



REPUBLIC OF THE PHILIPPINES
Senate
Pasay City

Journal

SESSION NO. 57
Wednesday, February 1, 2017

SEVENTEENTH CONGRESS
FIRST REGULAR SESSION

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CALL TO ORDER

At 3:29 p.m., the Senate President, Hon. Aquilino “Koko” Pimentel III, called the session to order.

PRAYER

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

Ama namin,

Salamat po sa patuloy Ninyong ipinagkakaloob na buhay at biyaya.

Turuan po Ninyo kami na maging mapagmahal, mapagpatawad at mapagkumbaba sa gitna ng aming likas na kahinaan at pagkukulang sa Inyo at sa kapwa namin.

At sa aming tunay na pagkatao, tulungan po Ninyo kami upang maunawaan at isabuhay ang diwa ng malinis na kaloo-ban na sa Inyo lamang nagmumula.

Gabayan po Ninyo kami sa matuwid na landas upang patuloy kaming maging karapat-dapat na maglingkod sa Inyo at sa mahal na Inang Bayan para sa kina-bukasan ng aming mga anak.

Siya nawa.

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:

Angara, S.	Lacson, P. M.
Binay, M. L. N. S.	Legarda, L.
De Lima, L. M.	Pacquiao, E. M. D.
Drilon, F. M.	Pangilinan, F. N.
Ejercito, J. V. G.	Pimentel III, A. K.
Escudero, F. J. G.	Poe, G.
Gatchalian, W.	Recto, R. G.
Gordon, R. J.	Sotto III, V. C.
Honasan, G. B.	Villanueva, J.
Hontiveros, R.	

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

Senator Zubiri arrived after the roll call.

Senators Aquino, Cayetano and Trillanes were on official mission abroad to attend the 65th National Prayer Breakfast at the Washington Hilton in Washington, D.C.

Senator Villar was on official mission abroad to visit the various developmental projects and ideas in



the agricultural sector in Israel as indicated in the January 19, 2017 letter of authority of Senate President Pimentel.

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. 56 (January 31 2017) and considered it approved.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Senator Sotto acknowledged the presence in the gallery of the following guests:

- Mayor Marisa Red Martinez of Sta. Cruz, Marinduque – guest of Senator Legarda;
- Former Mayor Raymund Apacible, former Mayor Charito Apacible and former Congressman Dong Apacible of Nasugbu, Batangas;
- Officers of the Lady Local Legislators' League of the Philippines, headed by the new executive vice president, Vice Governor Karen Agapay of Laguna; and
- University of Santo Tomas Master of Laws students, headed by Attorney Maralit.

Senate President Pimentel welcomed the guests to the Senate.

REFERENCE OF BUSINESS

The Secretary of the Senate read the following Senate bills and communications which the Chair referred to the committees hereunder indicated:

BILLS ON FIRST READING

Senate Bill No. 1308, entitled

AN ACT INSTITUTIONALIZING
REFORMS IN THE PROCUREMENT
BY DISTRIBUTION UTILITIES OF
SUPPLY FOR THE CAPTIVE
MARKET

Introduced by Senator Win Gatchalian

To the Committee on Energy

Senate Bill No. 1309, entitled

AN ACT STRENGTHENING SUSTAIN-
ABLE AGRICULTURE AND EN-
HANCING SUPPORT FOR SMALL
ORGANIC FARMERS, AMENDING
FOR THE PURPOSE CERTAIN
SECTIONS OF REPUBLIC ACT
NO. 10068 OR THE ORGANIC
AGRICULTURE ACT OF 2010

Introduced by Senator Grace Poe

To the Committee on Agriculture and Food

Senate Bill No. 1310, entitled

AN ACT TO STRENGTHEN THE
INTERNAL AFFAIRS SERVICE OF
THE PHILIPPINE NATIONAL
POLICE, AMENDING FOR THE
PURPOSE CERTAIN PROVISIONS
OF REPUBLIC ACT NO. 6975 AS
AMENDED BY REPUBLIC ACT
NO. 8551, AND FOR OTHER
PURPOSES

Introduced by Senator Lacson

To the Committees on Public Order and
Dangerous Drugs; and Finance

COMMUNICATIONS

Letters from the *Bangko Sentral ng Pilipinas*, transmitting to the Senate copies of the following certified and authenticated BSP issuances, in compliance with Section 15(a) of Republic Act No. 7653 (The New Central Bank Act):

Memorandum No. M-2017-001 dated 17
January 2017;

Circular Letter No. CL-2017-005 dated 20
January 2017; and

Circular Nos. 940, 941 and 942 dated 20
January 2017.

To the Committee on Banks, Financial
Institutions and Currencies

SPECIAL ORDER

Upon motion of Senator Sotto, there being
no objection, the Body approved the transfer of

Committee Report No. 32 on Senate Bill No. 1108 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 32
ON SENATE BILL NO. 1108**

Upon motion of Senator Sotto, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1108 (Committee Report No. 32), entitled

AN ACT IDENTIFYING OTHER PERSONS CRIMINALLY LIABLE FOR ELECTION OFFENSES AND INCREASING THE PENALTIES FOR ELECTION-RELATED OFFENSES, AMENDING SECTIONS 263 AND 264 OF BATAS PAMBANSA BILANG 881, AS AMENDED, OR "THE OMNIBUS ELECTION CODE OF THE PHILIPPINES," AND SECTION 46 OF REPUBLIC ACT NO. 8189 OR "THE VOTER'S REGISTRATION ACT OF 1996," AND FOR OTHER PURPOSES.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, 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 De Lima for the sponsorship.

**SPONSORSHIP SPEECH
OF SENATOR DE LIMA**

Senator De Lima, chairperson of the Committee on Electoral Reforms and People's Participation, presented for the Body's consideration Senate Bill No. 1108 which, she said, took into account the inputs of the Commission on Elections and other stakeholders. She recommended that the measure introduced by Senator Ejercito be approved with amendments.

Following is the full text of Senator De Lima's sponsorship speech:

Before I joined public service, I was an election lawyer advocating for clean and honest elections. Advancing then the interest of my clients, I made sure that no mockery of the

election process would take place and that they do not become victims of election cheating or violence.

As an election lawyer, I served a number of governors, vice governors, congressmen, congresswomen, mayors, vice mayors, councilors and even barangay chairmen.

I am honored to have served as an election lawyer to the likes of then Sen. Raul Roco, then Senate President Manny Villar, and now Senate President Koko Pimentel. Incidentally, Senator Pimentel's case was an eye-opener on the intensity and gravity of the electoral fraud and irregularities that transpired in the 2007 national and local elections. In the end, over 300,000 fake ballots were found to have been included in the tally of the elections and which were consequently invalidated by the Senate Electoral Tribunal in its 2011 Decision of that protest case.

I also served as the election lawyer of Sen. Alan Peter Cayetano who, during the 2007 elections, was not a "favorite" of Malacañang, so to speak. Yes, I advocated for Sen. Alan Peter Cayetano at a time when the might of the entire administration was bearing heavily down on him. Fighting for truth and justice, I believed then that it was unfair and unjust if he was deprived of the chance to serve the public as senator simply because he was critical of the Arroyo administration.

It is exactly because of my experience as an election lawyer that I understand the need for the imposition of stricter penalties for the commission of election offenses, stricter than those already provided for in Batas Pambansa Blg. 881 or the Omnibus Election Code of the Philippines, and Republic Act No. 8189 or the Voter's Registration Act of 1996.

Indeed, the idea of being imprisoned for six years and one day but not more than twelve years, as proposed to be increased from the current imposable penalty of one year to not more than six years, for the commission of an election offense would be a deterrent against the perpetration of electoral fraud or irregularities. Aside from this singular increase in the penalty for the commission of election offenses, this prospective law that seeks to amend the Omnibus Election Code and RA 8189 also provides for the following:

1. If the offender is an officer or employee of the Comelec, the AFP, the PNP or any other security force including paramilitary units, he shall be punished with the maximum penalty of 12 years;



2. If the election offense is committed through and attended by violence, coercion, intimidation, force or threats, the guilty offender shall suffer a higher penalty of imprisonment of 12 years and one day at the minimum up to 20 years at the maximum;
3. The political party, coalition, or party-list to which the guilty offender belongs shall be penalized with a fine of not less than P500,000 — increased from the current P10,000 — as part of the civil liability incurred for the commission of the election offense;
4. In case of a prisoner illegally released from any penitentiary or jail, the director of prisons, provincial warden, keeper of the jail or prison, or persons who are required by law to keep said prisoner in their custody and the subject prisoner shall suffer the penalty of *reclusion perpetua*, if the prisoner illegally released commits any act of intimidation, terrorism or interference in the election;
5. For violations of prohibited acts under RA 8189, or the Voter's Registration Act, the same increase in penalties shall apply, including the graver penalties when committed with and attended by violence, coercion, intimidation, force or threats, or when committed by an officer or employee of the Comelec, the AFP, the PNP, or any other security force including paramilitary units;
6. If a felony penalized under the Revised Penal Code is committed in connection with an election or political exercise, the election-related element shall be appreciated as an aggravating circumstance in the commission of said felony; and
7. If the commission of the election offense likewise constitutes a felony under the Revised Penal Code, the offender shall be prosecuted separately and concurrently under the Omnibus Election Code and the Revised Penal Code.

And perhaps most significantly, these proposed amendments will ensure higher success rates in the prosecution of such offenses, considering that these higher penalties will qualify potential witnesses to avail of the benefits of Republic Act No. 6981, or the "Witness Protection, Security and Benefit Act," which, under Section 3(a) of said law as it currently stands, requires that "the offense in which the witness's testimony will be used is a grave felony as defined under the Revised Penal Code, or its equivalent under special laws." The proposed increase in the penalty would precisely make it a grave felony and, therefore, qualified under the

WPP of any witness to avail of the benefits thereunder.

All these are imperative amendments to our existing body of election laws because our electoral process is sacred.

It is the cornerstone of democracy itself.

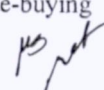
Severe as it may seem, the gravity of the penalties in this proposed bill is commensurate to the crime committed, especially for Comelec officials and government security forces since they are the ones responsible of ensuring free, orderly, honest, peaceful and credible elections. This bill, therefore, pushes further against the culture of corruption and "*bantay-salakay*" in our electoral processes, against the practice of the guardians becoming the culprits of fraud and cheating.

Admittedly, increasing penalties alone will not solve the problem of cheating in our electoral system. So long as only a few are prosecuted and jailed — and that is a reality now — election officials will continue to be corrupted by candidates and their election operators. This is why the Committee on Electoral Reforms and People's Participation has lined up a series of bills proposed by our distinguished colleagues in this august Chamber, measures that will in totality contribute to ensure effective election law enforcement, if not introduce an overhaul of the way we conduct our elections, including the reform of the political party system, the enactment of an anti-political dynasty law, and a reconfiguration of election campaign financing towards the democratization of the donor's base and transparency on large campaign financiers.

Needless to say, this proposed bill is but a first step towards what we envision as a modernized political party and electoral system geared towards greater public participation in the essential exercise of the people's political right to determine the future they want for themselves.

But first, we must start with the basics of remedying the anomaly in our antiquated elections laws by putting more teeth on the penalties that were formulated long ago in a milieu and an era very different from our own. From manual elections we have shifted to automated elections, thus also shifting forms of election cheating from vote-padding to vote-shaving during the canvassing process to pre-election day election violations on campaign propaganda as well as massive vote-buying.

Ang biro po ngayon ay imbes na sa mga abogado at operator na nagbubuhos ng perang pandaya ay inuubos na lamang sa vote-buying



ang pera ng mga kandidato. Totoo man ito o hindi, ang punto ay nag-iba na ang kalakaran sa larangan ng ating halalan, kasama na dito ang mga pamamaraan sa pandaraya. Ang sagot natin dito ay ang walang tigil na pag-repaso ng ating mga batas para umakma sa umiiral na realidad ng ating panahon. Kung nasaan ang kalapastangan sa pandaraya, doon tayo dapat matunton ng sambayanan, nag-uusisa at umuusig sa mga natitira pang mga politiko na hindi naniniwala sa pamamaraan ng demokrasya, ngunit sa kabila ay natutuwa pang umupo sa posisyon na nakamit sa pamamagitan ng pandaraya at pagnakaw sa hatol ng sambayanan.

Tapusin na po natin ang ganitong uri ng pulitika at mga ganitong uri ng politiko. Ngunit sa kasalakuyan, dagdagan muna natin ang taon ng pagbilanggo sa mga mandaraya, opisyal man ng gobyerno o kandidato, para mabulok naman ang kanilang kampon sa bilangguan, at subukan nila doon tumakbo bilang mga gang leader ng mga katulad nilang mga pusakal. Dahil mas malala pa ang kanilang kasalanan sa bayan bilang mga naturang magnanakaw, pumapatay at gumagahasa sa ating demokrasya.

In the words of Senator Ejercito, the author of the bill, "it is of vital importance to ensure that election results represent the sovereign will of the people and not manipulated by individuals who desire the seat of power to protect their personal interests." We must stand against unscrupulous individuals who allow themselves to be conspirators in the travesty of the electoral processes.

In light of the foregoing, I hereby appeal to my colleagues to lend their support for these imperative amendments to our body of election laws.

MANIFESTATION OF SENATOR SOTTO

Senator Sotto manifested that Senator Ejercito would deliver his cosponsorship speech on the measure on Monday, February 6, 2017.

Likewise, in the interest of propriety, he requested his colleagues, who want their guests to be acknowledged, to submit to him the name of the guests before the Body proceeds to the Reference of Business

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1108

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

MANIFESTATION OF SENATOR GORDON

At this juncture, Senator Gordon suggested that before a senator sponsors a measure on the floor, the Members of the Body should be furnished with a copy of the bill being sponsored for a more cogent and speedy consideration of the measure.

COMMITTEE REPORT NO. 29 ON SENATE BILL NO. 1305

(Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1305 (Committee Report No. 29), entitled

AN ACT INCREASING THE MATERNITY LEAVE PERIOD TO ONE HUNDRED TWENTY (120) DAYS FOR FEMALE WORKERS IN THE GOVERNMENT SERVICE AND THE PRIVATE SECTOR WITH AN OPTION TO EXTEND FOR AN ADDITIONAL THIRTY (30) DAYS WITHOUT PAY, PROVIDING A PARENTAL LEAVE PERIOD FOR ADOPTIVE PARENTS, AND GRANTING AN ADDITIONAL THIRTY (30) DAYS FOR SOLO MOTHERS, AND FOR OTHER PURPOSES.

Senator Sotto informed the Body that the sponsorship of the measure was made the previous week but that Senators Binay and Legarda were not able to deliver their cosponsorship speeches.

Thereupon, the Senate President recognized Senator Binay for her cosponsorship speech.

COSPONSORSHIP SPEECH OF SENATOR BINAY

Senator Binay stressed the importance of giving mothers enough time to recuperate after giving birth to a child, not only to recover physically but to enjoy the luxury of spending more time to bond with the newly born especially in its crucial period of development.

Following is the full text of Senator Binay's cosponsorship speech:

Bilang isang ina, alam ko kung gaano kahirap mag-alaga ng anak habang naghihintay na maghilom ang sugat sa panganganak.



Having four children, I was lucky that I was not required to immediately return to work. But for majority of Filipino mothers, resting for an indefinite amount of time is a luxury that they cannot afford to do so.

That is why it is imperative that we, my colleagues in Congress, must work together and pass the proposed increase in maternity leave benefits from the existing 60 days to 120 days.

Para sa aming mga kababaihan, kulang na kulang ang 60 days na maternity leave, lalo na kung maselan ang pagbubuntis at panganganak.

Karamihan din sa mga nanay ay pinipiling magtrabaho dalawa o tatlong linggo bago manganak. Ito ay upang magamit nang husto ang natitirang lima o anim na linggong maternity leave sa pag-aalaga sa kanilang anak at sarili.

Being a mother is a wonderful experience, and no words can fully describe the feeling of being with my children.

Studies have shown that a longer rate of mother-child bonding, especially through breastfeeding, has long-term effects to the child's development and health.

So it pains me to see a mother cutting short her time to bond with her child and go back to work, especially during the crucial period of the infant's development.

Some countries in Europe have recognized that mother and child bonding deserves a longer time, and allowed a year with pay for them. Even the International Labor Organization (ILO) recognizes a longer standard of 98 days. Our country even falls short of the ASEAN coverage of 93 days of maternity leaves.

It is high time that we, in the Philippines, recognized the need and allow for a longer time for a mother to spend with her child.

It is also high time that we recognized the role of a solo parent in raising her child; it is only just that we add another 30 days to their maternity leave benefits. It is hard enough to raise a child with two parents, and I can only guess the effort for a solo parent.

Sabi nila, it takes a community to raise a child, kung kaya marapat lamang na gawin natin dito sa Kongreso, bilang bahagi ng mas malaking komunidad, ang ating tungkulin na pangalagaan ang buhay at kalusugan ng ating mga anak – ang susunod na henerasyon.

So, I urge my colleagues in Congress, let us pass Senate Bill No. 1305.

COSPONSORSHIP SPEECH OF SENATOR LEGARDA

Senator Legarda reminded the Body of the international labor standards of providing mothers 120 days of maternity leave to allow them to fully recover physically and emotionally.

Following is the full text of Senator Legarda's cosponsorship speech:

Article XIII, Section 14 of the 1987 Constitution provides that "the State shall protect working women by providing safe and healthful working conditions, taking into account their maternal functions."

It is in this light that I lend my support and cosponsor the proposed Expanded Maternity Leave Law.

This landmark measure aims to increase the maternity leave of female employees in both the public and private sectors and thus fully comply with international labor standards on maternal protection which recommends a minimum of 98 days of maternity leave.

Under the said measure, the number of days of paid maternity leave shall be raised to 120 days for all workers – whether private or public sector employees – with the option to extend for an additional 30 days without pay.

Moreover, in the case of solo parents who qualify under Republic Act No. 8972 or the Solo Parent's Welfare Act, the paid maternity leave shall be for 150 days.

This is a multi-pronged measure aimed at improving maternal healthcare, reducing child mortality, and promoting breastfeeding.

It is also an important women empowerment measure because when mothers are given enough time to recuperate from childbirth and care for their newborns, they feel more fulfilled as mothers, which will definitely affect their emotional well-being, give them more confidence, and allow them to be prepared again to embark on a more challenging role of being working mothers and equal partners of men in nation-building.

For these reasons, I urge my colleagues to lend their valuable support so we can ensure the swift passage of this measure.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1305

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



**COMMITTEE REPORT NO. 31
ON SENATE BILL NO. 1306**
(Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1306 (Committee Report No. 31), entitled

**AN ACT CREATING THE PHILIPPINE
BOXING COMMISSION TO STRENGTHEN
THE BOXING INDUSTRY
AND PROMOTE THE SAFETY AND
WELFARE OF FILIPINO BOXERS,
AND PROVIDING FUNDS THEREFOR.**

Senator Sotto stated that the parliamentary status of the measure was the period of interpellations.

Thereupon, the Senate President recognized Senator Pacquiao, sponsor of the measure, and Senator Zubiri for his interpellation.

**INTERPELLATION
OF SENATOR ZUBIRI**

At the outset, Senator Zubiri acknowledged Senator Pacquiao's feat in the professional boxing arena and for dedicating his whole life to the sport. He said that no senator could match his full knowledge as regards professional boxing.

Asked to explain the purpose of creating the Philippine Boxing Commission considering that there is already the Games and Amusements Board (GAB), Senator Pacquiao explained that the bill aims to strengthen the boxing industry in the country as well as to protect the boxers since boxing is not an easy sport. Senator Zubiri stated that he comes from a region in Mindanao whose people are boxing-crazy and where it is played almost everyday, not only during fiesta celebrations. He agreed with Senator Pacquiao on the need for a commission that would focus on the sport which is well-loved by the Filipinos.

Senator Zubiri noticed that the monthly compensation of the chairperson would only be P8,000 which, he believed, was a small amount. Asked if the compensation is practical, Senator Pacquiao replied that the amount could be increased anytime, along with the compensation of the members of the board.

Senator Zubiri ended his interpellations by acknowledging the presence in the gallery of former world boxing champions Gerry Peñalosa and Onyok Velasco.

Senate President Pimentel welcomed the guests to the Senate.

**INTERPELLATION
OF SENATOR DRILON**

Senator Drilon expressed his support to Senate Bill No. 1306 as he congratulated Senator Pacquiao for his initiative in crafting the measure.

Asked how the proposed Philippine Boxing Commission differs from the present setup that the bill seeks to change, Senator Pacquiao replied that boxing is currently governed by the Games and Amusement Board (GAB) which handles other sports and even gambling. He said that he wanted to create a boxing commission focused only on boxing for the protection of boxers.

On whether the other athletes should also be covered and protected, Senator Pacquiao expressed his willingness to include the other athletes. However, he stressed that the commission would be exclusive to boxing because boxing is one of the sports where Filipinos could compete globally.

But Senator Drilon pointed out that under the Bill of Rights of the Constitution, "No person shall be deprived of life, liberty or property without due process of law nor shall any person be denied the equal protection of the laws," and he expressed concern that giving special benefits and protection to a selected group of athletes may be violative of the equal protection clause. Senator Pacquiao explained that the creation of the boxing commission would simply be the first step that hopefully would lead to the eventual creation of other commissions that would take care of the welfare of other sports. Senator Drilon commended the effort as laudable, but he asserted that the principle of equal protection must be applied. In this regard, he questioned why the other notable and equally deserving athletes such as Olympic silver medalist Hidilyn Diaz, World Pool champions Efren Bata Reyes, Francisco Bustamante, Renato Alcano and Dennis Ocullo, and track and field champions Lydia de Vega and Elma Muros were not included. Senator Pacquiao pointed out that some of the athletes are already under the Games

and Amusement Board, while the boxing commission sought to be created would be exclusive to boxing because boxing is one of the most difficult sports and the boxers must be properly protected by the officials handling the sports.

As he lauded Senator Pacquiao for his achievements in the field of boxing which brought honor to the country, Senator Drilon maintained that the equal protection clause of the Constitution must be upheld, and he pointed out that martial arts and judo are as tough and risky as boxing.

At this juncture, Senator Sotto pointed out that amateur sports are under the supervision of the Philippine Sports Commission. But in boxing, he explained, there are amateur and professional boxers, and the Games and Amusement Board regulates and supervises professional boxing only. Besides, he said that boxing is only one of the very few sports where Filipinos excel.

Senator Drilon reiterated that under the Constitution, there must be a material difference between two situations in order to have a valid classification. He noted that since both boxing and mixed martial arts (MMA) involve risk, there cannot be a valid classification between the boxer and the MMA fighter; otherwise, there would be constitutional infirmity, insofar as the equal protection clause is concerned. He said that pursuant to the Bill of Rights, those of the same class must be treated similarly, but he pointed out that since professional combat sports are no different from boxing, there can be no valid distinction to exclude combat sports.

Senator Sotto noted that MMA is not part of the program of neither the PSC nor the GAB and it does not have a national body governing it; conversely, boxing, which is a premier professional sport, is not equally protected because the PSC only manages amateur sports. Thereupon, he suggested finding the middle ground to address the issues raised by Senator Drilon.

Accordingly, Senate President Pimentel believed that since MMA, UFC and taekwondo were relatively unregulated new sports in the Philippines, they bring a possible loophole under the present law.

Still, Senator Drilon maintained that the principle of equal protection does not take into account whether or not the sport is old or new; it is not a reasonable distinction that would classify boxing as a sport

distinct from mixed martial arts. He noted that even the professional boxers are entitled to certain benefits like PhilHealth coverage and survivorship pension which are being denied to the amateur boxers.

To the statement that benefits for amateur boxers are available under the PSC, Senator Drilon emphasized that the fact that one activity is under the supervision of one body is not a valid ground to classify the activity as distinct.

Saying that he used to be a member of the Amateur Boxing Association of the Philippines, Inc. (ABAP) representing Bukidnon, Senator Zubiri informed the Body that when it comes to boxing, the rules and guidelines governing this sport are set by the PSC and the national sports association (NSA) for boxing, in this case, the ABAP, and boxers are not allowed to get the prize money or to receive certain remunerations; otherwise, they lose their amateur status and be considered professional boxers and as such, they would no longer be under ABAP's supervision.

Regarding amateur boxers who retired, Senator Zubiri cited a law that grants rewards, as well as monthly allowance to athletes who win medals in the SEA Games or Olympics.

As regards professional boxing, he said that the problem is the unregulated boxing matches in provinces nationwide, citing instances of boxers being short-changed, like Luisito Espinosa who was not paid for his boxing match in South Cotabato and who had to seek the help of GAB until he was paid 10 years after. He expressed his support to Senator Pacquiao's initiative to create the Philippine Boxing Commission as it would give refuge to the plight of professional boxers. He added that unlike the Ultimate Fighting Championship (UFC) events held in the United States which is regulated by the Nevada State Athletic Commission, the Universal Reality Combat Championship (URCC) in the Philippines is still considered an amateur fight which, he believed, should be under the NSA and PSC.

Again invoking the equal protection clause of the Constitution, Senator Drilon maintained that there must be a valid distinction to treat a class differently from the others, and he doubted the existence of a valid classification under the bill. He expressed willingness to suspend his interpellation and wait for Senator Pacquiao's answer to his query.



To Senator Pacquiao's statement that Republic Act No. 1065 provides incentives to all amateur athletes including coaches and that he was only proposing a commission for professional boxing separate from the GAB, Senator Drilon maintained that there is no material difference in the risks involved between boxing and professional MMA to put professional boxers in its own class.

For his part, Senator Ejercito, as coauthor of the measure, stated that boxing is distinct because it is a very fatal and dangerous sport since a lot of boxers die after their fight. To the statement that the professional MMA match is equally dangerous, he averred that MMA only gained popularity as a sport in the recent years. Senator Drilon reiterated that it is not material whether or not the sport is new considering that both involve the same risks.

Senate President Pimentel expressed hope that his interjection would not be misinterpreted as he was only highlighting the fact that the MMA and other contact sports were unregulated under the current setup. He also acknowledged Senator Drilon for raising a very good point in the course of his interpellation.

To the suggestion that the MMA and other contact sports should be regulated, Senator Sotto replied that MMA is completely different and cannot be compared with boxing because it is not yet recognized by the PSC or the International Olympic Committee (IOC).

Consequently, Senate President Pimentel asked what organization regulates the holding of MMA matches in the country if it is unrecognized at the moment. Senator Sotto stated that personally he would not endorse the sport as it is no different from street fights or illegal cockfights or "*tupada*." He then manifested that Senator Pacquiao may be able to present an explanation or position that would answer Senator Drilon's queries.

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 4:27 p.m.

RESUMPTION OF SESSION

At 4:32 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1306

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

COMMITTEE REPORT NO. 12 ON SENATE BILL NO. 1255 (Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1255 (Committee Report No. 1255), entitled

AN ACT EXPANDING THE COVERAGE OF EXEMPTIONS FROM REVEALING THE SOURCE OF PUBLISHED NEWS OR INFORMATION OBTAINED IN CONFIDENCE BY INCLUDING JOURNALISTS FROM BROADCAST, NEWS AGENCIES AND INTERNET PUBLICATIONS, AMENDING FOR THE PURPOSE SECTION 1 OF REPUBLIC ACT NO. 53, AS AMENDED BY R.A. 1477.

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

Thereupon, the Chair recognized Senator Poe, sponsor of the measure, and Senator De Lima for her interpellation.

INTERPELLATION OF SENATOR DE LIMA

At the outset, Senator De Lima stated that she was fully supportive of the bill which seeks to update a law to adjust to the realities of modern times, particularly the Internet and communications technology. She asked whether there is a government agency that accredits members of the media considering that there is no official accreditation of journalists at present. She noted that as long as the person is accredited by a print, broadcast or internet news media entity, then he/she would be covered by the privilege when circumstances warrant under the bill. She recalled that in a public hearing held for the bill, Senator Sotto responded that a news outfit would be considered legitimate if it is registered with the Securities and Exchange Commission (SEC), National Press Club or Philippine Press Institute.

Senator Poe replied that while there is no official government agency that accredits journalists, there are private organizations like the National Union of Journalists of the Philippines (NUJP), the Philippine Press Club (PPI) and the Publishers' Association of the Philippines (PAP) and many others that may have their own registrations with the SEC.

Senator De Lima recalled that in the 16th Congress, former Sen. Jinggoy Estrada filed the Magna Carta of Journalists bill which sought to create the Philippine Council for Journalists that would not only accredit but also produce a database of accredited print and broadcast media journalists as well as institute a licensure examination for media practitioners. She asked whether Senator Poe was open to considering a similar bill separate from the Sotto or Shield Law. Senator Poe replied in the affirmative, but she clarified that she was just being careful in toeing the line to ensure that journalists maintain their freedom and independence. Under the measure, she explained, although they may not necessarily be compelled to register, government can offer certain recognition so that they will have protections also under the law.

Asked whether bloggers and blogs are covered by the bill, Senator Poe replied that they would be covered if they are identifiable persons, recognized as journalists even by their audience and if they are part of a big organization like the NUJP, PPI or PAP. In consideration of the advancements in technology, she stated that the bill has to be amended to include television, the Internet news media as well as blogs which are part of the forum where journalists have the freedom to give reports or speak their mind on certain issues.

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

Senator De Lima also recalled that during the committee hearing, there was a consensus that writers of blogs like *Rappler* are considered as journalists or opinion writers as long as they represent a legitimate media entity, Senator Poe replied in the affirmative. She cited the case of Emil Jurado wherein the Supreme Court held that Republic Act No. 53 confers no immunity from prosecution for libel or for other sanctions under the law but only gives journalists the right to refuse to reveal any source who relayed information to them in confidence. However, she said that journalists are not immune from suit if such information is libelous.

Senator De Lima believed that there ought to be special provisions for the stricter supervision and regulation of bloggers and blogs that do not represent a legitimate entity specially since some blogs such as those written by Mocha Uson, Joe America or Raissa Robles have high online traffic but may not even be accredited by legitimate news media. Senator Poe explained that while the law itself seeks to protect the source, journalists who cannot protect their sources would have to prove the truthfulness of their statements. For instance, she said that a source would give a journalist the lead to a story but it is up to the latter to point to the facts that would legitimize the information he or she has received.

Senator Poe also underscored the importance of upholding responsibility among writers as well as weeding out irresponsible and malicious journalists, particularly those who might be using their medium for character assassination, but all the while taking care not to stifle their freedom of expression. She suggested that such safeguards could be taken into account and included in the provision during the period of amendments.

On whether fake news is covered by the measure, Senator pointed out that journalists have to uphold a certain standard and that clearly, rumormongering should not be considered part of the bill.

Responding to the Chair's suggestion that the measure also consider the need for social media practitioners to have accountability, Senator Poe noted that at least mainstream media follows through on its responsibility of filing necessary permits and taxes because it has a reputation to uphold. She also believed that media organizations and practitioners themselves should effectively practice self-regulation so that they could enjoy some protection under the law. Moreover, she said that legitimate media firms have actively campaigned against fake news because these belittle and mock the effort and time a journalist spends vetting on his sources. She pointed out that fake news sites often do not have sources to protect since its writers usually aggregate and distort content from legitimate news sites to propagate information that will either fit their political agenda or spread misinformation.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no further interpellation, upon motion of Senator Sotto, there being no objection, the Body closed the period of interpellations.



SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1255

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

COMMITTEE REPORT NO. 8 ON SENATE BILL NO. 1233 (Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1233 (Committee Report No. 8), entitled

AN ACT CREATING THE COCONUT FARMERS AND INDUSTRY TRUST FUND, PROVIDING FOR ITS MANAGEMENT AND UTILIZA- TION, AND FOR OTHER PURPOSES.

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

Thereupon, the Chair recognized Senator Pangilinan, sponsor of the measure, and Senator Recto for his interpellation.

INTERPELLATION OF SENATOR RECTO

Noting that the bill was entitled an "Act Creating The Coconut Farmers And Industry Trust Fund," Senator Recto asked how many trust funds that the national government has.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:48 p.m.

RESUMPTION OF SESSION

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

Upon resumption, Senator Pangilinan said that he does not have the exact figures as to the number of trust funds, but he cited some examples of government trust funds such as GSIS, SSS, Overseas Workers Welfare Fund and Pag-IBIG, while the Bureau of Treasury administers ten trust funds.

On whether the Malampaya Trust Fund in earning money, Senator Pangilinan explained that the Malampaya Fund is not in the nature of a trust fund but a Special Account in the General Fund (SAGF). Senator Recto pointed out that trust funds can be earning, non-earning or commingled with the budget.

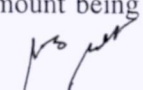
Asked if there are any other government agencies aside from the GOCCs that administer trust funds, Senator Pangilinan replied that he would ask the Department of Finance (DOF) and the Bureau of Treasury to provide the necessary information.

Asked if the DOF and the Bureau of Treasury were consulted in the committee deliberations, Senator Pangilinan replied in the affirmative, saying that the National Treasurer, Mr. Roberto Tan, was present, as well as a representative of the Secretary of Finance.

Asked if the bill is an appropriations measure, Senator Pangilinan replied that it is not an appropriation measure in the sense that there is an existing law, PD 1234, that provides for the use of Coco Levy Fund; therefore, technically, without the restraining order, which he confirmed is in effect, the fund can be disposed of, appropriated, spent or disbursed.

Asked what the bill seeks to address, Senator Pangilinan said that the current cash component of the fund is around P76 billion. He presented the latest certification and documentation from the Bureau of Treasury regarding the status of the PCGG Escrow Account on Government Securities transferred by UCPB which amounts to P13 billion in the form of cash and bonds; and the status of the SAGF for coco levies which amount to P62.5 billion, which is commingled with the General Fund, meaning, this special account can actually be invested, but the interest therefrom would not accrue to the Fund itself. He confirmed that there is no actual special account with the Treasury except for an accounting record as stated in the presented document.

Senator Recto asked if there is a certification from the Bureau of Treasury which will confirm that there is P75 billion cash available to transfer to the coconut farmers and for an industry trust fund to be created. He stated that such document should be presented before tackling the bill so that it would be clear that there is an actual amount being considered.



Senator Pangilinan stressed that the purpose of the bill is to transfer the P62 billion from the special account to a trust fund. But Senator Recto pointed out that normally, when Congress appropriates, the Bureau of Treasury officially certifies that there are such funds available. He said that the Bureau of Treasury should officially certify that there is a fund that would be transferred to the trust fund that would be created.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:58 p.m.

RESUMPTION OF SESSION

At 4:59 p.m., the session was resumed.

Upon resumption, Senator Recto said that the Bureau of Treasury should issue a certification that there is an available fund of P75 billion ready to be transferred to the trust fund. He said that he would want to ensure that the farmers' money is available and that it would not be commingled in a general fund since it has a specific purpose in the first place. Senator Pangilinan agreed, saying that he would request the Bureau of Treasury to provide a formal written communication.

Senator Recto then asked for a brief history of the coco levy fund.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:00 p.m.

RESUMPTION OF SESSION

At 5:02 p.m., the session was resumed.

Upon resumption, Senator Pangilinan replied that according to the PCGG, the coconut levy was established in 1971 through Republic Act No. 6260 with the purpose of expanding the coconut industry which was considered as one of the major components of national development, and maintaining it as a strong and viable industry. He confirmed that the

Philippine Coconut Authority (Philcoa) was established to administer the fund, but under the bill, he said, it would be part of the Trust Fund Committee.

To Senator Recto's observation that the structure is similar to what President Marcos did in the 1970s, Senator Pangilinan pointed out that the bill aims to disburse the proceeds of the levy for the benefit of the farmers.

Asked if the farmers benefited when the coco levy was put up in 1971, Senator Pangilinan replied that they remain to be the poorest of the farmers at present, although they were not the poorest in the past. To Senator Recto's fear that the coconut farmers may suffer the same fate again, Senator Pangilinan replied that he would like to believe that the measure would ensure that the past would not be repeated, because safeguards have been provided to avoid mishandling of the fund and for it to finally redound to the benefit of the coconut farmers and the development of the coconut industry.

Asked where the money came from, Senator Pangilinan stated that pursuant to Republic Act No. 6206, the levy was collected from the coconut farmers for which they were issued coco-fund receipts to be converted into shares of stocks, and the fund was used primarily to establish the Coconut Investment Fund and the Coconut Investment Company.

Asked how much was collected, Senator Pangilinan said that a total of P9.6 billion was collected from 1972 to 1982, scattered in various funds.

Senator Recto asked for a breakdown of how much was collected per fund, saying that an accounting of all the funds must be made. Senator Pangilinan replied that the Committee would try to retrieve the breakdown from 1971 to present, but he pointed out that precisely part of the provisions of the proposed bill is to have an inventory and accounting. He said that the Committee has preliminary figures based on the submissions of the PCGG and UCPB, but more thorough inventory and accounting need to be undertaken. Senator Recto said that Congress should be informed of how much they are actually discussing.

Asked how the levy was collected, Senator Pangilinan cited Section 8 of the law, to wit: "There shall be levied on the coconut farmer a sum equiva-



lent to fifty-five centavos (P0.55) on the first domestic sale of every one hundred kilograms of copra, or its equivalent in terms of other coconut products, for which he shall be issued a receipt which shall be converted into shares of stock of the company upon its incorporation as a private entity in accordance with Section 7 hereof."

Asked who collected the money, Senator Pangilinan cited Section 9 of the law which states: "The Philippine Coconut Authority shall collect the levy and immediately thereafter deposit the proceeds thereof in an interest-earning account with the Development Bank of the Philippines or any other government-owned or controlled banking institution to the credit of the Fund." He supposed that the money was collected probably through intermediaries, like the millers. Senator Recto requested that the information be made clear so that the Body would know who contributed to the fund.

Asked who issued the shares of stocks in exchange of the contribution, Senator Pangilinan said that the Philcoa issued coco fund receipts which were converted into shares of stock. As to who converted the receipts to shares of stock, he assumed that it could be the Philcoa in coordination with the Coconut Investment Company.

Asked by Senator Recto whether the Committee would have copies of the shares of stock, Senator Pangilinan said that during the consultations of the Committee, he was shown by some of the farmers copies of the shares of stock or stock receipts.

As to how much has been collected so far, Senator Pangilinan gave the following figures which, he clarified, were just estimates: Cocolife, an insurance company, has P8.4 billion; UCPB shares are estimated at P3.5 billion or 74.9%; the oil mills, P6.6 billion, with pending cases in the Supreme Court; SMC shares at 4% or 25.5 million shares would be P2.1 billion but at 127,000 shares due to dividends, would be P10 billion and then some more, which could be over P100 billion cash and assets.

Senator Recto observed that the values have increased from P9.7 billion in 1982 to P100 billion at present. He asked whether the fund has somehow improved the lives of the farmers. Senator Pangilinan replied that based on the quality of life of the farmers, unfortunately, it appears that the farmers have not benefited from the funds.

Senator Recto opined that if only the interest income would go to the farmer and taking into account inflation, any benefit due to the farmer would hardly be felt. However, he said that even if the money were to be invested in high-yielding instruments, the funds may increase but since the proposed measure mandates that only the interest earned would perpetually go to the farmers, their lives would still not improve.

Agreeing with Senator Recto's observations, Senator Pangilinan recalled that there were two schools of thought that were brought forward during the committee hearings: one was that it has to be a perpetual fund; the other subscribed to the idea that there has to be a significant use of the principal, not just the interest, so that there would be a direct impact on the coconut industry. He said that the Committee came up with a "high-breed" compromise wherein only a part of the principal would be used and the balance would be in perpetuity, and the interest income would be utilized.

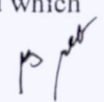
Senator Recto requested that the Committee submit the information on how much was expected to be spent under the proposed measure.

Senator Pangilinan said that he fully understands the philosophy that the farmers would have difficulty if only the interest income would be used out of the funds. He lamented that many of the farmers who were imposed the levy have gotten sick or passed away without enjoying the fruits of the fund. He appealed that the funds should be used to create an impact on the farmer's lives.

Senator Recto said that he would be proposing amendments on that matter.

Senator Pangilinan further lamented that the experience of the country in terms of agriculture funds being appropriated in lumpsums in the last 15 to 20 years has not been good. He cited the fertilizer scam, the Napoles bogus agri-farmers organizations' fund, and the ACEF which was at P8.5 billion in 2010. For these reasons, he said that the stakeholders or the coconut farmers and the coconut industry could not be blamed or faulted should they hesitate to allow a huge appropriation at the onset precisely because of the track record of the government in utilizing such funds.

Senator Recto said not a single centavo has been spent on the farmers out of the coco levy fund which



has significantly increased from P9.7 billion to more than a P100 billion.

Asked whether the farmers who have received receipts and shares of stock are still alive, Senator Pangilinan said that there are still some surviving farmers.

On whether he has information on the number of farmers who have benefited from the coco levy funds, Senator Pangilinan said that he would not have the data at the moment, but he said that part of the Supreme Court's decision in 2012 ruled that the levy is in a form of a tax and therefore belongs to the government but must be utilized for the benefit of the coconut farmers.

Senator Recto stated since the levy is in the form of a tax according to the Supreme Court, it therefore belongs to the government and it can only be spent for the coconut farmers unless there is a law enacted by Congress.

Senator Recto surmised that the levy could not have been collected from the farmer directly but through an intermediary like a miller. He then asked who paid for the taxes. Senator Pangilinan replied that it was farmers themselves who paid for the tax because for every 100 kilograms, P0.55 was deducted.

Asked what happened after the levy was established in 1971, Senator Pangilinan said that in June 1973, President Marcos created the Philippine Coconut Authority through PD 232. Senator Recto noted that the proposed measure under consideration also calls for the creation of a committee under the Office of the President. Senator Pangilinan replied that the difference is that the committee is now lodged at the highest level.

But Senator Recto pointed out that the Philcoa under PD 232 was also under the Office of the President. As to what the presidential decree provided after the creation of the coco levy, Senator Pangilinan said that PD 232 consolidated the responsibilities of the Coconut Coordinating Council and the Philcoa. Senator Recto noted that it also called for a private sector representative, such as the Philippine Coconut Federation.

On whether there were additional tariffs imposed in PD 232, some of which may have been collected not only from the farmers but from the millers,

exporters, among others, Senator Pangalinan agreed, adding that the Philcoa still collects certain fees from the millers.

Asked under what authority the mandate to collect the fees came from, Senator Pangilinan said that the authority to collect fees came from a series of PDs issued by President Marcos; for instance, in August 1973, PD 276, which established a Coconut Consumers Stabilization Fund, the purpose of which was to implement an industry-financed stabilization scheme which would permit socialized pricing of coconut-based commodities. As regards the stabilization fund, he said that an additional levy was imposed, initially, of P15 per 100 kilograms of copra from the farmers and it was used to mitigate the 1973 oil crisis.

Senator Recto requested information on how much was collected through PDs 230, 232 and 276. Senator Pangilinan said that in 1974, President Marcos issued EO 425.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:28 p.m.

RESUMPTION OF SESSION

At 5:35 p.m., the session was resumed.

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan manifested that after conferring with Senator Recto, they have decided to suspend the interpellation of Senate Bill No. 1233 until Monday, February 6, 2017

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1233

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

CHANGE OF MEMBERSHIP IN THE COMMISSION OF APPOINTMENTS

Upon motion of Senator Sotto, there being no objection, Senator Ejercito was elected member of

yes

Commission on Appointments to replace Senator Angara and as chair of the Committee on Local Government.

COAUTHORS

Acting on the request of Senator Pacquiao and with the consent of the Body, Senate President Pimentel and Senators Sotto, Zubiri, Gordon and Villanueva were made coauthors of Senate Bill No. 1306 or the proposed Philippine Boxing Commission Act.

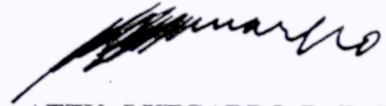
Upon her request and with the consent of the principal author, Senator Aquino, Senator Hontiveros was made coauthor of Senate Bill No. 177 or the proposed Free Higher Education Act.

ADJOURNMENT OF SESSION

Upon motion of Senator Sotto, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, February 6, 2017.

It was 5:37 p.m.

I hereby certify to the correctness of the foregoing.


ATTY. LUTGARDO B. BARBO
Secretary of the Senate

Approved on February 6, 2017