



REPUBLIC OF THE PHILIPPINES  
**Senate**  
Pasay City

# Journal

**SESSION NO. 48**  
Wednesday, December 14, 2016

**SEVENTEENTH CONGRESS**  
**FIRST REGULAR SESSION**

---

**SESSION NO. 48**  
Wednesday, December 14, 2016

**CALL TO ORDER**

At 3:10 p.m., the Senate President, Hon. Aquilino “Koko” Pimentel III, called the session to order.

**SILENT PRAYER**

The Body observed a minute of silent prayer.

**SUSPENSION OF SESSION**

Upon motion of Senator Sotto, the session was suspended.

*It was 3:11 p.m.*

**RESUMPTION OF SESSION**

At 3:16 p.m., the session was resumed.

**ROLL CALL**

Upon direction of the Senate President, the Secretary of the Senate, Atty. Lutgardo B. Barbo, called the roll, to which the following senators responded:

Aquino, P. B. IV B.	Lacson, P. M.
Binay, M. L. N. S.	Legarda, L.
Drilon, F. M.	Pangilinan, F. N.
Escudero, F. J. G.	Pimentel III, A. K.
Gatchalian, W.	Recto, R. G.
Gordon, R. J.	Sotto III, V. C.
Honasan, G. B.	Villanueva, J.
Hontiveros, R.	

With 15 senators present, the Chair declared the presence of a quorum.

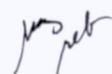
Senators Angara, Poe, Trillanes, Villar and Zubiri arrived after the roll call.

Senators Cayetano, De Lima and Pacquiao were on official mission abroad.

Senator Ejercito was under preventive suspension.

**APPROVAL OF THE JOURNAL**

Upon motion of Senator Sotto, there being no objection, the Body dispensed with the reading of the Journal of Session No. 47 (December 13, 2016) and considered it approved.



## **ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS**

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

- Delegates of the American Council of Young Political Leaders (ACYPL) led by Ms. Holly Borgmann, Director of Government Affairs of ADT Security Services, and accompanied by representatives of the National Movement of Young Legislators; and
- Electronics and Communications Engineering students from the Polytechnic University of the Philippines in Sta. Mesa, Manila, headed by Shaira Zena Barcelona.

Senate President Pimentel welcomed the guests to the Senate.

## **REFERENCE OF BUSINESS**

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

### **MESSAGE FROM THE HOUSE OF REPRESENTATIVES**

Letter from the House of Representatives, informing the Senate that on 13 December 2016, the House of Representatives passed the following House bills, in which it requested the concurrence of the Senate:

House Bill No. 64, entitled

AN ACT STRENGTHENING COMPLIANCE WITH OCCUPATIONAL SAFETY AND HEALTH STANDARDS AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF

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

House Bill No. 4144, entitled

AN ACT AMENDING SECTION 145(C) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

**To the Committee on Ways and Means**

House Bill No. 400, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY PASONG TAMO, QUEZON CITY, METRO MANILA TO BE KNOWN AS EMILIO JACINTO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 938, entitled

AN ACT DIVIDING BARANGAY TANGOS IN THE CITY OF NAVOTAS INTO TWO (2) DISTINCT AND INDEPENDENT BARANGAYS TO BE KNOWN AS BARANGAYS TANGOS NORTH AND TANGOS SOUTH

**To the Committees on Local Government; and Electoral Reforms and People's Participation**

House Bill No. 4469, entitled

AN ACT SEPARATING THE TUBLAY SCHOOL OF HOME INDUSTRIES EXTENSION IN BARANGAY TUBLAY CENTRAL, MUNICIPALITY OF TUBLAY, PROVINCE OF BENGUET FROM THE TUBLAY SCHOOL OF HOME INDUSTRIES MAIN, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS TUBLAY NATIONAL TRADE HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 4524, entitled

AN ACT CONVERTING THE SAN RAFAEL NATIONAL HIGH SCHOOL IN THE CITY OF NAVOTAS INTO A NATIONAL TECHNICAL-VOCATIONAL HIGH SCHOOL TO BE

*ps pet*



KNOWN AS SAN RAFAEL TECHNOLOGICAL AND VOCATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 4597, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY CONCEPCION DOS IN THE SECOND DISTRICT, CITY OF MARIKINA TO BE KNOWN AS SSS NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 4598, entitled

AN ACT ESTABLISHING A NATIONAL TECHNICAL-VOCATIONAL HIGH SCHOOL IN BARANGAY NASISI, CITY OF LIGAO, PROVINCE OF ALBAY TO BE KNOWN AS LIGAO CITY NATIONAL TECHNICAL-VOCATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

and House Bill No. 4599, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN THE CITY OF PAGADIAN, PROVINCE OF ZAMBOANGA DEL SUR TO BE KNOWN AS PAGADIAN CITY SCIENCE HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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

#### **BILLS ON FIRST READING**

Senate Bill No. 1282, entitled

AN ACT ESTABLISHING A SPECIAL

HOSPITAL FOR OVERSEAS FILIPINO WORKERS (OFWS) AND THEIR DEPENDENTS TO BE KNOWN AS BAGONG BAYANING FILIPINO HOSPITAL, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Joel Villanueva

**To the Committees on Health and Demography; Labor, Employment and Human Resources Development; Ways and Means; and Finance**

Senate Bill No. 1283, entitled

AN ACT INSTITUTIONALIZING AND ENHANCING THE SKILLS CERTIFICATE EQUIVALENCY PROGRAM (SCEP) OF THE CIVIL SERVICE COMMISSION (CSC) AND THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) AND FOR OTHER PURPOSES

Introduced by Senator Joel Villanueva

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

#### **RESOLUTION**

Proposed Senate Resolution No. 253, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO INQUIRE, IN AID OF LEGISLATION, INTO THE FOREIGN LOANS CONTRACTED BY THE PHILIPPINE GOVERNMENT WITHIN THE LAST FIFTEEN YEARS THROUGH THE CONDUCT OF A DEBT AUDIT

Introduced by Senators Aquilino "Koko" Pimentel III and Risa Hontiveros

**To the Committees on Finance; and Economic Affairs**



## COMMITTEE REPORT

Committee Report No. 23, prepared and submitted jointly by the Committees on Agriculture and Food; and Ways and Means, on Senate Bill No. 1281, with Senator Pangilinan as author thereof, entitled

AN ACT INSTITUTING THE FARMERS AND FISHERFOLK ENTERPRISE DEVELOPMENT PROGRAM OF THE DEPARTMENT OF AGRICULTURE AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill No. 50.

Sponsor: Senator Pangilinan

To the Calendar for Ordinary Business

## CONFERENCE COMMITTEE REPORT ON HOUSE BILL NO. 3408

Upon motion of Senator Sotto, there being no objection, the Body considered the Conference Committee Report on the disagreeing votes on House Bill No. 3408, entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND SIXTEEN, AND FOR OTHER PURPOSES.

The Chair recognized Senator Legarda to sponsor the report.

## SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

*It was 3:24 p.m.*

## RESUMPTION OF SESSION

At 3:26 p.m., the session was resumed.

## MANIFESTATION OF SENATOR LEGARDA

Senator Legarda sought the permission of the Body to submit the whole report as read into the record so that the increases and decreases effected in the budget could be viewed. Thereupon, she cited some of the highlights of the Conference Committee Report on House Bill No. 3408 or the 2017 General Appropriations Bill, as follows:

- **Department of Education.** Funds were provided for site development of public schools, additional P1,000 cash allowance for all teachers, for the participation of the National Book Development Board in book fairs, and production of videos to educate children through television.
- **State Universities and Colleges (SUCs).** Additional funds were allocated for scholarships capital outlays in all SUCs including tuition fee subsidy for medical students in eight state universities which offer medical courses.
- **Department of Finance.** There is a provision for the procurement of various equipment to cater to the anti-drug campaign and to combat smuggling at premier airports in the country.
- **Department of Health.** P1.521 billion additional funds were allocated for the Doctors to the Barrio program, employment of more health personnel, construction of facilities for health services, medical assistance to indigents and MODE to hospitals.
- **Department of the Interior and Local Government.** P2.073 billion was allocated for the implementation of the People's Law Enforcement Boards (PLEBs), enhancement of LGU capacity on planning and implementation of local development projects, training and equipment for firemen, subsistence allowance for prisoners, and rehabilitation/construction of jail facilities.
- **Philippine National Police (PNP).** There is a provision for the acquisition of state-of-the-art helicopter for crime prevention and law enforcement activities and implementation of projects in its fight against drugs.
- **Department of Justice.** There is a provision for the construction of its Justice Academy, purchase of equipment for the use of correctional facilities, additional subsistence allowance for prisoners, and operating requirements to enable the agencies under DOJ to effectively perform their functions.





- **Department of National Defense.** P2.8 billion was allocated to allow the department to effectively defend the nation from internal and external threats and fund the repair of veterans center, the administration and repair of the Balete Pass, and construction of police barracks.
- **Commission on Higher Education.** P8.3 billion was transferred from the Department of Public Works and Highways to the CHED for free tuition fees in all state universities and colleges for students to enjoy free tuition.
- **Department of Social Welfare and Development.** P100 million would be provided for centenarians and an additional amount was allocated for the supplemental feeding program along with an additional cash grant for rice allowance under the 4Ps program.
- **Department of Agriculture.** More than P2 billion would be allocated to implement free irrigation for farmers, while P1 billion would be allotted under "small business corporations" to benefit micro enterprises.

With the adjustments, Senator Legarda said that in 2017, farmers would finally benefit from free irrigation, students in state universities and colleges, including those in the ARMM, would be able to avail of free tuition, public school teachers would have an additional P1,000 chalk allowance, and more doctors and medical workers would be hired under the Doctors to the Barrio program.

Senator Legarda said that because of increases in the PhilHealth budget, some eight million people from the informal sector would no longer need to present a PhilHealth card to avail of medical services from state-owned hospitals.

Likewise, she said that micro-entrepreneurs who are unable to loan from the Landbank or DBP could tap into the P1 billion allocation for small business corporations. She said that she would also support President Duterte's proposal to set aside P1 billion for micro-enterprise development per region.

Senator Legarda asked her colleagues to help her affirm the budget which has been crafted in line with the President's 10-point socio-economic agenda.

She thanked Senate President Pimentel for his unwavering trust, confidence and support and expressed her appreciation for the hard work and dedication of the committee vice chairpersons who

worked with her on the budget and the other senators who asked enlightening questions during the plenary discussions as well as for the interventions of Senator Recto and other members of the Minority whose suggestions she wholeheartedly embraced and most of which were incorporated in the budget.

Senator Legarda said that the budget's passage was not without difficult issues such as the provision for the ARMM which was an issue where Senator Lacson had duly informed her of his position and vote on the matter.

In closing, she expressed hope that the Body would unanimously approve the national budget.

### **MOTION TO APPROVE THE CONFERENCE COMMITTEE REPORT**

Thereafter, Senator Sotto moved for the ratification and approval of the Conference Committee Report on the disagreeing votes on House Bill No. 3408.

Senator Lacson manifested that he was voting against the ratification of the bicameral conference committee report.

There being an objection, the Chair called for a division of the House, asked those in favor of the conference committee report to raise their hands and, thereafter, asked those against to do the same.

### **APPROVAL OF THE CONFERENCE COMMITTEE REPORT**

With 17 senators voting in favor, two against, and one abstention, the Chair declared the Conference Committee Report on the disagreeing votes on House Bill No. 3408 approved by the Body.

At this juncture, Senator Sotto requested the Secretariat to insert into the record the Conference Committee Report.

*(The Conference Committee Report was contained in a separate document.)*

### **EXPLANATION OF VOTE OF SENATOR LACSON**

Senator Lacson said that with a heavy heart and much hesitation, he voted against the ratification of the Bicameral Conference Report for various reasons,





the most compelling of which was the continuing presence of pork barrel allocations, citing, in particular, the P3.6 billion that still remains in the DPWH budget and divided among the eight legislative districts of the Autonomous Region in Muslim Mindanao after P8.3 billion was transferred to the state universities and colleges (SUCs).

Saying that he did not intend to be indifferent or be different and neither was he being contumacious about it, he reiterated his unflinching advocacy against the inclusion of pork in the budget which he started since he became a senator.

He thanked Senator Legarda not only for adopting most, if not all, of his institutional amendments but also for standing firm on them during the bicameral discussions with the House panel. He also expressed his appreciation for the additional P770 million chalk allowance for the more than 700,000 public school teachers which translates to an P83/teacher per day in additional allowance. He also welcomed other adjustments including the P303 million addition to the budget of the Commission on Human Rights, the P686 million augmentation to the Philippine Drug Enforcement Agency, the P545 million allotment to the airlift capability of the Philippine National Police and the increase of P2.8 billion for the DND-Armed Forces of the Philippines.

In closing, Senator Lacson put on notice that he would be as persistent and passionately engaged in the scrutiny of the 2018 General Appropriations Bill once the same is transmitted to the Body for ratification.

#### **MANIFESTATION OF SENATOR RECTO**

On behalf of the Minority, Senator Recto thanked the Chair of the Committee on Finance and the members of the Majority for accepting the many amendments recommended by the Minority.

#### **EXPLANATION OF VOTE OF SENATOR GATCHALIAN**

Senator Gatchalian submitted his explanation of his negative vote, to wit:

First, allow me to commend in the highest regard, my colleagues in the Senate, especially Senator Loren Legarda, Finance Committee Chairperson, for appropriating P8.3 billion to finance the establishment of a tuition-free policy

in state universities and colleges. The tuition-free policy in SUCs has been one of my foremost advocacies since my days as a congressman, and I applaud this concrete step forward in establishing universal access to higher education for all Filipinos. This is an encouraging sign which shows that the Senate will soon be ready to pass the next step in the process, the Free Higher Education Act, which will institutionalize the gains made by the current budget insertion.

Nevertheless, I respectfully cast my vote against the ratification of the 2017 national budget in a symbolic manner to express my reservations regarding certain items of the budget which could be further clarified and broken down for the sake of greater transparency and efficiency in the allocation and disbursement of public funds. The insulation of public funds from any and all possibilities of impropriety is critical to building and sustaining popular confidence in public fiscal management. When in doubt, the custodians of the national treasury must always err on the side of caution. Thus, with due respect to fine efforts of both houses of Congress, I lay down my vote as a symbolic sacrifice upon the altar of good governance.

#### **SPECIAL ORDER**

Upon motion of Senator Sotto, there being no objection, the Body approved the transfer of Committee Report No. 17 on House Bill No. 1271 from the Calendar for Ordinary Business to the Calendar for Special Orders.

#### **COMMITTEE REPORT NO. 17 ON SENATE BILL NO. 1271**

Upon motion of Senator Sotto, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1271 (Committee Report No. 17), entitled

#### **AN ACT PROHIBITING DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION AND GENDER IDENTITY OR EXPRESSION (SOGIE) AND PROVIDING PENALTIES THEREFOR.**

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Sotto, 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 Hontiveros for the sponsorship.

### SPONSORSHIP SPEECH OF SENATOR HONTIVEROS

Senator Hontiveros, on behalf of the Committee on Women, Children, Family Relations and Gender Equality, submitted for plenary consideration Senate Bill No. 1271, entitled "An Act Prohibiting Discrimination On The Basis Of Sexual Orienting And Gender Identity Or Expression (SOGIE) And Providing Penalties Therefor," under Committee Report No. 17.

*The full text of Senator Hontiveros' speech follows:*

In 2015, when the United Nations High Commissioner was asked to report on discrimination and violence based on sexual orientation and gender identity to the Human Rights Council, the following were noted all over the world:

Different states had adopted or strengthened their anti-discrimination and hate crime laws. Some had introduced legal protection for intersex persons. Others had abolished criminal sanctions for homosexuality, allowed marriage and civil unions for same-sex couples, and instituted reforms granting legal recognition of transgender persons. In other countries, programs had been established to ensure that the police, judges, prison guards, medical staff and teachers were receiving gender and sexuality training, that there were anti-bullying programs in schools, and that shelters had been built to house homeless LGBTIQ youths.

These were small developments. Davids of a resistance to a Goliath of widespread and brutal, hate-motivated violence, often perpetrated with impunity and "everyday discrimination" LGBTIQs face, countless times, repeatedly, from the riots at Stone Wall in Manhattan, New York to the shooting spree at Pulse Club in Orlando, Florida, to that little shady bathroom in Celzone Lodge in Olongapo City where Jennifer Laude was found covered with injuries, head leaning against the toilet bowl, drowned to death.

This is hate. Unwarranted, violent hate. An irrational prejudice against our fellow human beings founded on some petty condescending notion that they should dress like us, act like us,

be like us, love like us. A deep-seated hate we refuse to acknowledge and address, the same hate we have been fighting against for 17 long years.

Yes, *labimpitung taon na ang* Anti-Discrimination Bill *o ang tinatawag natin ngayong* "SOGIE Equality Bill." *Matagal na tayong nakikipaglaban para sa pagkakapantay-pantay. Mahabang panahon na ang ating pakikibaka.*

*Ngayong hapon, inihahain ko po sa ika-17 Kongreso ang* Anti-Discrimination Act of 2016, or An Act Prohibiting Discrimination on the Basis of Sexual Orientation and Gender Identity or Expression, and Providing Penalties Therefor.

This Anti-Discrimination Act aims to:

- eliminate all forms of discrimination based on SOGIE;
- list and define discriminatory acts committed in employment, public service and exercise of profession, in educational or learning institutions, in organizations and associations, in access to medical and health services, in establishments, facilities, utilities, and services, in forced medical or psychological evaluation, in contact with or in custody of law enforcement officers, and other forms of discrimination perpetrated in similar settings;
- introduce to Philippine legislation the concept of SOGIE or Sexual Orientation and Gender Identity or Expression;
- mandate the creation of social protection and diversity programs that will protect LGBTIQ's rights and promote equality;
- provide for redress mechanisms in police stations, in the workplace, and in the Commission on Human Rights (CHR); and
- ensure that discrimination, stigma and hate will not hinder anyone from access to education, healthcare, employment and other fundamental rights.

Moreover, this Anti-Discrimination Act will be the compliance of the Philippine government with the obligation imposed upon states by the Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic Social and Cultural Rights (ICESCR). It will likewise give life and uphold our very own equal protection clause in the 1987 Constitution.

The principle of nondiscrimination is one of the underlying thrusts of a human rights regime. It follows that protecting gays, lesbians, bisexuals, transgenders, queers, and intersex from differen-



tial treatment should at least be basic state guarantee.

*Wala na dapat transwoman na pinipilit na maggupit-lalaki sa opisina. Wala na dapat baklang pinagbabawalang mag-donate ng dugo. Wala na dapat transgender na dine-detaing sa Immigration. Wala na dapat bakla or lesbianang hina-harass at kinikikilan ng pulis. Wala na dapat batang lalaking mahilig sa kulay pink ang binu-bully sa paaralan.*

The lack of protective laws and supportive policies is obviously not helping. Worse, it is empowering homophobia and affording impunity for perpetrators of human rights abuse.

But while other governments chose to respond, we chose to neglect. In the recent vote in the UNHRC to retain the Independent Expert on Discrimination and Violence against LGBTQs, the Philippines abstained. Citing our lack of policy against discrimination, we chose to renege on our human rights obligation. We let hate win and humanity lose.

Now, this 17 years' worth of struggle is staring us in the face this afternoon. Along with our brothers and sisters in the LGBTQ community who have been living their lives treated differently, mocked, laughed at and stripped off their dignity just because they have the courage to be who they are. Just because they are brave enough to be different.

Despite all this, they never lose hope. *Sa mga kasama na hindi napagod, hindi sumuko, sa mga umasang aabot ang Anti-Discrimination bill sa hapong ito sa harap ng plenaryo ng Senado, maraming maraming salamat sa inyo.*

Our long fight against discrimination is fueled by your uncompromising, unyielding, and inspiring belief that a world that is equal and kind is possible. And that somehow, at some point, we will get there.

The protection of the dignity of every human person must, without reservations, form part of our national policy. This Anti-Discrimination Act will be our commitment to the fundamental equality of all persons before the law, a fulfillment of our long and overdue promise – human rights for all.

#### MANIFESTATION OF SENATOR LEGARDA

At the outset, Senator Legarda associated herself with all the views propounded by Senator Hontiveros. She stated that she filed a similar bill in 2007 that included prohibiting discrimination on the basis of not

just gender identity and sexual orientation but also indigenous peoples and others, and which was referred to the Committee on Cultural Communities, the Anti-Ethnic, Racial, Religious and Sexual Discrimination and Profiling Act. She asked if Senator Hontiveros would agree to expand the coverage of Senate Bill No. 1271 at the proper time; however, if Senator Hontiveros believes that it would be easier to pass a bill focused solely on prohibiting discrimination against sexual orientation, she would go along with it.

Senator Legarda pointed out that the country has not adopted yet a clear policy on how to treat those who are different, and she underscored the importance of regarding each human being as such, not on the basis of one's sexual orientation. She added that every human being deserves every basic human right that one is entitled to.

Senator Legarda said that she would coordinate with the Committee on Women, Children, Family Relations and Gender Equality and the Secretariat on how to go about with her proposal.

Senator Hontiveros thanked Senator Legarda for her support and said that she would look forward to the progress of the comprehensive Anti-Discriminatory Bill. She acknowledged that in putting together the whole policy framework, there can be companion measures.

#### MANIFESTATION OF SENATOR GORDON

Adverting to Senator Hontiveros' statement suggesting that gays and lesbians are prohibited from donating blood, Senator Gordon assured the Body that the Red Cross does not discriminate as they only screen with regard to AIDS or health condition.

Senator Hontiveros said that she would furnish Senator Gordon with specific information of certain blood centers that have contrary policy to that of the Red Cross, and that she would further review the data, as those might not be Red Cross blood centers.

Senator Gordon stated that there are only two entities in the country that can screen, provide and collect blood: the government, through DOH and their hospitals, and private hospital, that are authorized to do so. He said that he is against this policy of allowing two entities as he would rather have centralized blood collections. He pointed out that the Red Cross is the longest blood-providing agency in





the whole country, and he noted that when Senator Hontiveros mentioned "blood centers," they could only be either a government hospital or a private hospital.

Senator Hontiveros said that she was also looking forward to the bill that Senator Gordon filed, seeking to set up and modernize the blood bank system in the Philippines which would be enriched by the long and rich history of the Philippine National Red Cross.

#### MANIFESTATION OF SENATOR POE

Senator Poe stated that she had also filed a similar, yet more comprehensive, anti-discrimination bill which was referred also to the Committee on Cultural Communities. She hoped that the bill could also be referred to the Committee on Women, Children, Family Relations and Gender Equality.

#### SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1271

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

#### SPECIAL ORDER

Upon motion of Senator Honasan, there being no objection, the Body approved the transfer of Committee Report No. 19 on Senate Bill No. 1277 from the Calendar for Ordinary Business to the Calendar for Special Orders.

#### COMMITTEE REPORT NO. 19 ON SENATE BILL NO. 1277

Upon motion of Senator Honasan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1277 (Committee Report No. 29), entitled

#### AN ACT ESTABLISHING THE FREE INTERNET ACCESS PROGRAM IN PUBLIC SPACES IN THE COUNTRY AND APPROPRIATING FUNDS THEREOF.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Honasan, 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 Aquino, sponsor of the measure.

#### SPONSORSHIP SPEECH OF SENATOR AQUINO

Senator Aquino submitted for plenary consideration Senate Bill No. 1277 in substitution of Senate Bill Nos. 58, 190, 816, and 1050, entitled "An Act Establishing The Free Internet Access Program In Public Spaces In The Country And Appropriating Funds Thereof," otherwise known as the "Free Internet Access in Public Places Act," which seeks to install free internet access points in public places all throughout the country.

*The full text of Senator Aquino's sponsorship speech follows:*

Today, it is an honor to sponsor an audacious policy that will enable us to leapfrog internet access in the Philippines.

Meet Jose. Jose wishes to escape the city and travel the entire Philippines to discover with his own eyes the wonders of our country.

Jose will not let work stop him. He can work remotely and send his reports via e-mail. Jose will not even let his girlfriend stop him. They can always message one another and even go on video-call dates while he is away. All Jose is waiting for is for internet in the Philippines to be available in every island, mountain, and valley.

*Napaka-importante ng internet sa buhay natin.*

*Para kay Jose, ito ay importante para maka-paglibot sa Pilipinas, mag-post ng selfie sa Mayon, magtrabaho mula sa kubo, at makipag-online date sa gitna ng mangrove sa Palawan.*

*Para sa iba nating kababayan, ito ay mahalaga para makausap at humingi ng payo mula sa amang nagtatrabaho sa Saudi. Para sa mga call center agent, ang internet ang nag-uugnay sa kanila at kanilang mga kausap abroad.*

*Para sa mga freelancers, ito ay kailangan para makausap nang maayos ang kliyente at mapadala ang hinihinging trabaho.*

*Para sa mga negosyanteng Pinoy, ito ay nagagamit sa pagbebenta ng gamit o paghahanap ng mga bagong supplier.*

*Para sa maraming unemployed, ito ay importante para makapag-apply sa mas maraming trabaho online.*

*ms pet*



*Para sa mga guro at para sa mag-aaral, ang internet ang pinanggagalingan ng research, ng learning materials, at mga bagong modules.*

And yet, only about 52.6% of Filipinos have access to internet services. Compared to our neighbors, we are lagging behind in internet access. The same study shows that 81.3% of Singaporeans, 68% of Malaysians and 60.1% of Thais can access the internet.

For this reason, it is imperative that we institutionalize this very important platform to improve access to quality internet in the Philippines and provide free internet connectivity in public spaces.

This bill mandates the establishment of the necessary infrastructure, equipment, and end-user platform needed to give all Filipinos free internet access in public spaces. Under this act, all national and local government offices, public schools from elementary to tertiary, public transport terminals, public hospitals, and public libraries will have free internet access.

The Department of Information and Communications Technology (DICT) shall be charged with developing a plan and a timeline for the rollout of this program. They shall also take the lead in coordinating with local government units to ensure the on-ground implementation of the program.

Most importantly, the DICT shall be authorized to streamline the process for the application of permits and certificates for the construction of infrastructure and installation of equipment necessary, a major hurdle faced by companies seeking to build internet infrastructure.

To address this, national government agencies and local government units will also have the responsibility of coordinating with the DICT and DILG to fast-track these permits and certificates necessary for the program's roll-out. They shall be in charge of maintaining and safeguarding the program and its equipment with a designated on-site coordinator.

Offering Filipinos free high-quality internet access in public places is going to revolutionize the way that we go about our day and open our minds to boundless possibilities for how we can make our lives, our families, and our communities better.

*Noong nakaraang buwan nakapunta po tayo sa Bacolod at nabisita po natin ang Alegria Elementary School kung saan nakilala ko si Baryeth. Siya po ay Grade 6 student na*

*miyembro rin ng student council. Kasama po siya doon sa aming roundtable discussion, kasama ng mga guro, administrador, at magulang ng eskuwelahan iyon.*

*Sa lahat-lahat po, sa dinami-dami ng kakulangan sa kanilang eskuwelahan, isa lang po ang kanyang hiling sa aming round-table discussion. Ang hiling po niya, sana po ay mayroon na silang internet connection sa paaralan para magawa nila nang mabilis at maayos ang kanilang mga school project.*

Twenty-six percent lang po ng ating public schools ang may access sa internet at yung iba pa po dito sa 26%, nakakakuha ng internet gamit ang USB dongle.

Now is the time to invest completely in developing our internet quality and bringing this powerful tool to every port, every station, every park, every museum, and every classroom, more importantly, in the Philippines.

Imagine tourist sites with free internet access, where travelers from here and abroad can read up on historical sites and post beautiful photos of our country on social media. Imagine museums with free WiFi and downloadable applications so visitors can learn more about our arts and culture, and our history.

Imagine strolling through a public park and connecting to free internet so you do not have to worry about whether you are missing out on important e-mails.

Imagine getting last-minute work done at the airport or seaport while waiting to go on your next adventure.

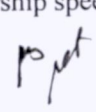
And imagine hundreds of state universities and thousands of public schools with access to world-class learning materials and educational videos, making the most out of the World Wide Web to enhance learning.

*Kung hindi po ngayon, kailan pa? Ang internet ay maaaring maging susi sa pag-unlad ng bawat Pilipino - at susi sa pagtupad ng Philippine travel dreams ni Jose.*

Let us pass the Free Internet in Public Places Act and arm Filipinos with the power of connectivity, the power of information, and the power of education.

#### **COSPONSORSHIP SPEECH OF SENATOR RECTO**

Senator Recto delivered his cosponsorship speech on Senate Bill No. 1277, as follows:





When the Senate first convened in a rented house near Malacañang 100 years ago, its 24 members were summoned by telegram or by post which took days to arrive.

Communication was so bad that a Navy boat had to be dispatched from Zamboanga to inform and fetch Senator Butu from Jolo.

So it came as no surprise that among the first measures tackled by members of the first Philippine Senate was how to install a string of wireless telegraph stations across the archipelago.

By 1919, due to appropriations authorized by the legislature, the first wireless stations were up and running in Puerto Princesa, Jolo, Zamboanga, Davao, Malabang in Lanao, and San Jose in Mindoro.

It was also during that year that the first automatic telephone system came into operation in Manila.

One hundred years later, here we are in the Senate, still grappling with the unending challenge on how to enable our people to communicate with each other in a way that is fast, cheap and reliable.

The technology may have changed, the copper wires of yesteryears have been replaced by fiber optics, and the smartphone that fits snugly in our pocket is a telegram station-phone booth-cinema house-TV-computer rolled into one.

And while we have been able to talk to a man standing on the moon and send commands to a satellite 18 billion kilometers away in space, here on earth, in this country, many people are still on the wrong side of the digital divide, unable to enjoy the full benefits of ICT.

Which is sad because broadband ought to be the third utility, after water and power. The UN itself has proclaimed internet access a basic human right.

So the above is the apt justification for this bill. For the sovereign to enjoy this right. And use it as a tool in the pursuit of employment, education, happiness, and to combat ignorance, fear, poverty and hunger.

Others may deride free public WiFi hotspots as populist-driven conveniences. Sadly, those who embrace this falsehood have not been able to fully grasp the empowering potential of ICT.

Because the only way to view free WiFi hotspots is to treat them for what they are — as a form of “liberation technology.”

Yes, trolls, fake news purveyors, and manufacturers of weapons of mass distractions ride on the same technology platform, but the damage to individual brains or collective consciousness they inflict is far smaller than the greater good that ICT brings.

For every troll farm, there are millions of farmers whose lives have been made better by ICT.

And in schools, the online education students get, hopefully, would build up their intellectual resistance to ignorance being aggressively peddled.

This bill was envisioned to create WiFi hotspots to do social good, and not for the sole purpose of allowing anyone to post unli-Instagram photos or selfies on FB.

These will be set up in public hospitals so that if you are the son of an OFW in Italy, you can update your mom, via Viber, on the recovery of a loved one who has been stricken ill. Or if the hospital staff would like to transmit a patient's data, then there is a facility for that.

These will be set up in schools to enrich learning so that both teachers and students could tap into the infinite sources of knowledge available online. And in libraries, to promote reading.

These will be set up in airports so that the loud brass band waiting for you would be advised to keep it down because your flight is delayed as usual.

These will be set up in MRT stations so you can message your hot date with sad emoticons that you will be late because one of the last straggling coaches of MRT has broken down again.

These will be set up in municipal halls so that if you are applying for a license or permit in one of the offices, and you forgot to bring one requirement, a photocopy can be immediately e-mailed to you.

These will be set up in public offices with the largest clientele and the longest queues so that their inconvenience would not be aggravated by a missing document which can henceforth be transmitted—but the real reason, actually, is that one of the things that can pacify a mob waiting to happen is free WiFi.

These will be set up in trading centers so that farmers will be apprised of market developments so they can get the best money out of their produce.



These will be set up in police stations so when distress calls come in by text, *mas mabilis pa sila sa alas kwatro, at hindi sila darating bukas na ng alas kwatro.*

These will be set up in the planned network of one-stop-shop centers for OFWs, so if they will need documents from other offices, or from their waiting employers, they can just punch these letters into their phones: "PM me these pls."

Mass WiFi services form part of the ICT solutions which can ease the pain caused by the many problems we confront today, if not make them totally go away.

If roads are clogged with traffic, then the information highway provides a detour. That way energy is saved, pollution is reduced, and mass sanity is preserved.

*Kung ma-traffic, mag-telecommute. Kung malayo ang ospital, ang doktor ay napapalapit sa pamamagitan ng tele-medicine. Kung malayo ang paaralan, may distance learning na sa computer pinapadaan.*

In the same way that need is the mother of invention, or demand ushers in efficiency, or mass use triggers innovation, it is hoped that big government investments in free WiFi spots would nudge forward the upstream reforms in the telecoms sector we all would like to see.

This begins with improving Internet speed.

How come that it is faster in the ruins of Aleppo? Or it races in Afghanistan in the land of the Taliban while here in our Senate offices, in this texting capital of the world, it crawls, that downloads trickle in Tetris speed?

Internet penetration is high but speed is low. Sixty million out of 101 million Pinoy's have some sort of connection.

Four in 10 cellphone users have broadband subscription, compensating for the low 3.5 percent fixed-line subscription rate.

Yet we are oppressed by the 7<sup>th</sup> slowest broadband (3G, 4G) speed in the world.

What are these reforms? Mary Grace Mirandilla-Santos, an ICT policy researcher enumerates some:

"Adoption of the 'Open Access' model. Updating laws and regulatory framework to promote investment and innovation in communications and technology.

"Levelling the playing field. Updating and upgrading the country's ICT strategy and plan.

"Improving spectrum management.

"Ensuring the competitiveness of the telecommunications industry."

The prescriptions are in the particulars. Let me cite a few:

- Offering of nondiscriminatory terms for service providers or equal access charges for clients across the board is one.
- Local IP peering is another. This would entail supporting growth of open, neutral IXPs where ALL players are treated equally.
- There can be shared towers and utility corridors to lower cost for all players. Government can lease assets such as fiber optic cables, poles or carrier-neutral passive infrastructure.
- There should be a transparent allocation process of spectrums with clear criteria for assignment, valuation mechanism. Cruz calls it the "use it or lose it" approach and the "refarming" of spectrum resources.
- Anti-competitive practices must be stopped. NTC must be remolded into a truly regulatory, and not a captive, agency.

How do we let thousands of free WiFi spots bloom? By fixing the upstream first. If this bill will provide the gateway and the impetus for reforms, propelled by the critical mass of users, then it is the greatest value service it can provide.

The bottomline is, we cannot divorce the subject of this bill with the larger business environment under which it will be built.

This bill goes beyond installing taxpayer-funded free WiFi spots. Like the creation of the DICT, it forms part of the must-dos to future-proof our country. It is one of the important apps for tomorrow.

Our capacity to create jobs, grow our economy, train skilled people, and feed our country will rest on our ability to expand our ICT capability, open WiFi spots included.

It has been said that a 10% increase in broadband penetration can lead to 1.38% increase in the Gross Domestic Product.

Another study showed that a 0.5 Mbps increase in internet speed hikes household income by \$800 per year in less developed economies.

ICT-reliant companies provide the third largest source of dollars - after electronics and OFW remittances.



BPOs, the call centers, the back offices, medical transcription, game development, creative process outsourcing, to name a few, employ a million Filipinos, more if ancillary services are included.

One in four jobs today are occupied by knowledge workers.

If we want to meaningfully celebrate the 100th year of this institution, then let it be through important laws passed that will be remembered 100 years from now.

This bill is definitely not on the top of the list, not even on the first page of the catalog of must-pass legislation.

But in this broad spectrum of bold and brave new laws, it has its special place, more so if government will leverage its WiFi and other ICT-related expenditures to crowbar the lifting of the heavy lid that blocks the full enjoyment of our people of a service that has been declared a human right.

## MANIFESTATION OF SENATOR POE

At the outset, Senator Poe expressed her support to the measure and thanked Senator Aquino for sponsoring the bill. She said that she has filed a bill supporting a free internet program for every public school, particularly in state universities and colleges as she believed that the information that could be gathered from the internet is more than 10 times the library of Congress would provide. She agreed that with reliable internet access, Filipino students would be in equal footing with students all over the world. She said that she has also filed a resolution regarding slow internet service in the country.

Thereupon, Senator Poe requested that her bill institutionalizing a free WiFi service in all public schools, particularly in state universities and colleges, which has been referred to the Committee on Education, Culture and Arts be transferred to the Committee on Science and Technology.

The Chair stated that the Majority Leader would make the proper motion in due time.

## COSPONSORSHIP SPEECH OF SENATOR PANGILINAN

Senator Pangilinan informed the Body that he filed a similar measure and that he would be submitting a cosponsorship speech. He requested its insertion into the record.

*Hereunder is Senator Pangilinan's cosponsorship speech:*

We are proud to cosponsor Senate Bill No. 1277 under Committee Report No. 19 in substitution of Senate Bill Nos. 58, 190, 816, and 1050, entitled "An Act Establishing the Free Internet Access Program in Public Spaces in the Country and Appropriating Funds Thereof."

*Ngayong panahon ng mga computer, smart-phone, at social media, naging mahalagang instrumento ang Internet para makipag-ugnay sa ating mga mahal sa buhay, sa pagpapatakbo ng negosyo, at bukal ng impormasyon at balita.*

*Subalit hindi lahat ay may access sa mabilis na koneksiyon sa Internet kung kaya't naghain din tayo ng panukalang batas na magbibigay sa publiko ng access sa Internet.*

This consolidated bill seeks to provide free Internet access in public places such as government offices, parks, state colleges and universities, hospitals, transport terminals, among others.

Internet penetration is highest in the developed world with almost 90 percent of the population gaining access to the Internet. Yet, most developing countries such as the Philippines are trailing behind in terms of adoption and Internet penetration rates.

According to the United Nations Broadband Commission's Report on the State of Broadband (2015 edition), only 39.7 percent of the Philippine population was able to use the Internet in 2014, placing the country at 106<sup>th</sup> out of the 191 countries evaluated in the report.

This means that a huge portion of the population lacks access to reliable and high speed Internet connection. Therefore, there is a crucial need to accelerate the shift from basic connectivity to a more fully-interconnected digital economy to bridge the digital divide by providing free public wireless Internet access.

*Nakita natin na mahalaga ang papel ng Internet sa buhay ng mga Pilipino. Nariyan ang mga pamilya na umaasa sa Internet upang makausap ang mga kamag-anak nilang nagtatrabaho sa ibang bansa, at maging ang BPO industry na malaki ang kontribusyon sa ating ekonomiya. Malaki rin ang potensyal nitong papabilisan ang palitan ng impormasyon at teknolohiya para sa agrikultura.*

Aside from its practical benefits, free Internet access also conforms to a non-binding United Nations Human Rights Council resolution passed July 1 this year, effectively declaring





access to the Internet as a human right, linking it to several human rights, including (1) the right to freedom of expression; (2) the right to development because according to one study, increasing access to the Internet by just 10 percent can add 1.28 percent to 2.5 percent to the GDP of developing countries.

This bill is a priority measure of our office. Providing the public with free, reliable wireless Internet is a huge step in not just modernizing the country's Internet connectivity, but also improving our people's lives.

#### **MANIFESTATION OF SENATOR VILLANUEVA**

Senator Villanueva expressed his support for the proposed bill which he believed would be a prerequisite to Senate Bill No. 1033, entitled "An Act Institutionalizing Telecommuting in the Workplace and for other Purposes." He said that the measure is important because of recent developments in the IT-BPM sector, particularly in the medical transcription sector.

#### **MANIFESTATION OF SENATOR ANGARA**

At the outset, Senator Angara commended Senator Aquino for the proposed measure. Thereupon, he informed the Body that one of the highlights of the 2017 budget is the P1.75 billion allotted for free WiFi under the DICT budget. He said that this initiative began in the 2016 budget of the DOST.

#### **MANIFESTATION OF SENATOR AQUINO**

Senator Aquino manifested his gratitude to the senators who expressed their support to his "*Pagkain Pinoy*" bill and to the Free Internet Access in Public Places Act.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1277**

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

#### **SPECIAL ORDER**

Upon motion of Senator Honasan, there being no objection, the Body approved the transfer of Committee Report No. 23 on Senate Bill No. 1281 from the Calendar for Ordinary Business to the Calendar for Special Orders.

#### **COMMITTEE REPORT NO. 23 ON SENATE BILL NO. 1281**

Upon motion of Senator Honasan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1281 (Committee Report No. 23), entitled

#### **AN ACT INSTITUTING THE FARMERS AND FISHERFOLK ENTERPRISE DEVELOPMENT PROGRAM OF THE DEPARTMENT OF AGRICULTURE AND FOR OTHER PURPOSES.**

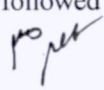
Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Honasan, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

Thereupon, the Chair recognized Senator Pangilinan, sponsor of the measure.

#### **SPONSORSHIP SPEECH OF SENATOR PANGILINAN**

Senator Pangilinan, on behalf of the Committee on Agriculture and Food, submitted for plenary consideration Senate Bill No. 1281 in substitution of Senate Bill No. 50, under Committee Report No. 23, entitled "An Act Instituting the Farmers and Fisherfolk Enterprise Development Program of the Department of Agriculture and for other Purposes," otherwise known as the "*Sagip Saka*" measure.

Preliminarily, he recalled that in 2011, as chair of the Committee on Agriculture and Food, he visited on official mission Shandong province in China to observe their modern agriculture practices. He recalled that while he was watching TV one evening during his 10-day stay in a hotel in Shandong Province in China, he noticed that China Central TV (CCTV) has several stations, each of which is dedicated to education, news, sports, agriculture and national defense, and wondering why agriculture and national defense were combined in one CCTV channel, he asked a representative of the Ministry of Agriculture of China about it and the answer was that food security has become a national security issue to the Chinese because they have to feed 1.3 billion people, and if they cannot feed their people, they would become a divided China because, historically, everytime they have famine, it is followed





by a regime change. That is how the Chinese values agriculture, he said.

Senator Pangilinan also recalled that when he was chair of the Congressional Oversight Committee on Agriculture and Fisheries Modernization (COCAFM), he and then Senator Osmeña visited Thailand to look at the nation's latest farm technologies and farm practices, and the late King of Thailand told them that the backbone of their nation is the farmer, the reason why they put a premium on agriculture and farming in their country.

Senator Pangilinan explained that he was citing his experiences in two different countries abroad in order to show the contrast on how the Philippines looks at farming and agriculture. He lamented that in the Philippines, farming and fishing are not given importance, much less valued. He lamented the dismissal of the fertilizer scam case against a former Agriculture undersecretary. He noted that sadly Filipinos look down on the Filipino farmers and even the farmers underestimate themselves like, in some instances, where they would not send their children to college, telling them to go on farming because they are not intelligent enough.

Senator Pangilinan pointed out that Senate Bill No. 1281 is all about addressing poverty that has long plagued the country's farmers and fisherfolk, of having an integrated approach to agriculture and fisheries development to improve the lives, incomes and livelihood of the principal stakeholders who are the farmers and fisherfolk.

He informed the Body that in the confirmation hearing of Secretary Piñol the previous day at the Commission on Appointments, the latter said that the current average income of farmers is P4,000 a month, or about P48,000 a year, and if compared to NEDA studies showing that the monthly income for an average farmer should be a little over P6,000 to be able to provide for the family's basic needs, it would clearly show that the farmers are not able to meet their daily needs.

Senator Pangilinan stressed the need to cut the centuries-old chains that bind the nation's farmers and fisherfolk to poverty and all the attendant societal ills that it brings such as crimes, diseases, social tension and unrest, as well as the need to preserve agriculture and fisheries so that people would have food to eat.

*At this juncture, Senate President Pimentel relinquished the Chair to Senator Angara.*

Senator Pangilinan quoted her daughter Frankie, who was nine years old during the budget debates years ago, who said: "We should treat our farmers like our parents because they are the ones who feed us." He reiterated that the government should save farming and fishing by saving the farmers and fisherfolk.

He pointed out that the idea behind the bill is to institutionalize the *Sagip-Saka* Program and bring all the inputs the farmers and fishermen need so that they can organize themselves, learn the food value chain from production to financing, crop insurance, technologies and to business development, particularly marketing, and apply all these to improve their income and standard of living.

He said that the Farmers and Fisherfolk Enterprise Development Program builds on and consolidates the principles of the agriculture and fisheries modernization plan and the micro, small and medium enterprises development plan. He stated that "integrated" and "comprehensive" are the two adjectives that best describe the bill that seeks to bring together government and the private sector to help enable farmers and fishermen to grow.

Senator Pangilinan pointed out that the average age of farmers is 56 years old, their annual average income is less than P50,000, and their average educational attainment is Grade IV. He lamented that without the active intervention of the government and the necessary support system to them, they would remain poor and the country would continue to be plagued with poverty.

Senator Pangilinan explained that the *Sagip Saka* Program seeks to end the practice of separate agriculture and fisheries programs and bring a holistic multi-sectoral approach to providing what the farmers and fishermen need. For example, he said that the ordinary Filipino farmers should not only learn multi-cropping but also know how to raise cows, pigs or chicken as well as basic accounting, bookkeeping and accessibility to markets.

He also stressed the need for farmers to move away from the norm of subsistence farming, which is the general rule at present among the farmers, and move towards farm enterprises management and

*rs*



development since the bill seeks to mobilize capital to the producers.

He recalled a farmer who planted squash in his one-and-a-half hectare land in Maguindanao and whose produce a middleman bought for P5 per kilo but sold at the wet market, which is just less than 30-minutes walk from the farm, at P25 per kilo, or about five times the purchase price. He said that it was the farmer who worked hard but other people benefitted from his toil.

He said that through the measure, the government would be able to do capital mobilization for the producer through a multi-sectoral approach where the government, working together with the private sector, the local government units, and farmers and fisherfolk, would create an environment conducive to investments in agriculture and fisheries.

Moreover, he stressed the need for government, through its various agencies, to mobilize resources for the farmers and fisherfolk to build their capacity. He said that through various incentives and exemptions, including the procurement and taxation processes, both government and private sectors would be encouraged to directly purchase from accredited farmers and fisherfolk cooperatives and enterprises. For instance, he said that in its feeding program, the DSWD could buy directly from farmers and fisherfolk. He believed that the "*Pagkaing Pinoy Para sa Batang Pinoy*" program would likewise provide the markets for the farmers because government and the LGUs would be allowed to buy directly from the farmers and fisherfolk and their enterprises.

He informed the Body that the *Sagip Saka* Program was launched when he was the chairman of the Committee on Agriculture and Food in 2010 which partnered with the local government units and the private sector, among which was Jollibee Foundation, which purchased 60% of its onion requirements from a farmers' cooperative in San Jose City, Nueva Ecija. He said that when they started in 2008, Jollibee's first purchase from the Kalasag Farmers Cooperative was only 60 tons or 60% of the 100% yield of the farmers' harvest, and the 40% left was brought to the market. He said that after four years, the farmers were already harvesting 240 tons of onions.

Senator Pangilinan said that at present, the Kalasag Farmers Cooperative, still in partnership with Jollibee Foundation, is harvesting 500 tons of

onions, and their land which used to be 30 hectares is already 50 hectares. He said that the cooperative was able to purchase motorcycles and tricycles and to pay off their loans.

Senator Pangilinan also cited the partnership between Nestlé Philippines and the coffee farmers in Bukidnon and Agusan. He said that after two-and-a-half years of partnership, the farmers had already doubled their income from coffee farming. Thus, he said that he would want to institutionalize private sector-government partnership and focus on mobilizing resources among farmers, communities and organizations. He said that since the farmers are not tilling their own lands, the bill could improve their livelihood which, in turn, would also improve people's lives and increase the country's self-sufficiency in food.

#### MANIFESTATION OF SENATOR VILLAR

Senator Villar manifested that the problem with the Department of Agriculture (DA) was that most of its appropriations go to its overhead expenses, that was why whenever she files a bill, she would refrain from creating additional agencies as it would only incur additional expenses.

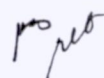
She suggested that in making a final amendment to the bill, the Body should find out which agencies are undertaking the same program and make a convergence with them so that all the allocation would go to the farmers and not to the DA's overhead expenses.

She disclosed that when she reviewed the DA's budget a few years ago, she found out that 60% of its appropriation went to overhead expenses and 40% went to programs. She suggested that in proposing bills, they should have "programs" rather than "agencies" in the title so that funding would go to programs and not to agencies.

#### COSPONSORSHIP SPEECH OF SENATOR AQUINO

Senator Aquino manifested his desire to cosponsor the measure as a member of the Committee on Agriculture and Food. He then requested that his sponsorship speech be inserted into the record.

*Hereunder is the cosponsorship speech of Senator Aquino, to wit:*





Filipino farmers and fishermen are subject to one of the biggest poverty incidence rates in the country, surviving on an average daily subsistence wage of less than P66.

We have 11 million farmers in the country, many of whom are largely engaged in subsistence farming that generates very little income for growing non-food needs of the family.

Moreover, farmers and fishermen are exposed to the ever-increasing number of volatilities in climate, market prices and demand which make it even more difficult for them to escape the poverty cycle.

Yet, despite our country's vulnerability to typhoons and weather disturbances, our lack of existing farm-to-market roads, and our difficulty in connecting thousands of islands, there still lies an enormous opportunity in our soil and in our sea for Filipino farmers and fishermen to achieve economic independence.

The *Sagip Saka* Act of 2016 has been in the making already for several years and I believe it is imperative that we pass this policy as it seeks to uplift the lives of Filipino fishermen, farmers and their families.

This bill aims to capacitate our agricultural and fisherfolk communities through an enterprise development program that will provide assistance to farmers and fishermen in developing their own business.

The Farmers and Fisherfolk Enterprise Development Program will provide opportunities for farmers and fisherfolk to develop technical skills, use production equipment and facilities, gain access to credit, and avail of business development counseling services.

This program will benefit existing producer groups, farmer and fisher groups and micro, small and medium-scale processors, consolidators, and exporters, among others, who are willing to undergo capacity building training on enterprise development, and cluster with other groups to fulfill their larger-scale contracts.

Central to the success of this program is the multi-sectoral approach which places equal emphasis on the involvement of both government agencies and the private sector in empowering farmers and fisherfolk and making sure they receive a greater share of the value chain of food production.

It is crucial for private sector partnership to be strengthened through this program so that producer groups may gain access to sustainable

markets and participate meaningfully in the unprecedented economic growth that our country is enjoying.

By providing these capacity-building opportunities to our fisherfolk and farmers, we are empowering them with the necessary tools to lead the shift in perception of agriculture, reinventing it as an innovative, adaptable and lucrative sector that can truly bring about inclusive growth.

I urge my fellow colleagues to pass the Farmers and Fishers Entrepreneurship and Enterprise Development Act of 2015 at the soonest possible time to give every Filipino family an equal opportunity to build a better life.

### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1281**

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

*At this juncture, Senator Angara relinquished the Chair to Senate President Pimentel.*

### **ADDITIONAL REFERENCE OF BUSINESS**


Upon direction of the Chair, the Deputy Secretary for Legislation, Atty. Edwin B. Bellen, read the following committee reports which the Chair assigned to the Calendar for Ordinary Business:

Committee Report No. 24, prepared and submitted jointly by the Committees on Public Services; Constitutional Amendments and Revision of Codes; and Finance, on Senate Bill No. 1284, with Senators Drilon, Joseph Victor Ejercito, Cayetano, Win Gatchalian, Recto, Grace Poe and Zubiri as authors thereof, entitled

### **AN ACT COMPELLING THE GOVERNMENT TO ADDRESS THE TRANSPORTATION AND CONGESTION CRISIS THROUGH THE GRANT OF EMERGENCY POWERS TO THE PRESIDENT,**

recommending its approval in substitution of Senate Bill Nos. 11, 154, 999 and 1067, taking into consideration Proposed Senate Resolution Nos. 31, 33, 59, 63, 76 and the Privilege Speeches of Senator Zubiri and Joseph Victor Ejercito.

Sponsor: Senator Grace Poe





Committee Report No. 25, prepared and submitted jointly by the Committees on Government Corporation and Public Enterprises; and Labor, Employment and Human Resources Development, on Senate Joint Resolution No. 5, with Senators Recto, Joel Villanueva, Trillanes IV, Cynthia A. Villar, Joseph Victor Ejercito, Maria Lourdes Nancy S. Binay, Legarda, Sotto III, Zubiri, Richard J. Gordon and Win Gatchalian as authors thereof, entitled

**JOINT RESOLUTION INCREASING  
THE MONTHLY PENSION OF  
THE SOCIAL SECURITY SYSTEM  
PENSIONERS UNDER THE SOCIAL  
SECURITY ACT OF 1997,**

recommending its approval in substitution of Senate Bill Nos. 63, 91, 145, 150, 181, 400, 1068, 1129, 1198 and 1236.

Sponsor: Senator Richard J. Gordon

**SPECIAL ORDER**

Upon motion of Senator Honasan, there being no objection, the Body approved the transfer of Committee Report No. 24 on Senate Bill No. 1284 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 24  
ON SENATE BILL NO. 1284**

Upon motion of Senator Honasan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1284 (Committee Report No. 24), entitled

**AN ACT COMPELLING THE GOVERNMENT TO ADDRESS THE TRANSPORTATION AND CONGESTION CRISIS THROUGH THE GRANT OF EMERGENCY POWERS TO THE PRESIDENT.**

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Honasan, 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 Poe for the sponsorship.

**SPONSORSHIP SPEECH OF SENATOR POE**

Senator Poe presented to the Body Senate Bill No. 1284, otherwise known as "Traffic and Congestion Crisis Act of 2016," a consolidation of the bills filed by Senators Drilon, Cayetano, Ejercito and Gatchalian. She said that the Committee also took into consideration the inputs from all concerned government agencies, the academe, and stakeholders, and recommendations from transportation and urban planning experts.

*The full text of Senator Poe's sponsorship speech follows:*

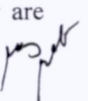
It has come to a point where we plan our lives on how heavy the vehicular traffic will be, and for millions, gridlock in our streets has become a painful constant. We do not need statistics to prove how traffic has gone from bad to worse in Mega Manila. Cars move in a glacial pace. The only hope for fast mode of travel in the metropolis — the trains — have been derailed by lack of machines and old equipment, poor maintenance, and the greatest culprit that slows them — bureaucratic inertia.

People, including children who should still be asleep, now wake up before dawn to catch an MRT train only to realize that the time to queue for a ticket is now longer than the train ride itself. And they who rise before sunrise have to go through a harrowing commute just so they can be home by midnight — as they often post in memes and in social media — "*pumasok sa tren na bagong ligo, lalabas na tila mandirigma galing sa isang giyera.*"

People tend to lose their whole day's energy even before they set foot in their offices or schools. The sad reality is that for many, the time spent for rest is less than the time spent on the road. The bus has become their bedroom.

It is no longer true that it is faster to fly across the ocean than to drive across town. As anyone who had recently taken a flight out of NAIA would tell you, sometimes the time spent by a plane queuing to take off is longer than the actual flight itself. Worse, the flight delays, and the duration of said delays, have become a norm undermining each and every passenger's personal schedule or time.

To be sure, a lot of opportunities, events and occasions have been missed or lost by thousands of passengers. And anyone flying in gets a free aerial tour of Metro Manila as planes waste time and fuel oscillating before they are given clearance to land.





And traffic is not just a Metro Manila disease. It is a virus engulfing the nation. Metro Cebu is showing the classic symptoms of long commutes and bumper-to-bumper traffic. Baguio is another. Where once you can stop to smell the pine trees, now traveling within the city is more stop than go where you can only smell the fumes. Today's holy land, as they call it — that is Davao — is grappling with traffic, too. So are Iloilo, Cagayan de Oro, Lipa, Naga and many places in Laguna and all the other big and major cities in Central and South Luzon.

When commerce and commuters move in a pace that is slow and unsafe, the toll is high — in economic losses, health costs and productivity decline. One estimate pegs at P876 billion the annual economic cost of traffic in Metro Manila alone.

Traffic does not only drain gas tanks, it saps out our energy, and makes us feel less happy. Traffic does not only break down cars but, *sabi ng mga* millennials, break up relationships *na rin*.

The culprit is our inability to expand and develop our mass transport system and our inability to immediately implement already existing plans for infrastructure and transportation management. We do not have a lack of plans but a lack of action people—people who do more and talk less.

We depend heavily on private transportation. We junked our rails for wheels, we sold for scrap our trains which could ferry thousands, and built roads to make room for more sedans. At its peak, the Philippine railway system stretched 1,140 kilometers in three islands. Now we only have 43 kilometers of rails.

In the absence of people movers, people had no choice but to find their own ride, and today that Pinoy *diskarte* is used to scrape together enough money for a downpayment for a car that will be amortized in many “gives.” People are forced to pay for their desired convenience.

This year alone, the number of four-wheel vehicles sold in the country is forecast to reach — or even breach — 400,000 units. If one in every three cars will ply Metro Manila streets, then all these brand-new cars would fill not just one, but two-and-a-half lengths of EDSA — from Monumento to MOA, both sides, all lanes, bumper-to-bumper, 2.5 times. Or you can compute it this way: all cars sold in Metro Manila in four months and three weeks could fill both sides of EDSA. Just four months.

Car travel is inherently inefficient. It costs at least P750,000 to transport a person from one point to another by car. Furthermore, a car occupies at least 13 square meters of public space, even if it is carrying only one person. Car travel accounts for 30% of trips but accounts for 72% of road traffic. What we need are vehicles that carry more people. Thus, we want our people to rely on public transportation. Sadly, this is not the case.

A long train of bad ideas, bankrupt programs, botched projects, and lack of meaningful foresight has made it an accident waiting to happen — the perfect train wreck upon which the well-being and welfare of the Filipino people is fighting for survival. It is now time to untangle the mess, one that is so grave and great that it needs emergency powers to straighten it out.

What is disappointing is, it appears that the burden to solve the traffic crisis is now on us. *Bigla na lang idinadahilan ng ibang mga taga-Executive department na hindi sila makakilos nang mabilis dahil wala silang emergency powers. Many solutions do not require legislation. In fact, the laws are there, the plans are there, if only they are implemented. Hindi lahat ng solusyon nangangailangan ng semento. Kadalasan, sentido-kumon lang ang kulang.*

To them, I say, “Get off your office chairs, and act now.” You should inspire the people to have confidence in you, and that will only happen only if your actions will spur results.

Nonetheless, we are granting emergency powers to the President because losing P3 billion a day due to traffic is alarming enough to constitute a crisis. This is especially true given the independent JICA estimates that by 2030, estimated losses will increase to P6 billion a day.

Congress needs to declare a national emergency with regard to traffic congestion, because traffic from highly urbanized areas is now spilling over to nearby localities and causing businesses and people to lose money and opportunities. In figures, around 12.8 million trips are made in Metro Manila everyday, which is a lot, considering that Metro Manila has less than one kilometer of road for every 424 vehicles. Currently, 50% of Metro Manila's road networks are operating near saturation level, at a volume or capacity ratio of 0.80% and at average speeds of 20 km/hour.

To address the traffic crisis, our bill declares as state policy the adoption of “comprehensive and effective measures” that will immediately create a transportation system that is “fast, safe,



secure, efficient, viable, competitive, dependable, integrated, environmentally sustainable, people-oriented, and inclusive." In short, it defines the problems, and prescribes the cure.

By granting emergency powers to the Executive branch, we can achieve the following:

1. Harmonize traffic laws of LGUs and the national government;
2. Provide for the use of Alternative Methods of Procurement under our existing procurement law (RA 9184);
3. Compel, empower, and capacitate the Executive branch to implement existing plans (Three-Year Rolling Infrastructure Program of the NEDA; JICA plans approved by the NEDA);
4. Compel, empower, and capacitate the Executive branch to create and implement a short to mid-term plan, known as the Traffic Crisis Action and Decongestion Plan, to specifically address the traffic and congestion crisis we are now experiencing and harmonize traffic regulation.

Achieving the above requires a focal person who will be the lead implementer of powers conferred. This will be the Traffic Crisis Manager. The Traffic Crisis Manager shall be appointed by the President and shall have Cabinet rank and pay, and privileges of a department secretary. He shall have the opportunity to formulate, coordinate and implement land, air, and seaport traffic plans, projects and programs. He may open private roads, clear sidewalks, and override LGU ordinances that are counterproductive in easing traffic in Metro Manila.

But the Traffic Crisis Manager cannot just enter the fray without knowing what he has to do. Thus, we cannot simply build, build and build without planning, for you will end up with a Lego city built by toddlers. You want order, organization, and flexibility in building a city and in connecting regions.

So, the first question is: "Is there a plan?" The DOTr could not give us a straight answer so we shall give it to them. Yes, there are already existing plans. We do not have a lack of them. For short-term infrastructure projects, we have the Three-Year Rolling Infrastructure Program or TRIP, which consists of plans submitted by various agencies and already approved by the NEDA. We do not understand why from the very beginning the DOTr did not reference to this. For long-term projects, we specified in our bill the Roadmap for Transport Infrastructure

Development for Greater Metro Manila and the Roadmap Study for Sustainable Development for Metro Cebu.

The Three-Year Rolling Infrastructure Program, however, will simply be part of the Traffic Crisis Action and Decongestion Plan. This plan encompasses not just infrastructure but also programs and projects that aim to immediately address the traffic crisis.

Programs and projects under the Traffic Crisis Action and Decongestion Plan include route rationalization; creating a uniform Traffic Code that will harmonize all laws related to traffic management; managing the volume of users in gateway seaports and airports to aid decongestion; and modify, revise, amend, suspend, or revoke franchises; among others.

What about other cities, like Davao, Cagayan De Oro, Iloilo and Lipa? Remember when I emphasized the importance of having a plan? These cities do not have a "master plan" yet. We cannot simply build a flyover and take it down later because we want to build a BRT. The emergency powers will empower the Executive branch to start feasibility studies on these areas. We are now compelling them to actually have a legitimate study because they have none in many areas.


However, for immediate relief, the Traffic Crisis Manager may implement similar systems and mechanisms, such as implementing a teleworking scheme, clearing of sidewalks, designation of PUV terminals in these areas.

While this bill sets the parameters for the projects to be implemented, it gives the implementers more than enough latitude to maneuver, provided that they are within fixed parameters.

So what does this bill prescribe?

It sets a rules-based exercise of emergency powers. The Constitution does not permit the Executive to write its own emergency powers in a Do-It-Yourself fashion. And it is in obedience to the Constitution that we have made the emergency powers time-bound, targeted, transparent, task-oriented, and technology-aided.

Time-bound, because emergency powers given to the President must have an expiry date. Without this, the element of urgency is lost. Why call it an "emergency" if we do not demand for immediate or urgent solutions? Our bill uses the language of the Constitution that limits the grant of emergency powers to the next adjournment of session, which is June 2019.





Second, it is targeted because it specifies the areas where it would and may be applied. In this case, the implementation of infra projects, subject to an existing plan, covers Metro Manila, Metro Cebu and their adjoining towns and cities. However, this does not preclude the creation of a master transportation plan for other areas, especially highly urbanized cities and municipalities that are already suffering from traffic congestion.

Third, it is transparent because these are emergency powers to solve problems and not—to borrow a term popular years ago—“emergency powers to steal.” The power to expedite projects is not a license to contract expensive projects with kickbacks. Our bill requires the publication of everything that has to do with the use of emergency powers—from the policies crafted through this Act down to the updates on projects being implemented.

It is also task-oriented, because although the weight of this Act falls heavily on the Traffic Crisis Manager, it empowers him to create an inter-agency task force and designate action officers from both the national and local government.

*Hindi naman si Superman si Traffic Crisis Manager at lalong hindi siya ang Diyos.* Thus, the bill retains the mandate and duties of specific agencies, such as the DPWH, MMDA, NHA, and LGUs. It also creates a Traffic Crisis Advisory Council, which is composed of not just the pertinent government agencies, but also members of the academe, NGOs, technical experts, and representatives from transport and commuter groups.

As the powers given are great, so are the sanctions for their abuse. Any violation or non-compliance with any provision in the Act shall be considered a violation under the Anti-Graft and Corrupt Practices Act and shall be penalized with imprisonment of one to ten years and shall be perpetually disqualified from holding public office.

*Kung meron pong pasaway na local government official na ayaw makisama sa centralized regulation dahil sa pulitika o ano pa man, ito po ay violation at puwede na siyang ma-disqualify perpetually from public office.* Kailangan pong makisama tayo dito para sa ikabubuti ng ating bayan. Kaya ‘yung mga pasaway sa gobyerno na ayaw maging team player at nagpapahirap sa pagpapatupad ng mga proyekto na makakapagpabilis sa daloy ng trapiko ay mapaparusahan. Ang mga barangay captain na hindi tumutulong para

*maayos ang trapiko sa lugar nila at hindi nagpapaalis ng mga illegally parked car ay maari ring kasuhan.*

*Paano naman iyung nagnanakaw o kumukuha ng kickbacks?* Our law also provides that if they violate an already existing law, such as the Revised Penal Code or any special act, then the maximum penalty shall be imposed.

Lastly, our emergency powers bill is technology-aided because if we will not tap the best solutions science can offer, then we will be applying more of the same ineffective cures.

Faster internet connectivity does not only mean faster Facebook speed. *Hindi lang po pang-Facebook ang gamit ng internet para mag-troll.* We also need this to ensure real-time monitoring of traffic, *katulad po kapag nanonood kayo ng mga news sa ibang bansa. Kapag sa mga pelikula, kapag nakikita nilang may emergency, mayroong central traffic control system na maaaring gawing green light lahat ng intersection with a touch of a button. Kailangan ganun din ang ating teknolohiya sa ating bansa at hindi iyang malayo sa katotohanan, kung atin lang bibigyan ng pagtutok.*

We also need this to make sure that people can work from homes. *Kaya nga ‘yung pagtatayo ng mga cell towers na bibilisan ay dapat nating payagan para mas mabilis ang internet access, that is why we also support the bill of Sen. Bam Aquino. Kailangang mabilis ang internet access para yung ibang kailangang pumasok sa trabaho ay sa bahay na lang. Pwede tayong mag-teleconference o video conferencing at marami pa tayong kamag-anak sa abroad na matutuwa sapagkat mas mabilis ang pasok ng Skype at information sa kanila.*

First, we will allow the Traffic Crisis Manager and the implementing agencies to use the Alternative Methods of Procurement under the existing procurement law, RA 9184, by recognizing traffic congestion as a calamity that needs urgent solutions. Our bill’s provision on procurement still remains faithful to RA 9184, with the addition that bonus incentives will be given to concessionaires who are able to complete their tasks at a shorter period of time. So, *ibig sabihin, kung mabilis po nilang matatapos ang mga proyekto, mayroong incentive-based reward.*

Second, our bill prohibits the issuances of TROs and preliminary injunctions by lower courts. Thus, only the Supreme Court may issue a TRO. *Para iyong mga nuisance lawsuits ay mabawasan or maalis.*



Third, we intend to limit the number of licenses, permits and certifications necessary to implement a priority project. *Mantakin ninyo, mismong gobyerno nahihirapan sa dami ninyo kailangan na permits para lang makapagtayo ng imprastraktura. Ang gobyerno kumukuha ng permits sa iba't ibang ahensya ng gobyerno at natatagalan. Tayo mismo ang nagpapabagal sa sarili nating mga proyekto.*

And fourth, we shall expedite the acquisition of rights-of-way, project sites, and relocation sites but with safeguards. For example, we shall provide for additional funding for informal settler families who need to be relocated. *Hindi naman pwedeng sasabihin nating magpapatayo tayo ng tulay; may mga nakatira pa doon at wala silang malilipatan. Kailangan may budget para realistic na makalipat ang ating mga kababayan.*

What about PUV operators who will be displaced due to the route rationalization scheme or other projects that will be implemented? *Hindi po natin sila nakaligtaan. Mayroong mga social support mechanisms na tutulong at magpu-protekta sa kanila.*

Granting emergency powers to the President may be frowned upon by some, but the public need not worry since there will be a Congressional Oversight Committee that will monitor their every move. A reporting mechanism is likewise in place. These are in addition to the transparency provision already found in the bill.

While there are many things that this bill is about, there are equally many things that this is not. It is not the sole handbook to fix our traffic problems. It is but one of many.

The Senate needs to do its part to help address the traffic crisis. But we also expect the Executive department to do theirs. If this bill passes into law, then the Executive department will no longer have any excuse and should stop pointing fingers as to its inability to address the traffic crisis in our country.

I also appeal to our *kababayans, sumunod po tayo sa batas trapiko. Huwag pumara sa gitna ng daan, tumawid tayo sa tamang lugar kahit mas malayo pa ito sa kinaroroonan, huwag mag-counterflow, etc. May mga pasaway rin na PUV and tricycle drivers na titigil sa unahan kahit green light na kasi kukuha pa ng pasahero o kaya naman gagawa ng terminal kung saan naman wala.*

*Ang lakas nating magreklamo tungkol sa trapik pero tayo rin minsan ang sanhi. Huwag ganun. Hindi ninyo kailangan ng taong papalo*

*sa inyo para lang madisiplina kayo. We should exercise self-discipline.*

I know that that this bill will not undergo smooth sailing when it comes to its evaluation but we are prepared to answer and accept legitimate amendments that will really help in smoothing out the problem of traffic.

I do hope that this Chamber will do its part in supporting this measure that could eventually improve the traffic condition of our country.

## **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1284**

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

## **SPECIAL ORDER**

Upon motion of Senator Honasan, there being no objection, the Body approved the transfer of Committee Report No. 25 on Senate Joint Resolution No. 5 from the Calendar for Ordinary Business to the Calendar for Special Orders.

## **COMMITTEE REPORT NO. 25 ON SENATE JOINT RESOLUTION NO. 5**

Upon motion of Senator Honasan, there being no objection, the Body considered, on Second Reading, Senate Joint Resolution No. 5 (Committee Report No. 25), entitled

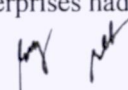
## **JOINT RESOLUTION INCREASING THE MONTHLY PENSION OF THE SOCIAL SECURITY SYSTEM PENSIONERS UNDER THE SOCIAL SECURITY ACT OF 1997.**

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

The Chair recognized Senator Gordon for the sponsorship.

## **SPONSORSHIP SPEECH OF SENATOR GORDON**

Senator Gordon stated that the Committee on Government Corporations and Public Enterprises had





simply a couple of hearings on the P2,000 across-the-board increase in SSS pensions because there was already a similar bill that was approved by the previous Congress but was vetoed by President Benigno Aquino III, so that when the new Congress (17<sup>th</sup> Congress) took over, individual legislations from Senators Recto, Villanueva, Trillanes, Villar, Ejercito, Binay, Legarda, Sotto, Zubiri, Gatchalian and himself were filed pursuant to the mandate of Article XVI, Section 8 of the 1987 Constitution that "the State shall, from time to time, review to upgrade the pensions and other benefits due to retirees of both the government and private sectors." He disclosed that the last grant given by SSS was in 2014 which was a 5% across-the-board monthly increase, translating only into a measly sixty pesos (P60.00).

Senator Gordon said that, normally, many senators would not assume the responsibility of increasing the pension as they do not have current knowledge of the SSS operations and that they fear that intervening therein would only put them at risk because the increase could be mistaken as a budgetary support.

But he pointed out that pensioners are reeling from inflation such that the P1,200 cost of living in the yesteryears now amounts to merely P580 per year, and according to data from the Philippine Statistics Authority, a family of five would need at least P9,140 per month to meet both basic food and non-food needs, while the average pensioner only receives P3,169 which is way below the poverty threshold, thereby impressing a sense of urgency upon both Houses of Congress to re-file the bill granting the increase. He said that when the P2,000 increase was announced, the DOF, as well as the SSS which has a new chairman, balked and appealed; in the process, they came out with an agreement to provide across-the-board increase of P1,000; however, the House of Representatives wanted a P2,000 increase, and after meeting with Speaker Alvarez and DOF Secretary Dominguez he was able to convince them to grant the first tranche of P1,000 by January 2017 and a second tranche by 2019.

On the issue of how long the SSS pension fund would last if a P1,000 across-the-board increase is granted, Senator Gordon said that with the grant of P1,000 by January 2017, the fund would last until 2032. Thus, he underscored that political will is necessary to increase the contributions and collections from employers and employees because of the current membership of 34 million, the SSS was able to collect only 38%.

He believed that the government can do its share by providing more employment opportunities, spending the funds for infrastructure, promoting tourism, and increasing foreign direct investments as exemplified by Subic Bay which started with zero-based investment until it was able to generate between P2 billion to P3 billion worth of investments.

As regards savings rate, Senator Gordon said that as defined by Senator Recto, taxes can be interpreted as savings of the people because these tax monies return to them in terms of infrastructure, schools or social claims, but looking at savings as percentage of GDP in 2014, Philippines has only 17.2% compared to other countries in South East Asia, thus all the more reason to have political will.

Furthermore, he revealed that more contributions are extracted from GSIS at 21% compared to 11% from SSS. Still, he acknowledged the serious repercussions of the increase by legislative fiat as he believed that it should be executed by the business sector of SSS. He noted that the SSS has lots of non-performing or sleeping assets, such as P18 billion worth of condominiums in Bella Villa, 19 units; Pioneer Highlands, 51 units; Renaissance Tower, three units; and Cyber One, five units, among others. The investments, he said, can be liquefied or rented out and that, in fact, P198 million can be generated as rental income from the condominium units.

Senator Gordon said that one suggestion would be for the BIR to help in the collection by visiting employers to make collections readily available to the agency or for the DOLE to push employers to provide contributions that have been slow in coming.

He said that the House version — which seeks to expedite the adoption of the resolution so that congressmen, whose terms are expiring in 2019, might present a parting gift to the people — proposes an immediate P1,000 increase over and above that proposed by the Senate. He explained that while the Senate was more inclined to discuss the granting of a second tranche in 2018, because it would give Congress time to put pressure on the SSS to get the necessary monies to ensure that the agency can pay the "ridiculously low" additional to the existing pension. He acknowledged that the proposed P1,000 increase is unrealistic compared to what is charged to members for their contributions which are supposed to be forced savings that ought to go a long way when they retire. He recalled having advised the SSS to



better market employer-employee contributions into the system so that the pension is not treated as a handout.

Noting that Senator Sotto also proposed other good amendments to the resolution, Senator Gordon said that such suggestions would have to wait along with other proposals until a decision has been made whether a second tranche would be provided for pensioners in 2018. He said that at least around two million pensioners would be made aware of the fact that the Senate and the House of Representatives have provided a "feel good" Christmas and New Year present of P1,000 through the joint resolution.

Senator Gordon said that Congress could still push through with the additional pension in 2019 when legislators discuss the feasibility of having a second tranche in 2018.

In closing, he asked the Members to adopt the joint resolution so that the announcement for the additional pension could be given by January or even before the end of the year.

#### INTERPELLATION OF SENATOR RECTO

Senator Recto said that while he would have wanted to further review the joint resolution, he had been informed only that day that the measure would be taken up and that if it were not passed, the additional P1,000 would not be given to retirees by January. He also explained that he was among the principal authors of the proposal but clarified that his version was to reform the SSS charter which had not been reviewed in the last 20 years.

Senator Recto believed that the government should have first worked on tax reforms to improve the take-home pay before passing the Salary Standardization Law (SSL); however, the current administration adopted the executive order of the former president on the SSL before proposing to reduce income taxes without looking at its implication on the pension of retirees. He expressed his intention to look into the charters of the GSIS and the SSS, noting that while the pension scheme for the private sector was being discussed, there were no talks on improving the pension for GSIS retirees.

Asked why the increase in SSS pension was proposed by way of a joint resolution rather than through a bill, Senator Gordon replied that aside from

the fact that the House and the Senate have agreed on the general principles, a bill would mean an intrusion into the jurisdiction of the SSS which pays experts to manage its resources. He added that the SSS even suggested that it would be better if the announcement on the pension increase came from Congress so that the public would see that legislators have also done their part to improve the welfare of retirees.

Senator Gordon also noted that proposing the increase through a bill would mean lengthy discussions and amendments, whereas a resolution would be a palliative measure that could easily be adopted particularly since the proposal had previously been vetoed by the Aquino administration even though it had been approved by both houses of Congress. He gave assurance that the Committee would go into more substantive measures when it would consider reforms in the SSS and the GSIS.

Senator Recto said that insofar as a total reform measure is concerned, a bill would be more appropriate than a resolution. He maintained that a bill or a resolution would still be intrusive insofar as the finances of the SSS are concerned.

Asked whether the SSS would be prevented from giving the additional P1,000 to pensioners in January if the resolution is not approved, Senator Gordon replied in the negative.

Senator Recto said that regardless of the resolution, the SSS board has agreed anyway to give the additional amount to pensioners. He also agreed with Senator Gordon's observation that Congress only intervened after seeing that the agency was not working to hike the benefits of its members.

At this juncture, Senator Villar explained that it was during her term as chairperson of the Committee on Government Corporations and Public Enterprises in the previous Congress when her committee passed the measure for the additional pension for SSS retirees which was based on a P7,000 increase that was filed by the House of Representatives and which was eventually lowered to P2,000.

She informed the Body that after conducting a review of the SSS collections, the Committee discovered that the collection rate went down to 38% from 70% in the previous years, an indication that the agency was not really working on improving the collection of contributions to provide well for its

*ms*



pensioners. She pointed out that the smallest pension in the SSS of P1,200 which is way below the minimum salary of P6,300 needed to feed a family of five; it is way below the poverty line and is even equal to the amount given to Conditional Cash Transfer (CCT) beneficiaries who are unemployed. This, she said, is sending a bad signal to the people because it gives the impression that it is better not to work and receive more benefits from government than to work for 10 or 20 years and receive a measly P1,200 per month. As such, she said that the Committee felt that the bill would encourage people to work in order to receive more from the government than if they are just CCT beneficiaries.

For his part, Senator Recto explained that precisely he filed a bill seeking to institute total reform measures in the SSS which included, among others, provisions that would allow the agency to invest in certain activities and address concerns such as the P16,000 cap that one can contribute based on his salary. This, he said, meant that the richest man in the Philippines like Henry Sy would likely be contributing the same amount to the SSS as does his driver. Secondly, he said that the bill was done 20 years ago while the concept of the pension was different from what it is at present. Asked why the proposal was pegged at P1,000, Senator Gordon replied that the P1,000 increase was made following negotiations between himself, the House of Representatives, and Commissioner La Viña as well as the chairperson. He explained that he rejected the idea that the SSS would only agree to the proposed increase provided that Congress allows them several concessions in their charter, such as:

- Increase in the monthly salary credit rating;
- Enactment of stand-alone laws, such as making it compulsory for public-private partnership proponents/operators to grant the SSS the right of first refusal to invest up to 25% in equity participation in all PPP projects, something which would have to be overseen by Congress; and
- Authorizing the Commission to condone penalties.

Senator Recto agreed that the SSS was setting too many conditions, saying that he was not supportive of all their initiatives which he had also seen during the previous Congress.

Senator Gordon said that the SSS also wanted amendments to its charter along with other measures

that would ensure the viability and sustainability of its fund. Such trade-offs, he said, are among the reasons why he was not in favor of their kind of intervention. He stressed that the SSS must run the fund with the end in view of providing as much stretch of the savings of the people when they retire.

For his part, Senator Recto agreed that the contributions are a forced savings mechanism or payroll tax which is deducted from one's salary for the purpose of providing pension.

Asked again why the resolution only proposes a P1,000 increase in the pension of retirees, Senator Gordon replied that every time the amount is increased, there is a concomitant threat to the viability of the fund, hence, Congress agreed to a P1,000 for the meantime. He explained that a P1,000 increase would require P2 billion to pay two million retirees a month, or P24 billion a year, or P36 billion if the 13<sup>th</sup> month benefit, assuming it is given across-the-board, is included.

Senator Recto pointed out that there are many types of pensions granted by the SSS, like old-age or senior citizen's pension, survivorship, and others. Asked on the minimum, average and maximum amount of pension for each retiree, Senator Gordon said that the amount would be P1,200, P3,169, and P17,480, respectively. Senator Recto noted that there are also amounts that are not given across-the-board, such as survivorship pension where those who give the most should be given higher amounts. He lamented that SSS might have been lazy to compute for the various types of pensioners, hence, the across-the-board proposal.

As an oversight function, Senator Gordon stated that he would be willing to meet with SSS monthly to monitor their performance.

As regards the total membership of SSS and its total assets at present, Senator Gordon said that there are 34 million members, of which only 38%, or roughly 12 million members, are paying; on the other hand, the total assets of SSS is P474 billion.

Senator Recto pointed out that the GSIS, on the other hand, has two million members and assets totalling P900 billion. He said that the assets of both the SSS and the GSIS are called sovereign wealth funds. He recalled his suggestion during the budget deliberations to include in the discussions the SSS and GSIS because when combined with Pag-IBIG



and PhilHealth, the amount involved is about P1.8 trillion. Senator Gordon agreed, saying that there should be nothing that would prevent the Senate from including them in the discussions of the budget.

Senator Recto stated that as he had previously proposed, a lot can be done with SSS and GSIS, like investing in infrastructure or PPPs. He said that the taxpayers who are the contributors to SSS and GSIS should be allowed to own roads and that investments should not be concentrated on the richest families. That way, he believed that the SSS and GSIS would earn more, the infrastructure would be owned, made, and financed by Filipinos, and they would be assured that their money will return to them, not just the P1,000 pension that go to senior citizens. He pointed out that PPPs are government guaranteed, similar to Treasury bills which SSS currently invests on.

Senator Gordon agreed, stating that the only thing he would require is for the SSS and GSIS to practice extraordinary diligence at all times so as not to lose the money.

Senator Recto noted that with SSS making P47 billion in 2014, it would have been easier for the previous administration to give P2,000 to each pensioner. Senator Gordon agreed, saying that he wanted to point that out also, but that he only highlighted the reforms that SSS needs to catch up.

Senator Recto stated that he values the position of Senator Gordon on being prudent with taxpayers' money. However, with a P47 billion gain in 2014, he said that even with P1,500, SSS would still have P11 billion that would be put in the reserve fund, and with P444 billion in the reserve fund, and the additional P11 billion, the reserve fund would not be reduced.

Asked if the amount could still be increased, Senator Gordon explained that if the SSS is forced to grant a P2,000 increase, they would be compelled to be more aggressive in making the fund grow.

Senator Recto said that he supports the position of Senator Villar to push SSS to work. He noted that despite the mandate for business owners to pay BIR, SSS, Pag-IBIG and PhilHealth premiums every month, the BIR has a higher compliance rate due to its visitorial powers that the SSS does not have. He proposed that one check should be written every month to the BIR, and the BIR, in turn, would remit the collections representing the respective premium

contributions to these various institutions, thereby cutting red tape in government.

Senator Gordon agreed that the proposal could be included in the discussion of the reform measures.

Senator Gordon expressed his agreement with Senator Recto that the pensions are savings returned to the senior citizens to assure them that they would have a dignified life when they retire.

On a final note, Senator Recto mentioned that the country's unemployment rate was pegged at 4.6% which, theoretically, translates to 100% employment. If true, he asked why only 12 million are contributing to SSS when there are 40 million members. He said that he was looking forward to the discussions on the total reform measure for the pension system and in the meantime, he would vote in favor of the resolution.

#### **SUSPENSION OF SESSION**

Upon motion of Senator Honasan, the session was suspended.

*It was 6:05 p.m.*

#### **RESUMPTION OF SESSION**

At 6:23 p.m., the session was resumed.

#### **SUSPENSION OF CONSIDERATION OF SENATE JOINT RESOLUTION NO. 5**

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


#### **MOTION OF SENATOR GORDON**

Senator Gordon moved that the Body adopt, subject to style, a resolution expressing the sense of the Senate in support of the increase in the monthly pension of all SSS pensioners by P1,000 effective immediately.

Submitted to a vote and there being no objection, the motion was approved.

#### **MANIFESTATION OF SENATOR VILLANUEVA**

Senator Villanueva said that he was proud to be





voting in favor of the resolution expressing the sense of the Senate in support of granting to more than 2.15 million beneficiaries additional P1,000, making their pension at least P2,200 a month. He thanked Senator Gordon for being focused and concentrated on the subject matter. He said that he would be actively participating in the upcoming debates on the issue.

#### **MANIFESTATION OF SENATOR ANGARA**

Senator Angara informed the Body that he had a meeting earlier with Finance Secretary Dominguez and that according to the Secretary, an increase in pension by P1,000 across the board would have the effect of reducing the life of the SSS reserve fund from 2042 to 2028, and that by 2018, the country would be breaching the 3% deficit-to-GDP ratio. Assuming those projections hold through, he said that the country would hit about 3.3% on deficit-to-GDP ratio. He conveyed the Finance Secretary's fear that the Senate was treading on dangerous ground because the two circumstances put together might give the ratings agencies pause to consider possible downgrade for the country. He cautioned that the potential effects were something that the Committee should consider as the Body moves forward to further debates on the matter in the future.

#### **CHANGE OF REFERRAL**

Upon motion of Senator Honasan, there being no objection, the Chair approved the transfer of the primary referral of Proposed Senate Resolution No. 55 from the Committee on Public Services to the Committee on Science and Technology.

#### **MOTION OF SENATOR HONASAN**

Likewise, upon motion of Senator Honasan, there being no objection, Proposed Senate Resolution No. 55 was deemed considered part of Committee Report No. 19.

#### **YEAR-END MESSAGE OF SENATE PRESIDENT PIMENTEL**

Before declaring the last session day of 2016 officially adjourned, Senate President Pimentel requested that his Christmas message be inserted into the record. He thanked the members of the Majority for their hard work and support, and the members of the Minority for their hard work and

critical collaboration. He stated that the Senate had a very productive year; and had obtained a high satisfaction rating of 52% in a September 2016 survey. He also congratulated everyone for being a part of a historic year, the 100<sup>th</sup> year of the Philippine Senate.

He wished the senators and their staff and Senate employees a Merry Christmas and enjoined them to have a good rest so that by 2017, everyone would be back to their hardworking ways again. He said that he would call for an early caucus so that the Members could pinpoint and identify priority measures which the Body would pursue in a focused manner from January to March 2017.

*The full text of Senate President Pimentel's Christmas message follows:*

My dear colleagues, Senate officials and employees, guests, ladies, and gentlemen, as we adjourn the session of the Senate to celebrate the holidays, allow me to wish each of you a Merry Christmas and a Blessed New Year!

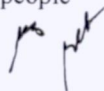
This truly is the season for thanksgiving and we in the Senate have much to be thankful for this 2016.

In the centennial year of our beloved institution, the public gave us one of the highest net satisfaction ratings recorded since these surveys started in 1988 (a satisfaction rating of 52% as of September 2016). This is an affirmation that the public trusts us to deliver on the President's promise of a meaningful Change in the lives of our countrymen.

We opened the First Regular Session of the Senate of the 17<sup>th</sup> Congress by crafting an 11-point legislative agenda to guide us to Change. And this early, we can see its results.

To help the healing of the country after a divisive election, and to prevent an election ban on appointments from hindering the President from building his Team for Change, we passed a law that postponed the barangay and SK elections, the first law passed by the 17th Congress.

To fund the priority programs of the President, we ensured that the Budget for Change did not waste a single peso on any frivolous item. The result is a 3.35 trillion-peso budget that we now ratified for submission to the President. It is our gift to the Filipino people this Christmas.





In addition, we have adopted 35 Senate Resolutions, more notable of which are Adopted Resolution No. 33 wherein we concurred in the ratification of the Articles of Agreement of the Asian Infrastructure Investment Bank (AIIB), allowing our government access to more sources of funding so we can usher in a golden age of infrastructure for the Philippines; Adopted Resolution No. 21 which dealt with the proper integration into the Senate records when films, video clips, and other multimedia are part of the speeches made in the plenary; and Adopted Resolution No. 3 which divided into two (2) separate standing committees the Committee on Games, Amusements, and Sports.

But the Senate did not stop there. Even now, as we prepare to adjourn for the Christmas break, we continue to work on the 1283 bills that are now pending before our committees. I am sure that our Christmas holiday will be a working holiday, as we race to process these bills into law, and provide the legislative framework for real Change.

The large number of bills does not prevent us from discharging other duties of the Senate. We have begun hearings to begin the process of shifting the country to federalism. Federalism is an advocacy of President Duterte and my party, PDP Laban, but it does not mean that it is for us alone. We are working on this for the benefit of the Filipino people, regardless of political affiliation.

As we go home to our families, we are secure in the knowledge that we have done our part to contribute to Change. Our break is momentary. We will return next year, reinvigorated and ready to give our all once more in the service of our country.

Next year, we will continue our labor of love for the country. I will call for a senator's caucus early next year to set the legislative agenda for 2017. Hopefully, we will continue with the shift to federalism. We will continue to translate the 11-point legislative agenda into concrete laws that will help our nation. We will actively pursue until their conclusion priority bills such as the

Personal Income Tax Reform, the Amendments to the Anti-Money Laundering Act, Granting of Emergency Powers to Address the Traffic Crisis, and the End of Contractualization, among others.

We will spur national discussions even on controversial measures because that is the essence of democracy. And we will continue, in our 101<sup>st</sup> year, to lay the foundations for the future of an independent, responsible, and responsive Senate. We will continue to build a Senate that is truly a pillar of democracy and the pride of the Filipino people. Thank you to the Minority for their critical collaboration and intelligent cooperation

To my colleagues, to their staff, to the officials and employees of the Senate – good work, and Merry Christmas!

## BIRTHDAY GREETINGS


Senate President Pimentel stated that since the session would resume on January 16, 2017, he was greeting in advance Senator Recto on the occasion of his birth anniversary.

## ADJOURNMENT OF SESSION

Upon motion of Senator Honasan, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, January 16, 2017.

*It was 6:31 p.m.*

I hereby certify to the correctness of the foregoing.

  
**ATTY. LUTGARDO B. BARBO**  
*Secretary of the Senate*  
*aw 1/12* *po* *net* *h*

Approved on January 16, 2017