



REPUBLIC OF THE PHILIPPINES
Senate
Pasay City

Journal

SESSION NO. 62
Wednesday, March 5, 2014

SIXTEENTH CONGRESS
FIRST REGULAR SESSION

SESSION NO. 62
Wednesday, March 5, 2014

CALL TO ORDER

At 3:14 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

PRAYER

Sen. Ferdinand R. Marcos Jr. led the prayer, to wit:

Let us put ourselves in the eyes of the Lord.

Heavenly Father, we come before You today to receive Your blessing and guidance for the members of this House and the work that we do for our people.

Provide us with Your inspiration and unending energy so that our efforts are rewarded by the betterment in the lives of our people who we have pledged to serve.

Protect this House in this tumultuous period of its history. Let us not be distracted by petty human concerns but give us the strength and determination to continue in our greatest cause — service to our country and to our people.

We continue to pray for the victims of the catastrophes we have suffered, both those wrought by nature and that which we have brought down upon ourselves.

Diminish our human frailties and raise the nobility in all of us so we can better

repair the lives of those that still suffer in deprivation and in tragedy.

Continue to shine Your Divine Light on the Philippines and on all our people so we may soon arrive to that place of safety and comfort that our people so richly deserve.

We ask these of You, dear Lord. Hear our prayer.

Amen.

ROLL CALL

Upon direction of the Chair, the Secretary of the Senate, Atty. Oscar G. Yabes, called the roll, to which the following senators responded:

Angara, S.	Lapid, M. L. M.
Aquino, P. B. IV B.	Marcos Jr., F. R.
Binay, M. L. N. S.	Osmeña III, S. R.
Cayetano, P. S.	Pimentel III, A. K.
Drilon, F. M.	Poe, G.
Ejercito, J. V. G.	Recto, R. G.
Enrile, J. P.	Revilla Jr., R. B.
Escudero, F. J. G.	Sotto III, V. C.
Estrada, J.	Trillanes IV, A. F.
Guingona III, T. L.	Villar, C. A.
Honasan, G. B.	

With 21 senators present, the Chair declared the presence of a quorum.

Senator Cayetano (A) was on official mission.

Senators Defensor Santiago and Legarda were on sick leave.

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APPROVAL OF THE JOURNAL

Upon motion of Senator Aquino, there being no objection, the Body dispensed with the reading of the Journal of Session No. 61 (March 4, 2014) and considered it approved.

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. 2152, entitled

AN ACT ORDAINING THE BILL OF RIGHTS OF TAXI PASSENGERS

Introduced by Senator Grace Poe

To the Committees on Public Services; and Finance

Senate Bill No. 2153, entitled

AN ACT ENHANCING THE CAPABILITIES, MANDATE, AND ORGANIZATIONAL STRUCTURE OF THE MOVIE AND TELEVISION REVIEW AND CLASSIFICATION BOARD (MTRCB), AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE 1986

Introduced by Senator Grace Poe

To the Committees on Public Information and Mass Media; and Ways and Means

Senate Bill No. 2154, entitled

AN ACT STRENGTHENING THE LADDERIZED INTERFACE BETWEEN TECHNICAL-VOCATIONAL EDUCATION AND TRAINING AND HIGHER EDUCATION

Introduced by Senator Sonny Angara

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

Senate Bill No. 2155, entitled

AN ACT TO EXPAND ACCESS TO EDUCATION THROUGH OPEN LEARNING AND DISTANCE EDUCATION IN POST-SECONDARY AND TERTIARY LEVELS OF EDUCATION, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Sonny Angara

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

Senate Bill No. 2156, entitled

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

Introduced by Senator Sonny Angara

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

Senate Bill No. 2157, entitled

AN ACT ADJUSTING THE 13TH MONTH PAY AND OTHER BENEFITS CEILING EXCLUDED FROM THE COMPUTATION OF GROSS INCOME FOR PURPOSES OF INCOME TAXATION, AMENDING FOR THE PURPOSE SECTION 32 (B), CHAPTER VI OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

Introduced by Senator Sonny Angara

To the Committee on Ways and Means

Senate Bill No. 2158, entitled

AN ACT DECRIMINALIZING LIBEL, REPEALING FOR THIS PURPOSE ARTICLE 355 OF ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS "THE REVISED PENAL CODE"

Introduced by Senator Paolo Benigno "Bam" Aquino IV

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

RESOLUTIONS

Proposed Senate Resolution No. 545, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED ERRONEOUS GUARANTEE LETTERS, RELEASE OF MEDICINES, AND IRREGULAR CHARGES TO PDAF AT THE UNIVERSITY OF THE PHILIPPINES-PHILIPPINE GENERAL HOSPITAL

Introduced by Senator Defensor Santiago

To the Committee on Accountability of Public Officers and Investigations

Proposed Senate Resolution No. 546, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED INCREASE OF FILIPINOS UNDERGOING DIALYSIS TREATMENT AND KIDNEY TRANSPLANT

Introduced by Senator Defensor Santiago

To the Committee on Health and Demography

Proposed Senate Resolution No. 547, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED NICKEL CONTAMINATION IN STA. CRUZ, ZAMBALES

Introduced by Senator Defensor Santiago

To the Committee on Environment and Natural Resources

Proposed Senate Resolution No. 548, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO INVESTIGATE, IN AID OF LEGISLATION, THE STATUS OF THE FUNDS CONTRIBUTED BY INTERNATIONAL AS WELL AS LOCAL DONORS TO THE LOCAL GOVERNMENT UNITS (LGUs) IN THE VISAYAS REGION DEVASTATED BY TYPHOON YOLANDA, AND TO DETERMINE THE CONCRETE PLAN OF ACTION FOR THE COMPLETE REHABILITATION AND RECONSTRUCTION OF THE AFFECTED LGUs USING THE DONATED FUNDS FOR THIS PURPOSE

Introduced by Senator Marcos Jr.

To the Committee on Local Government

Proposed Senate Resolution No. 549, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEES TO INVESTIGATE, IN AID OF LEGISLATION, THE UTILIZATION OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND (ACEF), THE DEPARTMENT OF AGRICULTURE'S NON-COLLATERAL CREDIT PROGRAM, IN THE LIGHT OF THE REPORTED NON-IMPLEMENTATION OF ITS MEANINGFUL INTENTIONS AND SUPPOSED RATIONALE WITH THE END IN VIEW OF INSTITUTING MECHANISMS TO ASSIST AND HELP THE COUNTRY'S POOR FARMERS

Introduced by Senator Grace Poe

To the Committees on Agriculture and Food; and Finance

Proposed Senate Resolution No. 550, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SAFETY OF THE

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STRUCTURE AND DESIGN OF THE SOUTH METRO MANILA SKYWAY PROJECT ("SKYWAY") GIVEN THE NUMEROUS INCIDENTS OF VEHICLES FALLING FROM THE SKYWAY, WITH THE END IN VIEW OF ENACTING MEASURES TO IMPROVE SAFETY ON ROADS, ESPECIALLY OF ELEVATED ROAD SYSTEMS, IN THE PHILIPPINES

Introduced by Senator Pimentel III

To the Committee on Public Works

Proposed Senate Resolution No. 551, entitled

RESOLUTION COMMENDING KENNETH COBONPUE FOR BECOMING THE FIRST MAISON ET OBJET ASIAN DESIGNER OF THE YEAR

Introduced by Senator Maria Lourdes Nancy S. Binay

To the Committee on Rules

ADDITIONAL REFERENCE OF BUSINESS

BILLS ON FIRST READING

Senate Bill No. 2159, entitled

AN ACT AMENDING REPUBLIC ACT NO. 7721, OTHERWISE KNOWN AS AN ACT LIBERALIZING THE ENTRY AND SCOPE OF OPERATIONS OF FOREIGN BANKS IN THE PHILIPPINES AND FOR OTHER PURPOSES

Introduced by Senator Osmeña III

To the Committee on Banks, Financial Institutions and Currencies

Senate Bill No. 2160, entitled

AN ACT PROMOTING TOURISM AND FOSTERING INVESTMENT THROUGH LOCAL AND INTERNATIONAL MOVIES BY PROVIDING INCENTIVES FOR MOTION PICTURE

PRODUCTION, OTHERWISE KNOWN AS THE FILM ACT

Introduced by Senator Sonny Angara

To the Committees on Public Information and Mass Media; Tourism; Ways and Means; and Finance

Senate Bill No. 2161, entitled

AN ACT CREATING THE QUEZON CITY DEVELOPMENT AUTHORITY (QCDA), DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS ORGANIZATIONAL STRUCTURE AND CAPITALIZATION

Introduced by Senator Sotto III

To the Committees on Government Corporations and Public Enterprises; and Urban Planning, Housing and Resettlement

Senate Bill No. 2162, entitled

AN ACT TO FURTHER ASSIST FILIPINO MIGRANT WORKERS, AMENDING FOR THE PURPOSE SECTION 10 OF REPUBLIC ACT NO. 8042, AS AMENDED

Introduced by Senator Grace Poe

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

RESOLUTIONS

Proposed Senate Resolution No. 552, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTS OF STUDENTS SUCCUMMING TO PROSTITUTION DUE TO THE RISING COSTS OF EDUCATION IN THE COUNTRY

Introduced by Senator Defensor Santiago

To the Committee on Education, Arts and Culture

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Proposed Senate Resolution No. 553, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON NEWS REPORTS THAT SLIMMING CAPSULES CONTAINING AMPHETAMINE AND SIBUTRAMINE ARE BEING SOLD IN THE COUNTRY

Introduced by Senator Defensor Santiago

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

Proposed Senate Resolution No. 554, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED CLERICAL ERRORS IN THE PREPARATION AND ISSUANCE OF SPECIAL ALLOTMENT AND RELEASE ORDERS (SAROs) AT THE DEPARTMENT OF BUDGET AND MANAGEMENT

Introduced by Senator Defensor Santiago

To the Committee on Finance

Proposed Senate Resolution No. 555, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON SKIN WHITENING PRODUCTS, WHICH REPORTEDLY CONTAIN HIGH LEVELS OF MERCURY, STILL BEING SOLD IN METRO MANILA AND OTHER PARTS OF THE COUNTRY"

Introduced by Senator Defensor Santiago

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

Proposed Senate Resolution No. 556, entitled

RESOLUTION DIRECTING THE PROPER

SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED DECLINE OF TOURISM IN PANGASINAN DUE TO THE FALSE REPORT OF A FLESH-EATING DISEASE

Introduced by Senator Defensor Santiago

To the Committees on Tourism; and Health and Demography

Proposed Senate Resolution No. 557, entitled

RESOLUTION COMMENDING MR. ROBERT F. LOPEZ FOR EXEMPLIFYING WORLD-CLASS FILIPINO TALENT AND FOR HIS OUTSTANDING CONTRIBUTION TO THE INTERNATIONAL MUSIC INDUSTRY

Introduced by Senator Paolo Benigno "Bam" Aquino IV

To the Committee on Rules

Proposed Senate Resolution No. 558, entitled

RESOLUTION DIRECTING THE CONGRESSIONAL OVERSIGHT COMMITTEE ON THE ANTI-MONEY LAUNDERING LAW (COCAMLA) TO CONDUCT AN ASSESSMENT, IN AID OF LEGISLATION, ON THE IMPLEMENTATION OF THE ANTI-MONEY LAUNDERING ACT OF 2001 (R.A. 9160), AS AMENDED BY R.A. 9194 (2003), R.A. 10167 (2012) AND R.A. 10365 (2013), FOR THE PURPOSE OF DETERMINING CHALLENGES AND ISSUES IN THE ENFORCEMENT OF THE COUNTRY'S ANTI-MONEY LAUNDERING (AMLA) REGIME, WITH THE END IN VIEW OF RECOMMENDING FURTHER MEASURES TO PROMOTE EFFICIENT COMPLIANCE WITH THE LAW AND TO STRENGTHEN THE AMLA REGIME

Introduced by Senator Guingona III

To the Committee on Rules

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Proposed Senate Resolution No. 559, entitled

RESOLUTION CONGRATULATING AND
COMMENDING ANGELI DIONE
BARBAS GOMEZ FOR HONORING
THE PHILIPPINES WITH THE MISS
TOURISM INTERNATIONAL 2013-2014
TITLE IN PUTRAJAYA, MALAYSIA
ON 31 DECEMBER 2013

Introduced by Senator Lapid

To the Committee on Rules

Proposed Senate Resolution No. 560, entitled

RESOLUTION DIRECTING THE PROPER
SENATE COMMITTEES TO INVEST-
IGATE, IN AID OF LEGISLATION,
THE SHAME CAMPAIGN ADVERTISE-
MENTS OF THE BUREAU OF
INTERNAL REVENUE AGAINST
PROFESSIONALS AND BUSINESS
ESTABLISHMENTS WITH THE END
IN VIEW OF ADOPTING GUIDELINES
FOR GOVERNMENT CAMPAIGN
ADVERTISEMENTS

Introduced by Senator Maria Lourdes Nancy
S. Binay

**To the Committees on Ways and Means;
and Public Information and Mass Media**

**ACKNOWLEDGMENT
OF THE PRESENCE OF GUESTS**

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

- Members of the Sangguniang Bayan and municipal officials of Hilongos, Leyte led by Mayor Albert Villahermosa and Vice Mayor Manuel Gabisan;
- Local government officials of Gandara, Western Samar led by Vice Mayor Jonathan Isanan;
- B.S. Math and Political Science students and faculty of Ifugao State University;
- Students of Kolisko Waldorf School led by Ms. Michelle Callo;

- Ms. Lolita Compas, past president, Philippine Nurses Association of New York;
- Ms. Juliana Manlapaz, president, Philippine Normal University Alumni Association, Washington DC Chapter; and
- Dr. Carolina Vera Llamanzares, mother-in-law of Senator Poe.

Senate President Drilon welcomed the guests to the Senate.

SPECIAL ORDER

Upon motion of Senator Aquino, there being no objection, the Body approved the transfer of Committee Report No. 14 on Senate Bill No. 2134 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 14
ON SENATE BILL NO. 2134**

Upon motion of Senator Aquino, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2134 (Committee Report No. 14), entitled

AN ACT REORGANIZING THE
COOPERATIVE DEVELOPMENT
AUTHORITY, REPEALING FOR THE
PURPOSE REPUBLIC ACT NO. 6939,
CREATING THE COOPERATIVE
DEVELOPMENT AUTHORITY.

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

Thereupon, the Chair recognized Senator Marcos for the sponsorship.

**SPONSORSHIP SPEECH
OF SENATOR MARCOS**

Senator Marcos presented Senate Bill No. 2134 for plenary consideration and delivered his sponsorship speech, as follows:

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CDA CHARTER

I have the honor to report Senate Bill No. 2134, or An Act Reorganizing the Cooperative Development Authority, repealing for the purpose Republic Act No. 6939, creating the Cooperative Development Authority, under Committee Report No. 14.

Article XII, Section 15 of the Constitution provides that "The Congress shall create an agency to promote the viability and growth of cooperatives as instruments for social justice and economic development." Pursuant to this mandate, Congress enacted Republic Act No. 6939 which created the Cooperative Development Authority on March 10, 1990, together with Republic Act No. 6938 or the Cooperative Code of the Philippines. The latter rationalizes and unifies all existing cooperative laws, while the former is designed to foster the creation, viability and growth of cooperatives in the country.

In 2008, RA 6938 was amended by RA 9520 in order to better leverage the economic activities of cooperatives throughout the country and to make the government's efforts more attuned to the current needs of the sector.

To date, the Philippine Cooperative Movement continues to struggle to meet its desired goal of becoming one of the potent forces for the growth of our economy. While many cooperatives had sprung up and were organized with great hopes for economic development under the ideals of cooperativism, many had ended up by the wayside or with dismal growth. It is noteworthy to mention, however, that there are a number of cooperatives that excelled in their endeavors and their success stories continue to provide inspiration and guidance, not only to the starting and growing cooperatives but also to the legislators like us who are mandated and committed to initiate legislative measures that will provide more efficient and effective interventions towards the development and growth of our cooperatives.

Economists and students of cooperatives have observed that the failures of our cooperatives are greatly attributed, among others, to 1) incompetent management; 2) lack of understanding of the principles, practices, true aims, purposes of cooperative associations; 3) inefficiency and lack of focus of the government in the promotion of cooperative organizations; and 4) inadequate marketing facilities. All these observations translate to the conclusion that the current structure and system of the Cooperative Development Authority have not been providing

adequate assistance, supervision and regulation to the cooperative sector.

Our efforts to address the challenges faced by our cooperators in their struggle to become more viable economic entities, are indeed of wide-ranging significance and consequence. Thus, it is crucial that the agency responsible to promote their viability and growth be strengthened and given the necessary support and wherewithals to effectively and efficiently perform its mandate. The CDA has to rise to the needs of the times and must develop and retain symbiotic relations with all the cooperatives in the country through a more effective and responsive system of administration. It must act as an effective enabler for cooperatives to thrive and succeed during these most competitive times.

Under the proposed measure, the present Board of Administrators which serves as the policy-making and executive arm of the Authority will be transformed into Board of Directors whose function will be confined to policy-making. Except for the chairperson of the Board, the Board of Directors shall serve on a part-time basis only.

The executive arm of the Authority shall be lodged on the newly-created Office of the Administrator. The chairperson of the Board of Directors shall be the administrator. He shall be assisted by four (4) deputy administrators who will be assigned to the following specific concerns: 1) support services; 2) institutional development; 3) legal affairs and registration; and 4) supervision, examination and field operations.

The clear delineation and separation of the policy-making and executive functions of the Authority have become necessary to hasten the bureaucratic processes within the Authority.

The powers, functions and responsibilities of the CDA in this proposed bill are redefined and expanded, notably:

- 1) The establishment of a consultative mechanism in order to provide the cooperative sector a system for maximum participation in matters of government plans, projects and policies related to cooperatives.
- 2) The conduct of regular inspection or examination of a cooperative and, when necessary, the conduct of special inspection and investigation to protect the interest and welfare of the members of the cooperative.
- 3) Compel the cooperative to call a general assembly under the supervision of the

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Authority. In case a cooperative fails to call and conduct an assembly, the Authority shall, on its own, call a general assembly meeting to address and settle issues.

- 4) Establish and maintain a continuing educational and capability-building program for the Authority.
- 5) Implement and enforce its decision with the assistance of deputized law enforcement agencies and/or the local government unit concerned.
- 6) Simplify the process for cooperatives to enjoy their tax and other incentives by mandating that the certificate of registration issued by the CDA to a duly registered cooperative *ipso facto* constitutes as the sole legal basis or requirement for the full enjoyment of the tax exemption and other incentives granted under the Philippine Cooperative Code of 2008.
- 7) To raise the awareness and interest of our children on the importance of cooperatives, the history, philosophy, concepts, values, principles and practices of cooperatives, as well as their role in formal and non-formal education, cooperativism, as a tool for self-empowerment, shall be included in the curricula of senior students in all the secondary educational institutions and may be offered as a field of study in the baccalaureate, post-baccalaureate or masteral programs in state universities and colleges.

The provisions of the proposed Act are not mere ideas of the committees, but they are concrete responses to the calls of the cooperators during our dialogues with the cooperatives, local government units and other government authorities from all around the Philippines. The issues that have been thrown our way are tremendous. But we have listened well and translated these into specific actions and provisos that would help ease the concerns of the huge membership of the cooperative sector which now totals to 12,676,828 members coming from an aggregate of 23,355 registered cooperatives as of December 31, 2013. In our latest count, this sector has contributed a total of 4.7% in our gross domestic product for the fiscal year 2012.

The proposed reorganization seeks to strengthen the powers, duties and functions of the CDA to become an effective vehicle for the development of cooperatives in the country and to usher the eventual recognition of cooperatives as one of the primary forces for national development.

COSPONSORSHIP SPEECH OF SENATOR LAPID

Pursuant to the manifestation of Senator Aquino, the cosponsorship speech of Senator Lapid on Senate Bill No. 2134 was deemed read and inserted into the Journal and Record of the Senate.

The full text of the speech follows:

Alinsunod sa ating Saligang Batas, ang Estado, sa pamamagitan ng Kongreso, ay naatasan na magbuo ng isang ahensya na siyang tututok sa pagpapaibayo ng kagalingan ng mga samahang nayon at kooperatiba bilang mga kasangkapan ng katarungang panlipunan at pag-unlad ng ekonomiya. Dahil dito, isinabatas ang Republic Act No. 6939 para bumuo ng isang Cooperative Development Authority (CDA) na siyang ahensya na titingin, magsusulong at aagapay sa kapakanan ng mga kooperatiba.

Ngunit mahigit nang dalawang dekada mula nang ma-organisa ang CDA, naging mailap pa rin ang tagumpay ng kilusang kooperatibismo at ang tunay na paglago ng ating mga kooperatiba. Bahagi ng kabiguang ito ay ang nakitang kahinaan ng CDA bilang isang institusyon kung kaya't ang inyong Kumite ng Kooperatiba sa Senado ay nagsusulong ngayon ng mga pagbabago sa mandato ng CDA upang ito ay mas mapalakas at tuluyang mapalawig ang kakayahan nitong harapin ang mga hamon na lubusang mapalaganap ang kilusang kooperatiba sa bansa.

Ipinapanukala ng inyong Kumite na gawing payak ang ngayon ay kumplikadong organisasyon ng CDA. Ang lupon ng mga Administrators na kasalukuyang nagmamando sa CDA ay tatanggalan na ng kapangyarihang makibahagi sa aktwal na pagpapatakbo ng ahensya upang sila ay makatutok sa mas mahalagang tungkulin na magpasa ng mga polisiyang nagsusulong ng kapakanan ng kooperatiba.

Layon din ng inyong Kumite sa pamamagitan ng panukalang ito na bigyang-diin ang paggamit sa mga alternatibong pamaraan ng pag-aayos sa gusot sa pagitan ng mga kooperatiba at mga kasapi nito. Panahon na upang tuluyang maipakilala sa mga kooperatiba ang husay at bilis ng Alternative Dispute Resolution System na bigyang solusyon ang mga alitan sa loob ng kooperatiba.

Sapagkat naniniwala ang inyong Kumite sa kahalagahan na pukawin ang interes ng

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ating mga kabataan sa kilusang kooperatiba, nais nating ipasok sa curriculum ng ating mga paaralan ang pormal na pag-aaral nito. Isinusulong din ng inyong Kumite ang paghikayat sa ating mga pamantasan na pag-aralan ang pag-alok ng kurso ukol sa kooperatiba at cooperative management bilang isang programang pang-kolehiyo.

Sa kabila ng malinaw na atas ng Republic Act No. 9520 o ang Cooperative Code of 2008, marami sa ating mga kooperatiba ang hindi pa rin lubos na nakukuha ang benepisyo ng tax exemption na pangunahing isinusulong nito. Inaatasan ngayon ng panukalang ito ang CDA kasama ang mga ahensya ng pagbubuwis na magbalangkas ng pamamaraan para sa isang maayos na koordinasyon upang maibsan ang mga komplikasyong dulot ng kasalukuyang proseso ng pagkuha ng tax exemption certificate ng mga kooperatiba.

Panahon na upang tuluyan nang mabigyang-buhay at lubos na pag-alabin ang sigla ng kooperatibismo sa ating bansa. Ang kooperatiba ay isa sa mga mahahalagang haligi ng pag-unlad ng ekonomiya at sa pagpapalakas ng ating mga kababayang mahihirap at salat lalo na yung nasa mga kanayunan. Panahon na upang bigyan sila ng tamang pagpapahalaga at tunay na pagkalinga. Sama-sama nating ipasa ang panukalang ito ng inyong Kumite ng Kooperatiba.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2134

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

CHANGE OF REFERRAL

Upon motion of Senator Aquino, there being no objection, the Chair approved the transfer of referral of the following Senate bills and resolutions to the committees hereunder indicated:

- Senate Bill Nos. 25, 46, 80, 83, 121, 194, 227, 228, 325, 330, 331, 363, 381, 387, 399, 403, 422, 524, 528, 537, 544, 548, 577, 617, 642, 685, 773, 867, 894, 974, 991, 1040, 1123, 1158, 1245, 1257, 1260 and Senate Resolution Nos. 46, 79, 81, 140 and 165 from the Committee on Youth, Women and Family Relations to

the Committee on Women, Family Relations and Gender Equality;

- Senate Bill Nos. 848 and 1156 and Senate Resolution No. 13 from the Committee on Youth, Women and Family Relations to the Committee on Youth; and
- Senate Bill No. 1252 from the Committee on Youth, Women and Family Relations to the Committee on Education, Arts and Culture.

SUSPENSION OF SESSION

Upon motion of Senator Aquino, the session was suspended.

It was 3:41 p.m.

RESUMPTION OF SESSION

Immediately thereafter, the session was resumed.

MANIFESTATION OF SENATOR AQUINO

Senator Aquino manifested that Senator Revilla, chair of the Committee on Public Services, has authorized Senator Osmeña, vice chair of the Committee on Public Services, to preside over the public hearings on the issues raised by the latter in his privilege speech on February 25, 2014, regarding the Mactan-Cebu International Airport Passenger Terminal project.

COMMITTEE REPORT NO. 15 ON SENATE BILL NO. 2138

(Continuation)

Upon motion of Senator Aquino, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2138 (Committee Report No. 15), entitled

AN ACT FURTHER AMENDING PRESIDENTIAL DECREE NO. 1606, AS AMENDED.

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

Thereupon, the Chair recognized Senator Pimentel, sponsor of the measure, and Senator Enrile for his interpellation.

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INTERPELLATION OF SENATOR ENRILE

At the outset, Senator Enrile expressed his support for the measure as he noted that one of the main problems of the country's judicial system is the delay in the hearing of cases. He stated that prisoners are languishing in jail for years without their cases being disposed either by conviction or acquittal, which is a clear violation of the right to speedy trial as enshrined in the Bill of Rights of the Constitution. He lauded the Senate for initiating the move to remedy the pernicious defect of the judicial system where especially the poor have no resources to hire good lawyers to defend their rights and protect their freedom.

Senator Enrile noted that under the current practice of the Sandiganbayan, the presiding officer or a justice of a division, at the start of the hearing, rules on the admissibility or non-admissibility of an evidence or on objections on the acceptability of a question posed by the prosecutor on its witnesses and/or the questions posed by the defense counsel for the accused. In reply, Senator Pimentel said that the rule requiring the three justices to be present in the trial is very strict because, if there is an objection, a unanimous vote of 3-0 is needed for a ruling to be validly rendered. Senator Enrile opined that such procedure could be very tedious and will cause further delay because it would be very difficult for the three justices to agree on the admissibility of evidence.

Asked whether the purpose of the bill is to reduce to two justices voting in favor of a certain issue, Senator Pimentel affirmed that the amendment will respect a majority decision, for instance, a ruling of 2-1 will already prevail and unanimity would no longer be required for each and every issue.

Asked who among the two justices would decide and rule on motions presented to the division, Senator Pimentel replied that the more senior justice would preside. He affirmed that seniority is based on the date of appointment and he acknowledged the possibility that based on the date of appointment, the chair of the division would be the more senior than the others.

Asked how seniority is determined, Senator Pimentel stated that the presiding justice of the Sandiganbayan, — currently, it is Justice Cabotaje-Tang — is also the presiding justice of a division, and of the other two members, supposing they took their

oath of office at the same date, the most senior would be the one who first took his or her oath on the same date. He assured Senator Enrile that he would inform the Body of the actual situation so that it would be guided accordingly in crafting the law.

On whether a unanimous decision of the two justices present is needed in ruling, for instance, on an objection to the admission of a testimony, Senator Pimentel explained that as envisioned in the bill, that if there are only two justices present and there are two or more cases ready for trial, they will divide the work, and the hearing could be held in the same sala. But supposing there is only one case in a particular day, he assumed two possible results, namely, a 2-0 or a 1-1 verdict, one granting the motion and the other denying it.

Senator Enrile explained that the manner of ruling on a particular motion would be material to the consideration of the final submission of the evidence at the end of the trial, particularly on what will be excluded or admitted. Senator Pimentel agreed, conceding that in cases of split decisions, the trial would be further delayed.

Asked what recourse the defense lawyer would take supposing his objection to a question was not sustained by the hearing justice, Senator Pimentel replied that the lawyer could avail of the remedies available to him as if he were before an RTC judge, for instance, by filing a motion for reconsideration and if denied, by making of record his continuing objection.

Asked what would happen to the objection if there is no disposition, Senator Pimentel explained that the ruling of the justice-designate on an objection or an issue in the course of the trial would be for and on behalf of the division. Senator Enrile noted that in such a case, there would be disparity between the treatment of two justices hearing a case and only one justice hearing a case as there is no uniformity on rules. He further noted that the accused in a case where only one justice is presiding could have a speedy trial, while that where two justices are hearing the case would have a delay. Senator Pimentel agreed, saying that one solution that has been posited was for the ruling of the more senior justice to prevail. He clarified that the bill does not mandate that only one justice should hear a case, therefore, it would be possible that in a division where only two justices are present, both could hear the case.

Senator Enrile suggested that a justice be assigned to receive the evidence subject to the disposition of objections by the division itself, so that, in effect, there would be a combination of adversarial and summary procedure because the evidence received that are subject to objections, would be resolved by the division.

Senator Pimentel pointed out that the bill, as presently worded, envisions that the ruling of the justice-designate is the ruling of the division.

Senator Enrile pointed out that precisely it is a three-member division as part of due process so that there would be a majority ruling. He feared that since there are assignable errors later on, when the case is appealed, the adverse party would have no recourse or no one to appeal to if there is only one justice hearing the case. Senator Pimentel said that there is nothing in the bill that will prevent the appealing party to assign the rulings as errors. He maintained that the ruling of one justice for and on behalf of the division is constitutional; anyway in the final judgment, it will be the three-member division that would have to decide.

As regards rulings on ancillary motions, Senator Pimentel said that the justice-designate could rule on those motions or objections in the course of the trial, but formal written motions like motion to quash and motion to bail should be ruled upon by the three-member division, and a majority decision would be the ruling of the division.

For his part, Senate President Drilon said that the procedure in the regular courts is that if an objection is raised and denied, the counsel would place of record what the answer would have been if the witness had been allowed to answer and it would then be considered once the case is submitted for resolution. Senator Enrile stated that it is known as conditional admissibility.

Adverting to the provision that two justices would constitute a quorum, Senator Enrile said that in instances when the cases would be divided between the two justices and only one justice would preside over a case, then an objecting party could validly raise the question of quorum. Senator Pimentel explained that the amendatory bill allows the division to conduct its usual business as long as there is a quorum, which means two justices are present.

Asked if such practice would not offend the equal protection clause of the Constitution, Senator Pimentel answered in the negative as he cited the case of *Nuñez vs. Sandiganbayan* (G.R. Nos. L-50581-50617, January 30, 1982) whereby the Supreme Court ruled that the creation of the Sandiganbayan does not violate equal protection.

Senator Enrile stated that while, indeed, the creation of the Sandiganbayan is constitutional, the procedure of having two justices to constitute a quorum and, at the same time, allowing the hearing of a case by only one justice is contradictory. Senator Pimentel explained that the quorum of two justices is needed for the division to conduct its business. Once the quorum is established, he said that the division is legally authorized to designate justices to receive the evidence and conduct the trial. He believed that such procedure is constitutional and would not violate the equal protection clause.

Asked if the Sandiganbayan could designate two justices who are without a hearing on that day to hear a case and receive the evidence, Senator Pimentel said that it might defeat the purpose of the bill which is to achieve flexibility in the trial of the cases. He disclosed that under the current practice, in case of a 2-1 decision, a special division of five would have to be constituted, and it would take about four months to do so. Senator Enrile stated that such procedure ensures that justice is served and that the trial is not manipulated, a procedure that he also acknowledged has its own dangers.

Senator Pimentel agreed that the positive and negative effects should be taken into consideration, but he pointed out that under the current setup, the average pendency of cases in the Sandiganbayan is from 6.6 to 10 years. He said that the purpose of the bill would be defeated if the quorum would be required after allowing a justice-designate to hear a case.

Rather than placing a provision that two justices will constitute a quorum, Senator Enrile suggested that only one justice be designated to receive physical and testimonial evidence, subject to the objections of the prosecution and/or the defense counsel, and the final decision would then be rendered by the three justices, applying the majority rule.

Senator Pimentel agreed to study how the bill could be amended to accommodate the suggestion of

Senator Enrile since it would entail an even speedier disposition of cases. Senator Enrile explained that the final decision would still be done by the division, therefore, the entire record, including the objections, would be studied by the three justices.

Asked by Senator Pimentel how a justice should try a case, Senator Enrile said that when a case is heard by a justice, it must be heard and disposed of by him until the end because he must have continuous memory of the entire case. However, Senator Pimentel explained that the bill would allow a justice-designate to hear a case, and the next hearing could be conducted by another justice because anyway, the hearings are recorded and they would be updated of what transpired on each case.

Senator Enrile underscored the importance of the actual impression of the judge over the conduct of witnesses in a case, especially in criminal cases, which could not be transferred into the records. Senator Pimentel agreed with Senator Enrile, adding that the Committee was merely looking for ways to expedite the trials and hearings.

INTERPELLATION OF SENATOR ANGARA

At the outset, Senator Angara pointed out the conflicting figures as regards the median duration of Sandiganbayan cases, one saying that is 6.6 years and another one saying that 90% of the cases take 9.2 years for resolution. Senator Pimentel replied that both statistics might be true and grim, the reason why the Committee is looking for out-of-the-box solutions on how to speed up the trials and the decision of cases before the Sandiganbayan.

Adverting to Section 1 of the bill, Senator Angara asked why the phrase "The five (5) may sit at the same time" was deleted. Senator Pimentel replied that the Committee found it unnecessary, but he clarified that the deletion does not remove the fact that the five members could sit at the same time.

Citing the amendment on page 3, lines 20 to 26, on the original jurisdiction of the regional trial courts, Senator Angara asked what would happen supposing there is a dual allegation, as he pointed out that there are multiple causes of action in a pleading and an allegation could be both quantifiable and unquantifiable. Senator Pimentel said that if it was the same information and it was quantifiable, then it would be treated as quantifiable information.

As regards the amendment on page 3, lines 28 to 31, on the trial of cases falling under the jurisdiction of the RTC in a judicial region other than where the official holds office, Senator Angara believed that the basic reasoning behind the provision is to prevent a public official from exerting influence over the RTC judge who is hearing the case. Senator Pimentel agreed, saying that it is the assumption of the amendment.

Senator Angara expressed concern that the proposed amendment could be used as harassment against a public official. For instance, he noted that if cases are filed against a mayor or a governor of a province in Region III and these cases are referred to RTCs in Regions I, II and IV, that would entail substantial expenses and time on their part. Senator Pimentel explained that the provision would only apply when there is already an information and it could not be considered harassment because those cases would have to go through the Ombudsman. He stated that under existing procedures, there are sufficient safeguards in dealing with such kind of a situation, and he believed that the Ombudsman would not file harassment cases. Besides, not all cases filed with the Sandiganbayan lead to convictions, he said.

Senator Angara suggested putting some safeguards either in the law or in the implementing rules by not allowing multiple referrals to different regions which would unduly prejudice the public official concerned. Senator Pimentel welcomed the suggestion.

On line 33 of page 3, Senator Angara asked what cases would still fall under the Metropolitan Trial Court (MTC) and the Metropolitan Circuit Trial Court (MCTC) as he noted that cases would be referred to the RTC if the damages do not exceed P1 million. Senator Pimentel replied that the officials enumerated under PD 1606 will be tried before the Sandiganbayan, and the bill seeks to divide the cases into the following: 1) if the information does not allege any damage or bribe, it would go to the RTC; 2) if the information alleges damage or bribe that is not quantifiable, it would go to the RTC; and 3) if there is an allegation of damage or bribe but the amount is not more than P1 million, it would go to the RTC. He pointed out that the amendment only concerns the RTC and Sandiganbayan.

Senator Angara adverted to the last paragraph on page 3, which states "In cases where none of the accused are occupying positions corresponding to

Salary Grade ‘27’ or higher... exclusive original jurisdiction thereof shall be vested in the proper regional trial court, metropolitan trial court, municipal trial court, and municipal circuit trial court, as the case may be, pursuant to their respective jurisdiction as provided in Batas Pambansa Blg. 129, as amended.” He asked what happens to those who occupy positions with Salary Grade 26 or lower. Senator Pimentel replied that the case would be referred either to the RTC or MTC. However, he said that once the bill becomes a law, there would be some Salary Grade 27 or higher officials who could be charged before the RTC if their cases would fall under items A, B, or C of the proviso.

Finally, Senator Pimentel requested Senator Angara for help in crafting the proposed safeguards on the RTC jurisdiction.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2138

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

COMMITTEE MEMBERSHIPS

Upon nomination by Senator Aquino, there being no objection, the following senators were elected to the following oversight committees hereunder indicated:

Congressional Oversight Committee on Official Development Assistance

Members :

Sotto Binay

Select Oversight Committee on Barangay Affairs

Chairman : Marcos

Vice Chair : Pimentel

Members :

Angara Ejercito
Villar Sotto
Poe

SUSPENSION OF SESSION

Upon motion of Senator Aquino, the session was suspended.

It was 4:31 p.m.

RESUMPTION OF SESSION

At 4:50 p.m., the session was resumed.

OVERSIGHT COMMITTEE MEMBERSHIP

Upon nomination by Senator Aquino, there being no objection, the following senators were elected to the Senate Select Oversight Committee on the Local Government Code of 1991:

Vice Chairperson : Marcos

Members :

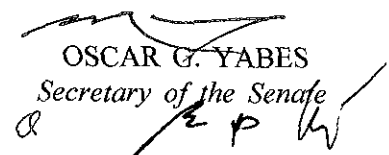
Aquino Escudero
Guingona Ejercito
Poe Honasan

ADJOURNMENT OF SESSION

Upon motion of Senator Aquino, there being no objection, Senate President Drilon declared the session adjourned until three o'clock in the afternoon of Monday, March 10, 2014.

It was 4:51 p.m.

I hereby certify to the correctness of the foregoing.


OSCAR G. YABES
Secretary of the Senate

Approved on March 10, 2014