



REPUBLIC OF THE PHILIPPINES  
**Senate**  
Pasay City

# Journal

**SESSION NO. 28**  
Monday, September 30, 2019

**EIGHTEENTH CONGRESS**  
**FIRST REGULAR SESSION**

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**CALL TO ORDER**

At 3:00 p.m., the Senate President, Hon. Vicente C. Sotto III, called the session to order.

**PRAYER**

Sen. Ronald “Bato” Dela Rosa asked the Members of the Chamber to pause for a moment of silence and to recognize the holy presence of the Lord in their midst and pray for His blessings, and thereafter proceeded to lead them in prayer, to wit:

Almighty God, the source of life and creator of all things. We come to You today asking for Your guidance and wisdom. Send Your spirit of compassion to dwell in our midst and help us engage in meaningful discussions. Allow us to grow closer as a group and fill us with Your grace as we make decisions and arrive to a conclusion. All together, we also pray for those who suffered from physical abuse due to hazing or maltreatment, especially to those who lost their lives, may Your divine mercy grant


them eternal peace in Your heavenly kingdom. Likewise, we also entrust into Your divine care the grieving parents of all hazing victims, may they find comfort and strength in Your most loving heart. Above all, our most merciful God, we fervently pray that by Your divine will, may the bad practice of hazing finally cease among all our academic and training institutions.

Lastly, please continue to remind us that all we should do here today, all that we must accomplish, shall be for the pursuit of truth and absolute goodness. May our actions and attitudes please You that we shall merit Your grace as we continue to glorify You in the service of our dear country, in the service of Your people.

All these we ask in Your most Mighty Name, Amen.

**NATIONAL ANTHEM**

The Senate Choir led the singing of the national anthem.



## ROLL CALL

Upon direction of the Senate President, the Secretary of the Senate, Atty. Myra Marie D. Villarica, called the roll, to which the following senators responded:

Angara, S.	Pacquiao, E. M. D.
Binay, M. L. N. S.	Pimentel III, A. K.
Cayetano, P. S.	Poe, G.
Dela Rosa, R. B. M.	Revilla Jr., R. B.
Drilon, F. M.	Sotto III, V. C.
Gatchalian, W.	Tolentino, F. T. N.
Go, C. L. T.	Villanueva, J.
Hontiveros, R.	Villar, C. A.
Lacson, P. M.	Zubiri, J. M. F.
Marcos, I. R.	

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

Senators Gordon, Lapid, Pangilinan and Recto arrived after the roll call.

Senator De Lima was unable to attend the session as she was under detention.

## ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

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

- House of Representatives Deputy Speaker Bro. Eddie Villanueva with the JIL Regional and Area Churches and Pastors; and
- Sandiganbayan Justice Georgina Hidalgo and Ms. Gemma Posadas, Chief Judicial Staff Officer, Budget and Finance Division of the Sandiganbayan.

Senate President Sotto welcomed the guests to the Senate.

## APPROVAL OF THE JOURNAL

Upon motion of Senator Zubiri, there being no objection, the Body dispensed with the reading of the Journal of Session No. 27 (September 25, 2019) and considered it approved.

## APPROVAL OF SENATE BILL NO. 1043 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading,

Senate Bill No. 1043, printed copies of which were distributed to the senators on September 25, 2019.

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

AN ACT POSTPONING THE MAY 2020 BARANGAY AND SANGGUNIANG KABATAAN ELECTIONS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9164, AS AMENDED BY REPUBLIC ACT NO. 9340, REPUBLIC ACT NO. 10632, REPUBLIC ACT NO. 10656, REPUBLIC ACT NO. 10923, AND REPUBLIC ACT NO. 10952, AND FOR OTHER PURPOSES.

Secretary Villarica called the roll for nominal voting.

## RESULT OF THE VOTING

The result of the voting was as follows:

### *In favor*

Angara	Pangilinan
Binay	Pimentel
Cayetano	Poe
Dela Rosa	Recto
Drilon	Revilla
Gatchalian	Sotto
Go	Tolentino
Hontiveros	Villanueva
Lacson	Villar
Marcos	Zubiri
Pacquiao	

### *Against*

None

### *Abstention*

None

With 21 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 1043 approved on Third Reading.

## PROPOSED SENATE RESOLUTION NO. 147

Upon motion of Senator Zubiri, there being no



objection, the Body considered Proposed Senate Resolution No. 147, entitled

RESOLUTION RECOGNIZING AND CONGRATULATING JESUS IS LORD CHURCH FOR CELEBRATING ITS 41ST FOUNDING ANNIVERSARY ON OCTOBER 26, 2019

taking into consideration Proposed Senate Resolution No. 148.

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

**SPONSORSHIP SPEECH  
OF SENATOR ANGARA**

Senator Angara presented for the consideration and adoption of the Body Proposed Senate Resolution No. 147 as he congratulated the Jesus Is Lord (JIL) Worldwide Movement on the occasion of its founding anniversary. He said that the sponsorship of the resolution was particularly auspicious as the Body was graced in the Senate plenary by the presence of no less than the founder of the JIL congregation, Bro. Eddie Villanueva, also a deputy speaker of the House of Representatives.

*Following is the full text of Senator Angara's sponsorship speech:*

With the help of 15 other students from the Polytechnic University of the Philippines (PUP), Bro. Eddie established the JIL in 1978 as a small congregation where people can share their spirituality, express their faith and build their ministry.

That JIL started out as only a small grouping of 15 students from PUP and grew into a global congregation that spans 60 countries is only a testament to the sincerity, compassion and charisma of Bro. Eddie, his pastors and our colleague, Joel Villanueva. I understand Bro. Eddie will be celebrating his 73<sup>rd</sup> birthday this coming October. Advance happy birthday *po*!

JIL is truly a global congregation, and because of that, it is able to achieve great things.

Even non-members of JIL should appreciate how the JIL has helped and continues to guide roughly five million people – many of whom are Filipinos, but also include foreigners. In other words, five million people across the world have had darkness lifted by the light of JIL's teachings.

*Bukod dito, nagpapasalamat din po tayo sa JIL, dahil nagsisilbi rin silang paraan para makapag-ugnayan ang mga kababayan nating OFW, hindi lamang sa kanilang pamilya, kung hindi sa Panginoong Diyos. In short, JIL has helped keep many families together, because it has kept them close to God.*

Many of our colleagues — in fact, the Majority Leader and some of our colleagues — bore witness to this when we visited Hong Kong last year and felt the strength of the movement.

And so, allow me to underscore our thanks and appreciation to the JIL for the role it has played in the spiritual and family life of our people. Hence, I ask this august Body to swiftly approve this measure.

**TERMINATION OF THE PERIOD  
OF INTERPELLATIONS**

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

**TERMINATION OF THE PERIOD  
OF AMENDMENTS**

There being no committee or individual amendment, upon motion of Senator Zubiri, there being no objection, the Body closed the period of amendments.

**ADOPTION OF PROPOSED  
SENATE RESOLUTION NO. 147**

Upon motion of Senator Zubiri, there being no objection, the Body adopted Proposed Senate Resolution No. 147, taking into consideration Proposed Senate Resolution No. 148, subject to style.

**COAUTHORS**

Senator Zubiri manifested that all senators present are coauthors of Proposed Senate Resolution No. 147.

**SUSPENSION OF SESSION**

Upon motion of Senator Zubiri, the session was suspended.

*It was 3:12 p.m.*

**RESUMPTION OF SESSION**

At 3:19 p.m., the session was resumed.



## 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 24 September 2019, the House of Representatives passed the following House bills, in which it requested the concurrence of the Senate:

House Bill No. 4581, entitled

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GOLDEN BROADCAST PROFESSIONAL, INC. UNDER REPUBLIC ACT NO. 8025, ENTITLED "AN ACT GRANTING THE GOLDEN BROADCAST PROFESSIONAL, INC., A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE A STATION FOR FM RADIO AND TELEVISION BROADCASTING IN THE ISLAND OF MINDANAO," AND EXPANDING ITS COVERAGE TO THE ENTIRE PHILIPPINES

#### To the Committee on Public Services

House Bill No. 4583, entitled

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BROADCAST ENTERPRISES AND AFFILIATED MEDIA, INC. UNDER REPUBLIC ACT NO. 8098 TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES

#### To the Committee on Public Services

House Bill No. 4584, entitled

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE

FRANCHISE GRANTED TO CRUSADERS BROADCASTING SYSTEM, INC., UNDER REPUBLIC ACT NO. 8091, ENTITLED "AN ACT GRANTING THE CRUSADERS BROADCASTING SYSTEM, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE, AND MAINTAIN COMMERCIAL RADIO AND TELEVISION BROADCASTING STATIONS WITHIN THE PHILIPPINES"

#### To the Committee on Public Services

House Bill No. 4436, entitled

AN ACT GRANTING THE LANAO DEL NORTE ELECTRIC COOPERATIVE A FRANCHISE TO CONSTRUCT, OPERATE, AND MAINTAIN A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN ALL THE MUNICIPALITIES OF THE PROVINCE OF LANAO DEL NORTE

#### To the Committee on Public Services

House Bill No. 4437, entitled

AN ACT GRANTING THE BICOL LIGHT AND POWER CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, OWN, MANAGE, AND MAINTAIN A POWER DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN THE TOWNS OF BAAO, BALATAN, BATO, BUHI, BULA, NABUA, AND THE CITY OF IRIGA, PROVINCE OF CAMARINES SUR, AND FOR OTHER PURPOSES

#### To the Committee on Public Services

and House Bill No. 4582, entitled

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GOLD LABEL BROADCASTING SYSTEM, INC. UNDER REPUBLIC ACT NO. 8087,

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ENTITLED "AN ACT GRANTING TO THE GOLD LABEL BROADCASTING SYSTEM, INC., A FRANCHISE TO ESTABLISH, MAINTAIN, AND OPERATE RADIO AND TELEVISION BROADCASTING STATIONS IN DUMAGUETE CITY AND OTHER AREAS IN THE VISAYAS AND MINDANAO WHERE FREQUENCIES AND/OR CHANNELS ARE STILL AVAILABLE FOR RADIO AND TELEVISION BROADCASTING"

**To the Committee on Public Services**

### **BILL ON FIRST READING**

Senate Bill No. 1075, entitled

AN ACT PROHIBITING BLACK SAND MINING IN THE PHILIPPINES, PROVIDING PENALTIES THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator De Lima

**To the Committee on Environment, Natural Resources and Climate Change**

### **RESOLUTIONS**

Senate Joint Resolution No. 7, entitled

JOINT RESOLUTION EXTENDING THE AVAILABILITY OF THE 2019 APPROPRIATIONS FOR MAINTENANCE AND OTHER OPERATING EXPENSES AND CAPITAL OUTLAYS TO DECEMBER 31, 2020, AMENDING FOR THE PURPOSE SECTION 65 OF THE GENERAL PROVISIONS OF REPUBLIC ACT NO. 11260, THE GENERAL APPROPRIATIONS ACT OF FISCAL YEAR 2019

Introduced by Senator Angara

**To the Committee on Finance**

Proposed Senate Resolution No. 146, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO

CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE MEMORANDUM OF AGREEMENT BETWEEN THE ARMED FORCES OF THE PHILIPPINES AND DITO TELECOMMUNITY, GRANTING THE LATTER PERMIT TO INSTALL TELECOMMUNICATION FACILITIES AND EQUIPMENT INSIDE MILITARY CAMPS AND INSTALLATIONS, WHICH EXPOSES THE COUNTRY TO RISKS OF ESPIONAGE AND POTENTIALLY ENDANGERS OUR NATIONAL SECURITY

Introduced by Senator De Lima

**To the Committee on National Defense and Security, Peace, Unification and Reconciliation**

Proposed Senate Resolution No. 147, entitled

RESOLUTION RECOGNIZING AND CONGRATULATING JESUS IS LORD CHURCH FOR CELEBRATING ITS 41ST FOUNDING ANNIVERSARY ON OCTOBER 26, 2019

Introduced by Senator Angara

**To the Committee on Rules**

### **ADDITIONAL REFERENCE OF BUSINESS**

### **RESOLUTIONS**

Proposed Senate Resolution No. 148, entitled

RESOLUTION RECOGNIZING AND CONGRATULATING JESUS IS LORD CHURCH FOR CELEBRATING ITS 41ST FOUNDING ANNIVERSARY ON 26 OCTOBER 2019

Introduced by Senator Zubiri

**To the Committee on Rules**

Proposed Senate Resolution No. 149, entitled

RESOLUTION HONORING FILIPINO TEACHERS ON THE OCCASION OF THE 2019 NATIONAL TEACHERS' MONTH



Introduced by Senator Gatchalian

**To the Committee on Rules**

### COMMITTEE REPORTS

Committee Report No. 7, prepared and submitted jointly by the Committees on Health and Demography; Social Justice, Welfare and Rural Development; Ways and Means; and Finance, on Senate Bill No. 1076, with Senator Go as author thereof, entitled

AN ACT ESTABLISHING MALASAKIT CENTERS IN ALL DEPARTMENT OF HEALTH (DOH) HOSPITALS IN THE COUNTRY AND PROVIDING FUNDS THEREFOR,

recommending its approval in substitution of Senate Bill No. 199.

Sponsor: Senator Go

**To the Calendar for Ordinary Business**

Committee Report No. 8, prepared and submitted jointly by the Committees on Public Services; Civil Service, Government Reorganization and Professional Regulation; and Finance, on Senate Bill No. 1077, with Senators Poe, Revilla, Jr., and Angara as authors thereof, entitled

AN ACT CREATING A NATIONAL TRANSPORTATION SAFETY BOARD, PRESCRIBING ITS POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS THEREOF,

recommending its approval in substitution of Senate Bill Nos. 125 and 651.

Sponsor: Senator Poe

**To the Calendar for Ordinary Business**

### SPECIAL ORDER

Upon motion of Senator Zubiri, there being no objection, the Body approved the transfer of Committee Report No. 8 on Senate Bill No. 1077 from the Calendar for Ordinary Business to the Calendar for Special Orders.

### COMMITTEE REPORT NO. 8 ON SENATE BILL NO. 1077

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1077 (Committee Report No. 8), entitled

AN ACT CREATING A NATIONAL TRANSPORTATION SAFETY BOARD, PRESCRIBING ITS POWERS AND FUNCTIONS, 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 Zubiri, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Poe for the sponsorship.

### SPONSORSHIP SPEECH OF SENATOR POE

Senator Poe, as chairperson of the Committee on Public Services, submitted for the consideration and approval of the Body Senate Bill No. 1077 under Committee Report No. 8, otherwise known as the "National Transportation Safety Board Act."

*Following is the full text of Senator Poe's sponsorship speech:*

*Sa bawat limang minuto ng aking talumpati, posibleng may nangyayaring aksidente sa mga kalsada ng Kalakhang Maynila. This statistic is based on MMDA's Metro Manila Accident Recording and Analysis System (MMARAS) which recorded 116,906 road accidents in 2018—katumbas ng 320 na aksidente bawat araw o 13 aksidente kada oras.*

Additionally, all transportation accidents carry hefty price tags. According to a 2005 study by the University of the Philippines, a road accident can cause up to P3.47 million in terms of damage to property and loss of productivity. The 2018 World Health Organization Global Status Report on Road Safety revealed that road traffic injuries cost us about 2.6% of our entire gross domestic product. But then again, *hindi malalagyan ng presyo ang buhay na nawala.*

We had 394 road crash fatalities in Metro Manila in 2018 alone. This does not include rail, marine, and aircraft-related accidents.





*Nakapanghihinayang isipin na maaaring naiwasan ang karamihan ng mga aksidenteng ito. Ngunit mahirap umiwas kung hindi tukoy ang sanhi ng mga aksidente. Mahirap tukuyin ang sanhi kung wala tayong sentral na ahensiya yang humahawak ng mga imbestigasyon na ito.*

Our convoluted governance of the transport sector adds to the tragedy. For example, as many as four national government agencies — the LTO, LTFRB, MMDA, and the PNP Highway Patrol Group—and six local government units have jurisdiction over buses which pass through EDSA. *Ngunit may nalalaglag pa rin na bus sa Skyway.* Any one of these agencies may be the first responder to the scene, but no single agency really sits down and looks at what really went wrong or how we can prevent it.

Thus, the present Committee Report proposes the creation of a National Transport Safety Board (NTSB) which will focus on road safety. The NTSB will be a seven-member board which will investigate air, highway, railroad, pipeline, and maritime accidents. The report of such investigation will be submitted to Congress within 60 days from completion.

*Bibigyan natin ng sapat na mandato ang NTSB. Halimbawa, bibigyan natin ng visitorial power ang NTSB para makapasok sila sa lugar ng aksidente. Maaari rin nilang suriin ang anumang parte o component ng motor vehicle, vessel, aircraft or pipeline na naging sanhi ng sakuna.* It can decide the manner of inspection, examine evidence, require reports, call for hearings, and other powers related to this investigation.

The NTSB will also proactively conduct studies on making the transport sector as safe as possible. As such, the Board will look into the causes and determinants of accidents and help craft policies which will prevent them from recurring, *para wala na pong sinasayang kaso ng nahulog na bus o lumubog na barko na wala man lamang maayos na pagsisiyasat at resolusyon.*

With an NTSB, we will finally have an agency with the mandate to not only investigate but also propose solutions.

*Ang mahirap kasi, minsan, halimbawa na lamang isang bus na luma, kaya nawalan ng preno, hindi maganda ang maintenance. Ang mismong mag-iimbestiga ay iyon din iyong nagbigay ng permit sa bus na iyon na magkapagbiyahe. Ito po iyong LTO. So, kung LTO rin ang mag-iimbestiga rito, siyempre mahihirapan din tayo na siguraduhing walang conflict of interest.*

I have said this before and I will say it again: The NTSB can save lives. *Hindi dapat na kung kailan may aksidente eh doon pa lamang tayo kikilos.* Policy recommendation should be based on facts and thorough research, not on knee-jerk reactions and band-aid solutions.

The enactment of the National Transport Safety Board Act will be the first step towards safer journeys for all Filipinos. *Panahon na po para sa ligtas na pag-biyahe para sa lahat.*

## COSPONSORSHIP SPEECH OF SENATOR REVILLA

Senator Revilla delivered his cosponsorship speech as he joined Senator Poe in recommending the approval of Senate Bill No. 1077, the National Transportation Safety Board Act of 2019, under Committee Report No. 8.

*The full text of Senator Revilla's cosponsorship speech follows:*

I stand here today to cosponsor Committee Report No. 8 recommending the approval of Senate Bill No. 1077, or the National Transportation Safety Board Act of 2019.

Day in, day out, we see or hear transportation incidents in the news—be it on land, sea, or air.

According to data from MMDA's Metro Manila Accident Reporting and Analysis System (MMARAS), we had an average of 49 cases of road injuries and one fatality per day in 2018. Per the report, there was a recorded 116,906 incidents last year, *kung saan 394 ang namatay.*

*Iba pa po iyan sa maritime at airport incidents, kung saan daan-daan nating mga kababayan na ang namamatay mula nitong nakaraang sampung taon.*

When transport incidents take place, investigations are administered by the very same government agencies which may have been remiss in their duties to put the right systems in place or carry out needed reforms.

Having lost thousands of lives to these incidents, we cannot afford to lose more. Worse, *hindi natin alam kung ang mga ito ay nangyari dahil sa kapabayaang isang ahensiya o instrumento ng pamahalaan.*

No government agency can properly perform such function unless it is totally separate and independent from any other department, bureau, commission or agency.

*PS*



The current regulatory agencies involved in the transport industry cannot be expected to conduct a thorough and impartial investigation on any major incident for the simple reason that such agencies may be themselves liable due to the improper or lack of implementation of pertinent laws, rules and regulations regarding safety.

It is imperative that a country like ours need to call for urgent measures to address transportation safety concerns. We need a focused, independent and adequately-managed body which will enhance current safety measures and develop policy options as to how we can improve our land, air, and sea transport system.

The creation of the National Transportation Safety Board, or the NTSB, which will primarily conduct investigations, put forward cost-effective measures to enhance safety in the transportation of people and goods, and prevent, remedy or mitigate crashes, accidents and serious incidents involving any mode of transport, including pipelines and conveyors, is what Senate Bill No. 1077 is calling for.

*Ang pagtataguyod ng isang National Transportation Safety Board ang magsisilbing garantiya sa kaligtasan ng ating mga kababayan. Bilang isang independent at non-regulatory agency, pangungunahan nito ang imbestigasyon sa mga insidente sa himpapawid, highway, pipeline, railroads, karagatan at iba pang may kinalaman sa transportasyon.*

*Sila rin ang tutukoy sa mga posibleng sanhi nito at magsasagawa ng pag-aaral na magiging basehan sa pagbuo ng mga panuntunang pangkaligtasan upang maiwasan ang mga aksidenteng ito. Sila rin ang susuri sa kakayahan ng mga ahensya ng pamahalaan na siyang dapat mangalaga sa kaligtasan ng mamamayan.*

The importance and necessity of a safe transportation system in our country cannot be overemphasized. The enactment of this measure is expected to ensure all the modes of transportation in the Philippines are conducted safely.

The NTSB will be an effective vehicle for the realization of such need.

For this reason, I urge all our colleagues to support this measure.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1077**

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

#### **SPECIAL ORDER**

Upon motion of Senator Zubiri, there being no objection, the Body approved the transfer of Committee Report No. 7 on Senate Bill No. 1076 from the Calendar for Ordinary Business to the Calendar for Special Orders.

#### **COMMITTEE REPORT NO. 7 ON SENATE BILL NO. 1076**

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1076 (Committee Report No. 7), entitled

#### **AN ACT ESTABLISHING MALASAKIT CENTERS IN ALL DEPARTMENT OF HEALTH (DOH) HOSPITALS IN THE COUNTRY AND PROVIDING FUNDS THEREFOR.**

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

The Chair recognized Senator Go for the sponsorship.

#### **SPONSORSHIP SPEECH OF SENATOR GO**

Senator Go, chairperson of the Committee on Health and Demography, submitted to the Body for plenary consideration and approval Senate Bill No. 1076 under Committee Report No. 7, entitled "An Act Establishing Malasakit Centers in All Department of Health Hospitals in the Country and Providing Funds Therefor," a bill that aims to provide medical and financial assistance to indigent and financially incapacitated patients through a one-stop shop called Malasakit Center and ensure that patients experience and receive compassion, respect, and empathy or *malasakit* in the availment of health services.

*Following is the full text of Senator Go's sponsorship speech:*

Earlier this year, President Rodrigo Duterte signed into law Republic Act No. 11223, or the Universal Health Care Act, in effect making all Filipino citizens members of the National Health

*ms*



Insurance Program or PhilHealth. The UHC is expected to reform the country's health system by improving our health delivery, providing significant insurance benefits and coverage, and responding to the gap in health workers throughout the country.

Now, as we anticipate the changes that the UHC will bring to patient access and to individual health care, the challenge remains on how we can alleviate the financial burden of indigent and financially incapacitated patients and families who can only afford the health services of public hospitals.

The benefits under the Universal Health Care rely on health benefits package as determined by the PhilHealth. As such, out-of-pocket expenditures may still arise if the benefit packages are not enough to cover the medical needs of indigent and poor patients.

Data from *Mercer Marsh Benefits 2019 Medical Trends Around the World* showed that medical inflation rate will outpace the actual inflation in the country and is projected to rise to 13.7%. This makes our medical inflation rate the second highest in the ASEAN region, next to Vietnam's 14.2%.

In 2017, the Philippine Statistics Authority reported that out-of-pocket payment accounted for 55% of health expenditures. This is despite the safety nets already provided by PhilHealth.

While the UHC provides for a no-cost payment policy for basic or ward accommodation, the reality is almost all public hospitals, where most poor and indigent patients access health services, exceed occupancy rates of their licensed beds. DOH hospitals have an average bed capacity of 132% and for LGU hospitals, the average bed occupancy rate is 191%. Medical assistance will help cover excesses in licensed bed capacities of public hospitals to ensure zero-copayment of the poor and indigent patients.

We must also acknowledge that we are still in the state of transition in the full implementation of the UHC. Thus, the reality remains that there will still be a need for medical assistance and financial support for patients. We aim to fill that gap through the various assistance offered by various government agencies.

It is not uncommon for us to see patients knocking on the doors of various government agencies to request financial assistance to cover medical expenses. In fact, we have here the Senate Public Assistance Center downstairs that caters to some of their needs. *Noong ako naman*

*po ay Special Assistant to the President pa, ganoon din po ang sitwasyon. Araw-araw, napakaraming Pilipino ang lumalapit sa aming opisina, pumipila sa ilalim ng init ng araw, nagmamakaawa, dahil kailangan nila ng tulong mula sa gobyerno. Dahil walang iisang opisina kung saan maaaring dumulog upang humingi ng tulong ang ating mga kababayan, kailangan pa nilang pumila ng napakahaba sa iba't-ibang ahensya ng gobyerno. Paikot-ikot po sila buong araw. Ubos ang pamasaha nila, ubos pa ang panahon nila sa buong linggo, hihingi lamang po sila ng tulong.*

This depressing situation led the Duterte government to establish Malasakit Centers in public hospitals. It is one of the solutions we have developed to provide quick and quality access to healthcare to all Filipinos regardless of their age, sex, ethnic background, religion, and political affiliation. These Malasakit Centers serve as one-stop shops where Filipinos can seek financial and medical assistance provided by various government agencies. With this, Filipinos no longer have to endure long lines in different agencies to avail of assistance.

Currently, we have established 42 Malasakit Centers nationwide which serve 160,000 patients every month.

Senate Bill No. 1076 seeks to institutionalize the establishment of Malasakit Centers in all DOH-retained hospitals. It consolidates under one roof the assistance given by the DOH, DSWD, and PCSO. To clarify, we are not providing additional funds for assistance, we are merely establishing a one-stop shop for medical and financial assistance. In Malasakit Centers, the concerned government agencies retain and run their own medical and financial assistance programs. *Ang kaibahan lamang ay hindi na mahihirapan ang mga kababayan natin dahil nasa iisang bubong o nasa iisang opisina na lamang sila pupunta para sa mga government assistance at hindi na sila lalayo sa mga ospital para makakuha ng tulong.*

Each Malasakit Center shall be composed of duly designated representatives from the DOH, DSWD, PCSO, and PhilHealth. The DOH, DSWD and PCSO representatives shall process and approve the requests for medical and financial assistance. The PhilHealth representative shall assist in the availing of benefits and address other PhilHealth related concerns of patients.

We are pushing to institutionalize this so that we can provide enough personnel in Malasakit Centers and for the continued operations of the centers even beyond the administration of



President Duterte. *Malaking tulong po ito sa ating mga kababayan.*

*Kung dati kailangan pang pumila sa pagkahaba-haba at magpa-interview sa iba't-ibang ahensya, ngayon, sa Malasakit Centers, ang medical social workers na lamang ang mag-a-assess ng indigency at ang mismong agency representatives ang magpo-process at mag-a-approve ng assistance. Nandoon na po sila sa iisang bubong o iisang opisina.*

Under the bill, other public hospitals may also establish Malasakit Centers provided that they guarantee the availability of funds for the operation of the Malasakit Center which includes its maintenance, personnel complement, staff training, among others.

The Malasakit Center is just part of a bigger picture of providing “malasakit.” The proposed measure also establishes a Malasakit Program which shall provide a policy framework for integrated people-centered health services in DOH hospitals. The program shall ensure and promote an organizational culture geared towards responsiveness, ensure appropriate infrastructure and processes, and promote client engagement and empowerment. *Ang Malasakit Program po sa ilalim ng DOH ay magbibigay ng direksiyon kung paano ang tamang pakikitungo sa pasyente at sa mga nangangailangan. Hindi dapat maramdaman ng mga humihingi ng tulong na natatapan ang kanilang dignidad at respeto sa sarili. Basta Pilipino, matanda o bata, babae o lalake, mayaman o mahirap, it does not matter. Dapat magmalasakit at tumulong po tayo sa kanila.*

Malasakit Centers will, therefore, have various functions. First, it will serve as a one-stop-shop for medical and financial assistance. It will also provide patient navigation and referral to the health care provider networks. The centers can provide patients information with regard to membership, coverage, and benefit packages in the National Health Insurance Program, document, process, and utilize data from patient experience through a standardized form to shape institutional changes in the hospital and provide capacity building and performance evaluation that ensure good client interaction. There will also be a special lane in each Malasakit Center for the exclusive use of senior citizens and persons with disabilities.

To ensure proper provision of assistance, we have mandated the DOH to conduct monitoring and evaluation that would assess the responsiveness of Malasakit Centers including a client satisfaction survey, utilizing indicators such as

reduced waiting time and percentage of indigent and financially incapacitated patients served, among others.

It is with high expectations that we would be able to streamline and expedite the delivery of services to Filipinos, especially to those who need them most. Thus, I urge my fellow members of this august Chamber to support the immediate passage of this measure.

*Ibigay natin sa Pilipino ang mabilis, maayos at maaasahang serbisyo, lalo na po pagdating sa pangangailangang pangkalusugan. As I have said many times: “Pera nila ito, ibalik sa kanila sa pamamagitan ng mabilis, maayos, at maaasahang serbisyo mula sa gobyernong may malasakit.”*

*Wala pong requirements dapat dito. Basta Pilipino ka, qualified ka. Pera nila ito, ibinalik lamang po sa kanila.*

## MANIFESTATION OF SENATOR VILLAR

Senator Villar expressed her support for the Malasakit Center bill of Senator Go, as she believed that it would be good for the poor people of the country.

## MANIFESTATION OF SENATOR PACQUIAO

Senator Pacquiao stated that he has always been passionate about helping the poor people, especially the underprivileged and the less fortunate, because he feels their sufferings and pains. He believed that rightfully, programs for the poor like the Malasakit Program should be supported by every Member of the Body and should not be opposed. He said that the Malasakit Center program is a very good project because it is meant to provide fast and proper medical assistance to the poor and indigent Filipinos.

Senator Pacquiao expressed his full support for the passage of Senate Bill No. 1076 and requested that he be made coauthor of the measure.

Senator Go accepted the request of Senator Pacquiao.

## MANIFESTATION OF SENATOR GATCHALIAN

Senator Gatchalian expressed his unequivocal support for the proposal of Senator Go to institutionalize the Malasakit Centers all over the country.

He believed that the measure would serve as a good mechanism to bring national government



services all the way down to its constituents, having seen them go to government agencies in Metro Manila, like the PCSO and DSWD, and line up for hours just to seek financial and medical assistance for their loved ones.

Senator Gatchalian noted that the institutionalization of Malasakit Centers would be at no added cost to the government because they would be set up in public hospitals manned by existing manpower of the LGUs. He said that the sooner it would be done, the sooner the government could alleviate the pains and sufferings of the people when they need it most.

Senator Gatchalian then manifested his intention to be a cosponsor of the measure.

## MANIFESTATION OF SENATOR ANGARA

Senator Angara expressed his support for the Malasakit Center measure, saying that he has seen first-hand the Philippine General Hospital (PGH) teeming with patients, some of them coming from as far as Maguindanao in Mindanao to seek medical assistance.

Senator Angara suggested that the Malasakit Center be limited to the LGUs that need it most. He said that as chairman of the Committee on Finance, he can foresee that some LGUs would be getting the bulk of the P300-billion fruit of the Mandanas ruling in 2022, maybe even earlier if the Supreme Court reverses itself. He reiterated that the LGUs or the provinces which could not afford them should be given priority.

Senator Angara commended Senator Go for coming out with a very timely measure which would help the less fortunate in the society.

## MANIFESTATION OF SENATOR REVILLA

Senator Revilla expressed his full support for the proposed measure and urged his colleagues to work hand-in-hand for the immediate passage of the measure.

## MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino likewise joined his colleagues in supporting the passage of Senate Bill No. 1076 and expressed his manifestation of support as follows:

Health is wealth.

These simple words have been uttered all throughout society since time immemorial. In the past, this statement just used to appear as a mere cliché, a standard, generic quote used by children in their art projects, every July when they celebrate Nutrition Month in school. However, today, now more than ever, it is nothing short of being recognized as a universal truth. Good health is something the whole worlds knows that everyone must enjoy.

*Ito pong Malasakit Center ni Sen. Bong Go ay patungo sa direksiyong ito, lalung-lalo na sa Goal No. 3.8 ng United Nations Sustainable Development Goals, which I quote:*

“3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.”

Even our Constitution mandates that the health of the Filipino people should be protected and given utmost importance by the state. As lawmakers, as the representatives of the people, principally given the task of giving life to these most revered words, it is but our responsibility to create and enact laws that will promote not just our peoples' health but also improve their access to it.

What started out as a simple one-stop shop in the Vicente Sotto Memorial Center in Cebu City has been recognized to be of great value in delivering much-needed health services to the people and is now worthy of emulation all throughout the country.

Now, we have more than 42 Malasakit Centers nationwide.

With this bill, we give back dignity to the people who ask for help regarding their medical needs. Soon, gone will be the days when people will have to knock at the multiple doors of several government agencies, and leaders to ask for medical and financial help which, in the first place under the Constitution, should have been readily given to them by the state.

These people are in need of assistance because they are sick. However, the current process for asking assistance, the maze of bureaucracy, the circus of overlapping functions is making them even more sick.

With this bill, those who need assistance only need to approach one center, one kiosk, conveniently situated inside every government hospital and there receive vital information

*for*



regarding their healthcare as well as receive financial and medical assistance from different government agencies in a more simplified and conveniently streamlined process in the Malasakit Center.

The Filipinos may not be that rich in terms of money and other material wealth, but with this Malasakit Center Act, we may just finally all enjoy the only wealth that matters in the end – that is the gift of good health.

This bill is nothing but a blessing to each and every Filipino and I humbly express my support for its passage.

Thereafter, Senator Tolentino asked that he be made a cosponsor and coauthor of the proposed measure. Senator Go accepted the request.

#### **MANIFESTATION OF SENATOR DELA ROSA**

Senator dela Rosa expressed his support to Senate Bill No. 1076.

#### **MANIFESTATION OF SENATOR MARCOS**

Senator Marcos stated that, indeed, those who have less in life should have more in law and that those who have no access to reliable affordable health care should have more through the Malasakit Centers. Thus, she expressed her wholehearted support for the measure and hoped for its immediate approval.

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

Senator Villanueva stated that Senate Bill No. 1076 must be supported for its noble and laudable intention. He said that in his almost two decades of public service, he has witnessed people having a hard time getting assistance from different agencies of the government for their hospital bills. He said that Filipinos, known for their sense of pride, would not ask for financial assistance unless they are already desperately in need of help from government offices.

Thus, Senator Villanueva expressed his sincerest support without prejudice to suggesting and introducing some amendments at the proper time.

#### **MANIFESTATION OF SENATOR ZUBIRI**

Senator Zubiri stated that the Province of

Bukidnon was the first province in the country to start the no-balance billing policy in hospitals, and that, in fact, it is one of the first provinces recognized by PhilHealth to set up the Provincial Indigency Help Program (PIHP). However, he said that the sustainability of the program is very difficult since Bukidnon spends almost half-a-billion pesos a year for the maintenance of three hospitals that were built brand new. Thus, he said that any support coming from the national government would be most welcome.

Senator Zubiri agreed with the observations of Senator Angara as regards the Philippine General Hospital teeming with patients, especially in its hallway, because there are no more rooms available for them. He also confirmed the statement of Senator Go that patients with P80,000 or even P100,000 medical billing after availing of simple medical surgery could only get P15,000 to P20,000 discount from PhilHealth. He lamented that the patients still carry the burden of paying the balance, the reason why they ask for financial assistance from politicians, PCSO, PAGCOR and other government offices.

Senator Zubiri stated that the bill seeking to institutionalize the Malasakit Centers is noble and should have been done 10 years ago to spare the patients of the burden of seeking help from different government institutions.

At this juncture, Senator Zubiri stated that Senator Drilon has expressed his intention to interpellate on the bill at the proper time.

#### **COAUTHORS/COSPONSORS**

Senator Zubiri placed on record that he and Senators Villar, Pacquiao, Gatchalian, Angara, Revilla, Tolentino, Dela Rosa, Marcos and Villanueva are coauthors/cosponsors of Senate Bill No. 1076 with the concurrence of Senator Go.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1076**

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

#### **CHANGE OF COMMITTEE REFERRAL**

Upon motion of Senator Zubiri, there being no objection, the Body approved the change of referral of Senate Bill No. 716 (An Act Providing Campus



Housing to Tenured Faculty Members in SUCs) from the Committee on Committee on Higher, Technical and Vocational Education to the Committee on Urban Planning, Housing and Resettlement as the primary committee.

### **SUSPENSION OF SESSION**

Upon motion of Senator Zubiri, the session was suspended.

*It was 4:05 p.m.*

### **RESUMPTION OF SESSION**

At 5:12 p.m., the session was resumed.

### **SECOND ADDITIONAL REFERENCE OF BUSINESS**

The Secretary read Proposed Senate Resolution No. 150 which the Chair referred to the Committees on Social Justice, Welfare and Rural Development; Agriculture, Food and Agrarian Reform; and Finance, entitled

RESOLUTION URGING THE EXECUTIVE BRANCH TO MANDATE THE CONCERNED GOVERNMENT AGENCIES AND LOCAL GOVERNMENT UNITS TO PURCHASE RICE DIRECTLY FROM FILIPINO FARMERS FOR THEIR AID AND RELIEF PROGRAMS IN TIMES OF CALAMITIES.

Introduced by Senator Zubiri

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

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

- Mayor Yngwie Ecleo of San Jose, Dinagat Islands;
- Mayor Doandre Bill A. Ladaga of Loreto, Dinagat Islands; and
- Mr. Ailong Dela Cruz, Board Member of Dinagat Islands' 2<sup>nd</sup> Provincial District.

Senate President Sotto welcomed the guests to the Senate.

### **RECONSIDERATION OF COMMITTEE REFERRAL**

At this point, upon motion of Senator Zubiri, there being no objection, the Body reconsidered the referral of Senate Bill No. 716 to the Committee on Urban Planning, Housing and Resettlement as the primary committee and a consequence, its original referral should be maintained.

### **CHANGE OF COMMITTEE REFERRAL**

Due to the urgency of amending particular provisions of the 4Ps law to allow the purchase of *palay* from the local farmers which would be distributed as part of the 4Ps program, upon motion of Senator Zubiri, there being no objection, the Body approved the referral of Senate Joint Resolution Nos. 4 and 5, and Proposed Senate Resolution No. 150 to the Committee on Social Justice, Welfare and Rural Development as the primary committee; to the Committee on Agriculture, Food and Agrarian Reform as the secondary committee; and to the Committee on Finance as the tertiary committee.

### **SUSPENSION OF SECTION 22 OF THE RULES OF THE SENATE**

Upon motion of Senator Zubiri, there being no objection, the Body approved to suspend Section 22 of the Rules of the Senate, particularly the three-day notice rule, to allow the Committees on Social Justice, Welfare and Rural Development; Agriculture, Food and Agrarian Reform; and Finance to conduct hearings on Senate Joint Resolution Nos. 4 and 5 and Proposed Senate Resolution No. 150.

### **COMMITTEE REPORT NO. 7 ON SENATE BILL NO. 1076 (Continuation)**

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1076 (Committee Report No. 7), entitled

AN ACT ESTABLISHING MALASAKIT CENTERS IN ALL DEPARTMENT OF HEALTH (DOH) HOSPITALS IN THE COUNTRY AND PROVIDING FUNDS THEREFOR.

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

*[Handwritten signature]*



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

#### **MANIFESTATION OF SENATOR DRILON**

At this juncture, Senator Drilon stated that he has already discussed with Senator Go a number of issues that he has in mind in order to prepare the latter and to spread his answers into the record. However, he asked that he be given more time to review the other provisions of the bill. He said that while he has no objections to the bill, being a one-stop shop concept, there are still certain ramifications and situations which he would want to spread into the record for purposes of the implementation of the measure.

#### **SUSPENSION OF CONSIDERATION ON SENATE BILL NO. 1076**

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

#### **SUSPENSION OF SESSION**

Upon motion of Senator Zubiri, the session was suspended.

*It was 5:19 p.m.*

#### **RESUMPTION OF SESSION**

At 5:19 p.m., the session was resumed.

#### **COMMITTEE REPORT NO. 6 ON SENATE BILL NO. 1074**

*(Continuation)*

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1074 (Committee Report No. 6), entitled

AN ACT INCREASING THE EXCISE  
TAX ON ALCOHOL PRODUCTS,  
HEATED TOBACCO PRODUCTS  
AND VAPOR PRODUCTS, AMEND-  
ING FOR THIS PURPOSE SECTIONS  
141, 142, 143, 144, 147, 150, AND 288,  
OF REPUBLIC ACT NO. 8424, AS  
AMENDED, OTHERWISE KNOWN  
AS THE NATIONAL INTERNAL

REVENUE CODE OF 1997, AS  
AMENDED, AND FOR OTHER  
PURPOSES.

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

Thereupon, the Chair recognized Senator Cayetano, sponsor of the measure, and Senator Tolentino for his interpellations.

#### **INTERPELLATION OF SENATOR TOLENTINO**

Asked by Senator Tolentino if the bill is a proposed measure on excise tax, Senator Cayetano replied in the affirmative, explaining that it seeks to raise excise tax from the sale of Electronic Nicotine Delivery System (ENDS) products which include e-cigarettes, heated tobaccos, and vapes, among others. She agreed with Senator Tolentino that an item must be first recognized as a taxable item or service before it becomes subject to taxation.

Senator Tolentino then asked whether the items of JUUL, such as vape products and e-cigarettes, are recognized by the Food and Drug Administration. He said that in the committee hearing presided by Senator Cayetano, his impression was that the FDA was still in the process of scrutinizing and studying as to whether it would recognize or not the products to be subjected to the proposed taxation.

Senator Cayetano explained that the Department of Health had already come out with Administrative Order No. 2019-007, the Revised Rules and Regulations on Electronic Nicotine and Non-Nicotine Delivery System Devices, which clearly recognized the said products and the health risk that they pose.

Senator Tolentino, however, pointed out that there has to be a certificate emanating from the FDA for a product to be recognized and be made available to the consuming public. He then asked whether there is an FDA certification concerning JUUL products and other e-cigarettes. Senator Cayetano said that the two regulatory requirements are a license to operate and a certificate of product registration. She stated that according to the FDA, there are companies that have already obtained a license to operate but that there are no pending applications with regard to certificates of product registration.

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To Senator Tolentino's assertion that such products could not therefore be introduced yet to the domestic market as they have not yet been subject to FDA scrutiny, Senator Cayetano agreed, saying that the reason for going through the process of getting a certificate of product registration is for the regulatory agency to tell if the products are safe for human consumption, may be sold to the public, may be prescribed, or if their sales are restricted in terms of age. For instance, she pointed out that in the United States, while some of the ENDS products are allowed to be sold, they were not certified or permitted to claim that they are safe. Hence, she surmised that if there has not been any application for a certificate of product registration, all of these products that are on sale in the market could be confiscated.

Senator Tolentino clarified that his only worry is that they would be taxing an item even before that item is given government recognition. He noted that although the product has been widely disseminated in the United States, there are still some states, such as Washington, Rhode Island, Michigan, New York, Massachusetts, and the City of San Francisco, that had banned JUUL products and all other e-cigarettes, prompting President Trump to instruct the USFDA to study the possibility of banning altogether products labelled as e-cigarettes. He said that the USFDA has yet to make up its mind on whether to give certification or not to such products. This, he said, reminded him of a parallel investigation conducted by the Seventeenth Congress regarding the dengue crisis which found out that even if the World Health Organization had not given its imprimatur to disseminate Dengvaxia, the Philippines went ahead and became sort of a "guinea pig" laboratory for the Dengvaxia vaccine from France. He feared that a similar case could ensue if such ENDS products would be allowed in the Philippines even without government imprimatur.

To Senator Tolentino's assertion that there has been no certification or clearance from any government entity that the ENDS products are safe except from JUUL itself, and that even several states in the U.S. where e-cigarettes originally came from, the State of Washington being the latest, have banned the sale and dissemination of JUUL products last September 27, 2019, Senator Cayetano admitted that she still has no information regarding any U.S. state which has made a finding on the general safety of e-cigarette products, but that she has a list of the 42 countries that have banned heated tobacco products (HTPs). To the question of whether a product,

which has yet to be officially registered or given the permission to be sold in the Philippines, could be taxed, she clarified that her proposal is not for a new kind of tax but for the increase in the excise tax on e-cigarettes under Republic Act No. 11346. Insofar as recognizing the existence of e-cigarettes was concerned, she quoted Section 11 of Administrative Order No. 2019-0007 by the DOH which gave the companies involved in the distribution, sale or use of the ENDS/ENNDS products a period of three months to comply with the guidelines, including registration, to wit: "ENDS/ENNDS products verified to be unregistered after the given grace period shall be subject to seizure, and persons, establishments including officers and directors, responsible for the distribution or introduction in the Philippines shall be subject to the imposition of appropriate regulatory actions after due process." She noted that the three-month period ends on October 25, 2019, with the earliest taxation to start in 2020.

To underscore the banning of e-cigarettes in the United States, Senator Tolentino said that the recent joint press conference of New York Governor Andrew Cuomo and New Jersey Governor Phil Murphy was not just an unprecedented act but an effort that highlighted the negative ramifications of allowing e-cigarettes in the market.

As regards DOH Administrative Order No. 2019-0007, Senator Tolentino maintained that recognizing the need to register is different from the certificate of registration itself, noting that in taxation, the first element is to determine whether or not an item is taxable. He asked whether the intent is to impose a total ban of ENDS products including vape products, or to regulate them through taxation, the proceeds of which would be used for health purposes.

In reply, Senator Cayetano stated that the Executive Department, through an executive order that provided the details including deadline for registration, has already decided to regulate e-cigarette products. For products which are deemed unacceptable, she said that they would be pulled out of the market. She added that under DOH Administrative Order No. 2019-0007, the FDA would impose a ban on certain flavors and/or additives that are suspected to be appealing to the youth—flavors which are toxic, harmful, addictive or sensitizing, but regardless of the AO, Congress retains its jurisdiction to decide if it wants to impose more stringent measures or if it wants to consider banning. Relative thereto, she



disclosed that she even drafted a bill that looked into the harmful effects and health aspect of e-cigarettes.

Saying that he was not against the proposed excise tax on alcohol and tobacco, Senator Tolentino said that recognizing JUUL products and other e-cigarette products in the bill would open a new field for taxation since it proposes taxes on items which were not mentioned in the National Internal Revenue Code, not identified as taxable, and not recognized as taxable by a government regulatory body like the FDA. He also stressed that the phrase “the FDA shall” speaks of the future—after the bill has been passed—for the FDA to enact administrative issuances, circulars or measures that would conform to the need of securing a certification prior to taxation.

Noting that a sound fundamental public policy dictates that an item must first be recognized as taxable and safe for public consumption before placing it in the universe of taxation, Senator Tolentino reiterated that the question of banning or taxing JUUL products goes back to the very rationale of the proposed law—if it is intended for health purposes or aimed at generating funds.

Senator Cayetano said that Congress could still look into and deliberate on the issue of e-cigarettes even if the Executive department has already decided to regulate and not ban e-cigarette products. As regards the phrase “the FDA shall,” she explained that the provision is necessary since JUUL products are new; thus, there must be a leeway to come up with rules and regulations that would further protect interests. Adverting to item no. 8, Section VI of DOH Administrative Order No. 2019-0007, she explained that the generic term in the provision looks forward to something which is yet to be done considering that flavors and additives could not be anticipated as they may not be harmful even if it is appealing to the youth.

On whether Senate Bill No. 1074 is a tax measure or a health measure, Senator Cayetano stated that there would always be proponents particularly from the health sector who would claim that sin products in the market have no redeeming value, and that the recourse in prohibiting such products makes its use illegal since the government does not benefit and the public suffers; hence, the decision was to simply regulate them.

As a health advocate, Senator Cayetano gave assurance that she would push for measures to

support the taxation aspect of the measure as she believed that it is just a tool, not the be-all and end-all of the bill, and that the DOH and the Committee on Ways and Means must work hard to come up with supportive measures that would truly provide a health approach to the problem of smoking and excessive drinking among Filipinos.

Asked if DOH Administrative Order No. 2019-0007 issued on June 14, 2019 was the reason for making it a taxable item, Senator Cayetano replied in the affirmative. She said that Congress has already taken jurisdiction over e-cigarettes as a taxable product through Republic Act No. 11346, which taxation would be effective in January 2020.

Senator Tolentino pointed out that by increasing the tax of a non-existing taxable item by January 2020, the measure opens various interrelated tax matters relative to the National Internal Revenue Code that could even crisscross constitutional boundaries.

Senator Cayetano clarified that San Francisco, Michigan and Massachusetts imposed a total ban on the sale of e-cigarettes, while New York, New Jersey and Rhode Island limited the ban only to flavored variants of the product.

Senator Cayetano explained that the bill is a health measure since it aims to reduce consumption, but it is also a revenue measure because it seeks to generate income for the government, with the bulk of the proceeds intended for the implementation of the Universal Health Care (UHC) law. She estimated that by the time Congress passes the measure into law in 2020, the affected companies would already have their certificate of product registration while those without one would have to pull their products out of the market.

Noting that more than 800 cases of illnesses come from nicotine, a main ingredient of JUUL products which are being sold in the Philippines, Senator Tolentino sought clarification on whether 35% of JUUL is owned by the Altria Group of Marlboro and Philip Morris International. He noted that if it was the case, Philip Morris Philippines is also a part-owner of JUUL. Senator Cayetano suggested that Senator Tolentino proceed with other queries while her staff checked on the details regarding the ownership of the company.

On a related matter, Senator Tolentino noted the irony of the House of Representatives passing its



version of the Corporate Income Tax and Incentive Rationalization Act (CITIRA) to reduce by 10% the tax on corporations operating in the Philippines, such as JUUL, while the bill seeks to increase excise tax on e-cigarettes. This, he said, would be a taxation anomaly since cigarette manufacturers would benefit from lower corporate income taxes but taxes on their products would be increased. He believed that pursuing the passage of the CITIRA instead of the excise tax on e-cigarettes and JUUL products would be a better way of harmonizing all related tax laws since it would mean positive revenue collection for the government.

Responding to earlier queries, Senator Cayetano said that Altria, which is investing in various e-cigarette products, has interlocking ownerships since it owns 35% of JUUL, and also owns Philip Morris USA, while the heated tobacco product IQOS brand is owned by Philip Morris International. She added that JUUL and IQOS, which are two dominant players in the industry, employ two different mechanisms, the first being a closed system e-cigarette, while the second is a heated tobacco product.

She explained that the proposed income tax restructuring would affect about 899,000 firms ranging from micro to large companies engaged in various industries such as food, textile or even alternative cigarette distribution or manufacturing since it aims to bring down taxation by about 10% — from 30% to 20% — over a gradual period of time. She affirmed Senator Tolentino's observation that the proposal would benefit even companies selling sin products unless they violate regulations that have been put in place.

Unlike cigarette brands that were advertised through traditional media such as TV, radio or print placements and billboards, Senator Tolentino noted that e-cigarettes are being promoted through word-of-mouth and online advertising wherein online buyers could easily purchase products. He expressed concern that e-cigarettes are being marketed to a young generation ranging from 15 up to 19 years old or those from grades 10 to 12.

Asked whether existing laws such as Republic Act No. 9211 (An Act Regulating the Packaging, Use, Sale Distribution and Advertisements of Tobacco Products and for Other Purposes) which prohibits cigarette advertisements through cable TV, radio, television and other media is sufficient, or whether there is a need to craft another statute that would

ban promotion through online advertising, Senator Cayetano clarified that Section VI (10) of A.O. No. 2019007 (Revised Rules and Regulations on Electronic Nicotine and Non-nicotine Delivery System [ENDS/ENNDS]) by the Food and Drug Administration provides that "A comprehensive ban on any form of advertising, promotion and sponsorship, including corporate social responsibility campaigns by the industry, of ENDS/ENNDS products, shall be implemented upon approval of this Order." She pointed out that the A.O. recognizes that advertising, promotions and sponsorships of such products shall be restricted. She also recalled that a representative of JUUL had assured her committee that the company would not be advertising their products in any way. Nevertheless, she opined that government ought to dictate the direction of e-cigarette advertisements. She pointed out that even though a ban is imposed on advertising or social media gimmicks initiated by e-cigarette firms, such products also become known through word-of-mouth, with young people themselves promoting the products through social media. She recalled a statement by biobehavioral scientist Suchitra Krishnan-Sarin who believed that e-cigarettes would be readily accepted by teens who belong to the smartphone generation. She quoted Krishnan-Sarin as saying that "Teens are impulsive and they love to try new things. They are also craving independence, and they love to make things their own. E-cigarettes meet these needs perfectly by allowing them the chance to both innovate and personalize their vape experience." She believed that the real danger lies in the attraction that the youth has for the product itself.

For his part, Senator Tolentino expressed his intention to suspend his interpellation to study the FDA's administrative order on e-cigarettes which, he said, apparently does not have any supporting statute. He refused to believe that JUUL would keep its commitment of halting its advertising efforts because even if the president of Philip Morris committed that they would stop manufacturing cigarette products within five years, they still continued with their advertising efforts.

Senator Cayetano pointed out that there are various forms of advertising in different jurisdictions. She said that her understanding of JUUL's commitment was that they will not advertise only in the Philippines.

Asked on the possibility for e-cigarettes, vapes and the like to be imposed "advertiser's" tax, whether advertised online or in other forms, Senator Cayetano



answered in the affirmative, although she noted that if there is a total ban, a tax would not be necessary; if the advertisement would only be regulated, a tax can be imposed.

Regarding the laws on advertising, Senator Cayetano disclosed that she is drafting a bill that would regulate and/or ban – depending on the recommendations of the experts – various forms of marketing and advertising of e-cigarette products. She said that she would welcome any input on the measure which would have a direct impact on the lives of young people.

Asked if vape, JUUL and other e-cigarette products are included in the existing advertisement ban by virtue of Republic Act No. 9211 (The Tobacco Regulation Act of 2003), Senator Cayetano answered in the negative. She explained that the law covers HTPs (Heated Tobacco Products). She said that a new law or executive order is necessary to regulate such products.

Senator Tolentino cautioned that without prohibition, the advertisements he showed earlier would be shown in various forms of media, noting the correlation between cigarette consumption and advertisement. He cautioned that JUUL and other e-cigarette consumption would rise because there is no prohibition on their advertisements.

Senator Cayetano agreed, saying that her concern is shared by health advocates and by civil society, noting that e-cigarette products are being promoted as a safer alternative to tobacco products despite lack of evidence to the claim. She said that the danger lies in the public's exposure to the product through advertisements even if science is not yet clear on its dangers.

Senator Cayetano likewise believed that the danger should not be limited to the legal definition of youth because once they turn 18 and are considered adults, they would be exposed to various persuasive advertisements. Despite scientific findings stating that nicotine is damaging to the prefrontal cortex of the developing brain of the youth, she pointed out that conditions would not change overnight just because a person turns 18. She surmised that the effect is on young people in general because nicotine is addictive, and that the earlier a person starts to consume it, the more it would be addictive and harder to stop. She reiterated that its consumption in whatever age would be unsafe.

Senator Tolentino agreed, as he pointed out that the JUUL website explicitly states that their product is age-restricted and is not for sale to minors. He stated that the manufacturer and distributor admitted that their product contains nicotine which is addictive; in fact, its website includes the warning: "This product contains nicotine; nicotine is an addictive chemical." Thus, he proposed that advertisement for e-cigarettes, as with regular cigarettes, be banned. Showing a picture of the JUUL advertisement, he said that such advertisements are very captivating to anyone, especially to the youth.


Senator Tolentino suggested that the prohibition for e-cigarette advertisement be made explicit and part of the legislation. However, he cautioned that despite prohibition of advertisements, companies could find loopholes, such as by posting signages marking a store as a vendor of their product. He also pointed out the provision in the National Internal Revenue Code which considers advertisements as ordinary and necessary expense which could be deducted from tax computations. If the plan to prohibit advertisements would push through, he said that portions of the NIRC pertaining to gross income taxation should be overhauled. He noted that the policy behind the provision is to help small businesses and establishments, and that while there would be excise tax, there would still be additional deductible expense for an indirect advertisement of JUUL and other tobacco-related products. Despite being taxed, he lamented that the government would even help their business by giving deductions. Additionally, he stated that the tax would further be lowered by 10% when the bill for lowering corporate income tax becomes a law.

Finally, Senator Tolentino underscored the need to be consistent when it comes to tax, especially for products that could not be totally banned. If provisions would be amended, he said that they should be harmonized with other laws.

Senator Cayetano stated that the statements of Senator Tolentino were well taken, as well as his recommendations for the inclusion of other sin products.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1074**

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



**RECONSIDERATION  
OF COMMITTEE REFERRAL**

Upon motion of Senator Zubiri, there being no objection, the Body reconsidered the referral Senate Joint Resolution Nos. 4 and 5, and Proposed Senate Resolution No. 150 to the Committee on Social Justice, Welfare and Rural Development as the primary committee, the Committee on Agriculture, Food and Agrarian Reform as the secondary committee, and the Committee on Finance as the tertiary committee.

**COMMITTEE REFERRAL OF SENATE  
JOINT RESOLUTION NOS. 4 AND 5**

As a consequence, upon motion of Senator Zubiri, there being no objection, the Chair referred Senate Joint Resolution No. 4 (buying back of palay of the local farmers for the rice subsidy program) and Senate Joint Resolution No. 5 (authorizing the use of the rice subsidy for the purchase of palay from farmers), taking into consideration Proposed Senate Resolution No. 150, to the Committee on Agriculture, Food and Agrarian Reform as the primary committee, the Committee on Social Justice, Welfare and Rural Development as the secondary committee, and the Committee on Finance as the tertiary committee.

**REQUEST OF SENATOR ZUBIRI**

Senator Zubiri requested the Secretariat, particularly Secretary Villarica, Deputy Secretary Bellen and the Bills and Index Service, to meet with him the following day regarding committee referral of bills and resolutions.

**ADJOURNMENT OF SESSION**

Upon motion of Senator Zubiri, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of the following day.

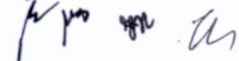
*It was 6:25 p.m.*

I hereby certify to the correctness of the foregoing.



**ATTY. MYRA MARIE D. VILLARICA**

*Secretary of the Senate*



Approved on October 1, 2019