that we have lost so much billions that should have been used to address our people's needs. In fact, a World Bank study revealed that for every one peso that the government collects, 40 centavos goes to corruption.

It is, therefore, not surprising that our country's international standing on corruption has steadily worsened from 1999 to 2008. Transparency International's corruption perception survey placed the Philippines as the 54th least corrupt out of 99 countries in 1999; 65th of 91 in 2001; 77th of 102 in 2002; 92nd of 133 in 2003. In 2004, the Philippines breached the 100 level, and ranked 102nd out of 146 countries, then 121st of 163 in 2006, then moved on to being 131st out of 180 in 2007, and further deteriorated to 141st out of 180 countries in 2008!

Among Asian countries, our reputation appears unprecedented. The Political & Economic Risk Consultancy (PERC) survey found that the Philippines was 5th most corrupt of 12 countries in 1998, 4th most corrupt of 12 countries in 2001 and 2004, 3rd most corrupt in 2005, and finally,

number 1 most corrupt in 2007 and 2008 out of 13 Asian countries.

A free flow of government information is a vital safeguard against corruption. Secrecy in government allows corruption to flourish. It provides a greater cover for any evidence in corruption. In contrast, transparency exposes the vested interests involved and leads to the identification of corrupt practices.

It is for these reasons that the immediate passage of this bill is sought. The bill seeks to enable free access to official information by citizens based on the principles of maximum disclosure and open, accountable and transparent government. The only exception is when the disclosure of such information would jeopardize other prerogatives of the government, namely, the protection of the privacy of individual rights, national security, public order and safety, foreign diplomatic relations, and intellectual property rights and trade secrets.

Senate Bill No. 3308 for the consideration of this Body has the following key features:

- It is expansive in scope. It covers all possible government agencies, whether they are in the executive, legislative, or judicial branches, or are independent Constitutional bodies. It covers all information made, received or kept in or under the control and custody of any government agency regardless of the form or format in which they are stored.
- It provides only a narrow list of clearly defined and reasonable exceptions. While the general rule is that all information in the hands of government must be accessible to the public, it may be in the public interest for government to keep secret certain information. For example, it is reasonable to withhold information on a planned operation against known criminals because disclosure could alert the criminals and impair police operations.
- It provides an opportunity and right for citizens to override an exception whenever there is greater public interest in the disclosure of information.
- It provides clear, uniform, and speedy procedure for public access to information.
- It provides the mechanics for the compulsory duty of government agencies to disclose information on government transactions pursuant to Article II, Section 28 of the Constitution.
- It provides adequate and accessible remedies in cases of denial of access to information.
- It provides clear criminal liabilities for violation of the right to information.
- It spells out numerous mechanisms for the active promotion of openness in government.

This legislation is long overdue. Twenty-two years have passed since the ratification of the 1987 Constitution, and we have yet to discharge our constitutional and public duty of passing a comprehensive and workable access to information law. The result is the routine violation by government agencies of the people's right to information, harming not only the individual interest of citizens, but the collective interest of Philippine society.

The House of Representatives has already done its job when it approved its version of the bill on Third Reading as early as May 12, 2008. It is now our turn to do our part.

I respectfully call on each one of my distinguished colleagues to vote for the immediate passage of the Freedom of Information Act. Let us pave the way for broad and free access by citizens of information held by government.

We need to make the bold move of passing a Freedom of Information Act now to empower Filipinos to participate even more effectively in the fight against corruption and in the struggle for better and more responsive government policies.

We are not a corrupt people. Yet corruption abounds. It is now the time to give our people another weapon to fight back. To fight the few who destroy the name of good public officials.

We are stewards of a rich country and talented people, yet corruption has made us poor. We are like a sports team that has the best players and coaches yet we always fail to get in the semifinals. There is always something that goes wrong and corruption is always part of what goes wrong.

Nowadays we are used to hearing public officials say: "*Nasaan ang ebidensya ninyo*?" instead of saying, "Go ahead, investigate, open the books, review the contracts." I am talking about all types of people, public officials and agencies. The principals of Taguig schools are here today because they themselves cannot even get information on the Special Education Fund or how much money is supposed to be going to their schools. We have examples of people who were harassed or who even died trying to get information from the government. Of course, the usual suspects, the Philippine media, have paid the price especially those

involved in investigative journalism of a continuous and different form of harassment. Now our people will have the opportunity to get such evidence. They will have the opportunity for intelligent participation because they will now be properly informed.

When this bill is passed into law, I ask our people to exercise their right and for our government to do its duty.

As our very own distinguished Constitutionalist commented during the Constitutional Convention:

> **Fr. Bernas**: "*I want to comment that Section 6 talks about the right of the people to information, and corresponding to every right is a duty. In this particular case, corresponding to this right of the people is precisely the duty of the State to make available whatever information there may be needed that is of public concern. Section 6 is very broadly stated so that it covers anything that is of public concern. It would seem also that the advantage of Section 6 is that it challenges citizens to be active in seeking information rather than being dependent on whatever the State may release to them.* (Vol. 5 Page 26)

Instead of relying on the infomercials that were exposed by Sen. Miriam Defensor Santiago, and relying on these officials to have their infomercials, the citizens can now go to these agencies and get the information they want. And better, for the types of contracts or types of information that are usually involved in controversies. It will be posted on the websites and easily accessible.

Let the Freedom of Information Act be our significant and lasting contribution to true political and social reform in the country, to benefit our generation, and the generations to come.

God bless the Philippines.

COSPONSOR

Senator Zubiri manifested that Senator Cayetano (P) is a cosponsor of Senate Bill No. 3273, being also a coauthor of the consolidated bill.

COSPONSORSHIP SPEECH OF SENATOR ZUBIRI

In cosponsoring Senate Bill No. 3308, Senator Zubiri delivered the following speech:

Article III, Section 7 of the 1987 Constitution states that, "The right of the people to information on matters of public concern shall be recognized. Access to official records, and to documents and papers pertaining to official acts, transactions, or decisions as well as to government research data used as basis for policy development, shall be afforded the citizen, subject to such limitations as may be provided by law." This popular section is enshrined in the Bill of Rights of the Constitution.

We join the Filipino people in their clamor for a transparent, honest and good government. This bill, once enacted into law, is a great step towards that aspiration of our people. Our people have been, many times, given a roundabout by government agencies whenever they ask for data or information from our government agencies. But they are not alone in experiencing this. We, as legislators, clothed with oversight and policy-making powers by the Constitution and in line with our legislative duties, at one time or more than once, have been given a hard time by our government agencies when we requested particular data or information that will help us crafting necessary legislation. Many times, I have seen our colleagues stand up complaining that either their committees hearings were being snubbed or documents that we require and we request under our oversight function are also not being given. We say: Enough of these stonewalling mostly by executive agencies! Under the proposed measure, we have provided a section that will impose criminal and administrative liability on any public officer who would refuse or deny a request for data or information without valid reasons as specified in the bill.

To answer the concerns of some that such release of data or information would compromise or endanger national security, we have instituted enough safeguards and provided exceptions when faced with such scenario.

This measure is long overdue. More than 20 years since the Filipino people overwhelmingly ratified our present Constitution, Congress has yet to pass an enabling law that will operationalize this constitutional provision on the "Right to Information." Thus, this bill, yet belatedly. And so, I join the main sponsor of this bill, Sen. Alan Peter Cayetano, in enjoining the support of our colleagues for the speedy passage of this measure.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 3308

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

APPROVAL OF THE JOURNAL

Upon motion of Senator Zubiri, there being no objection, the Body dispensed with the reading of the Journal of Session No. 12 and considered it approved subject to the correction made by Senator Arroyo on the second column of page 343, fourth paragraph, to replace the word "Philippines" with "U.S."

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:35 p.m.

RESUMPTION OF SESSION

At 6:37 p.m., the session was resumed.

COMMITTEE REPORT NO. 529 ON SENATE BILL NO. 2118
(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2118 (Committee Report No. 529), entitled

AN ACT CONVERTING THE BATAAN ECONOMIC ZONE LOCATED IN THE MUNICIPALITY OF MARIVELES, PROVINCE OF BATAAN, INTO THE BATAAN SPECIAL ECONOMIC ZONE AND FREEPORT, CREATING FOR THIS PURPOSE THE BATAAN SPECIAL ECONOMIC ZONE AND FREE PORT AUTHORITY, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES.

Senator Zubiri stated that the status was the period of individual amendments.

Thereupon, the Chair recognized Senator Gordon, Sponsor of the measure.

REMARKS OF SENATOR PIMENTEL

Senator Pimentel clarified that he was not proffering his personal amendments but the proposals sent to him by the Secretary of the Department of Finance Secretary which the Chamber cannot just simply ignore.

Senator Pimentel informed the Body that Secretary Teves has proposed that all references in the bill regarding the creation of a free port should be deleted for a number of reasons, one of which is that there should be a moratorium in the creation of more free ports in the country. He said that according to the Secretary, the proposed Bataan Freeport would be the sixth in the country and the third in the Central Luzon area along with Subic and Clark Freeports, and the country does not need another freeport to develop growth areas but more infrastructure to be built by the national government.

Stating that the issue was already discussed during the period of interpellations, Senator Gordon noted that there seemed to be so much cogitation on the part of the Secretary, refusing to approve the proposal of converting Mariveles, into a freeport zone just like Clark and Subic, in spite of its being a natural free port as it is situated beside Manila Bay. He maintained that converting it into a free port would level the playing field for Bataan which stands to attract more industries that could spur more development.

To Secretary Teves's assertion that free ports pose a huge challenge to customs authorities because they are being used for the smuggling of goods that causes a heavy drain on revenues and engenders unfair competition to domestic industries, Senator Gordon replied that smuggling thrives because customs and revenue personnel, who are under the supervision of the DOF, are not doing their jobs. He admitted that the situation was very exasperating since the Bureau of Customs has failed to curb such illegal activities and for which the Secretary of Finance has not fired any customs official.

Stating that he was aware of the budget deficit, Senator Gordon argued that the huge deficit could be controlled if corruption was stopped and that there should be more efforts for non-performing assets like government corporations that are being subsidized to make more money but unfortunately, he lamented, the DOF has not seen it fit to go after them.

Senator Gordon said that he was confident that like the people of Subic, the people of Mariveles would not allow smuggling in their area because they do not want to be called smugglers who usually come from other places of the country. He recalled having confronted Secretary Teves on the documented second-hand car smuggling operations that occurred

in Subic from 1998 to 2004 that resulted in P13 billion revenue loss for the government and yet nothing has been done by the department and other concerned agencies of the government. He reiterated that it is important that the people in the concerned area become the stakeholders so that they would be discouraged from participating or condoning smuggling activities in the free port.

On the argument that the importance of free ports has significantly diminished through the years because the tariff levels for oil and non-oil products are quite low, Senator Gordon contended that it is merely a perceived advantage of Subic and Clark, pointing out that the ASEAN Free Trade Area (AFTA) had already reduced all tariffs among its member-countries. However, he pointed out that the certificate of origin for products manufactured in the free port was important because if the product is certified to have 25% local content, it will have a better chance of being exported to other countries.

On the claim of Secretary Teves that the enactment of another law creating a free port would set a precedent for the establishment of more economic zones with free port status, Senator Gordon argued that while Mariveles is already a special economic zone, granting it a free port status and allowing the communities to participate, would enhance its development. In this regard, he informed the Body that he filed a bill seeking the construction of infrastructure like highways, roads and bridges to connect all the three airports and two seaports between Subic, Clark, Manila and Mariveles to allow the decongestion of the port of Manila and the dispersal of industries into the area so that they would create pump-priming economic, industrial and business activities and employment. He said that the system of infrastructure as a whole would open a lot of land development projects in the area.

Senator Pimentel, expressed the hope that these development efforts would not be done at the expense of the rest of the country, particularly Mindanao. To assure Senator Pimentel of his full support for development efforts in Mindanao, Senator Gordon mentioned that he proposed the construction of a runway in North Cotabato, ports in Sulu and Basilan, and white water rafting facilities along the Mambuway River in Cagayan de Oro, adding that he was also in full support of the proposed Cagayan de Oro coliseum. He believed that to hasten the development of Mindanao, a railroad system should be built to connect Cagayan de Oro, Iligan and Zamboanga and that an 8-kilometer waterway via the Pangil Bay similar to the Panama Canal should be constructed to allow the shipment of goods from Cotabato and Davao to Cebu and vice versa.

As to the proposal of Secretary Teves to amend Section 5(A) of the bill so that the income tax holiday to be granted to investors would be governed by Executive Order No. 226 or the Omnibus Investment Code of the Philippines and would be reckoned from the time their operations have started, Senator Gordon explained that what the bill seeks to achieve is to equalize, not to lessen, the opportunities and enable Mariveles to catch up with Subic and Clark.

Stating that Bataan is one of the most depressed provinces in the country, Senator Gordon believed that granting it a free-port status and a tax holiday would boost the confidence of its people and attract more investments to Mariveles. He feared that a different tax regime might force the people and investors to go back to Subic and Clark. He said that he would like Manila Bay to be developed eventually with Mariveles as the focal point of instigation of economic activity in the area.

Senator Pimentel suggested that the staff of Senator Gordon take a closer look at the proposal of Secretary Teves. Senator Gordon gave the assurance that his staff would study the proposed amendment.

MANIFESTATION OF SENATOR ZUBIRI

In order to speed up the process, Senator Zubiri proposed that Senator Gordon be furnished with the proposed amendments so that they would be discussed on Tuesday.

MANIFESTATION OF SENATOR GORDON

Senator Gordon expressed his gratitude to the Senate President Pro Tempore, the Majority Leader, the Minority Leader and all the senators present for the adoption of the resolution extending condolences to the South Korean Ambassador over the death of Kim Dae-Jung, former president of South Korea. He stated that the Koreans are really interested in having close relationship with the Philippines, which the Senate was able to further than any branch of the government.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri said that he would be hosting the South Korean Ambassador in Bukidnon the following day.

ADJOURNMENT OF SESSION

Upon motion of Senator Zubiri, there being no objection, the Senate President Pro Tempore declared the session adjourned until three o'clock in the afternoon of Tuesday, September 1, 2009.

It was 7:01 p.m.

I hereby certify to the correctness of the foregoing.

EMMA LIRIO-REYES
Secretary of the Senate

Approved on September 1, 2009