



REPUBLIC OF THE PHILIPPINES
Senate
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Journal

SESSION NO. 34

Monday to Thursday, November 11 to 14
and Monday to Wednesday, November 18 to 20, 2019

**EIGHTEENTH CONGRESS
FIRST REGULAR SESSION**

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CALL TO ORDER

At 3:00 p.m., Monday, November 11, 2019, the Senate President, Hon. Vicente C. Sotto III, called the session to order.

SILENT PRAYER

The Body observed a minute of silent prayer.

NATIONAL ANTHEM

The AUP Mu Gamma Chi Choir led the singing of the national anthem and thereafter rendered another song, entitled "*Pagkakaisa Medley*."

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.	Pimentel III, A. K.
Binay, M. L. N. S.	Poe, G.
Cayetano, P. S.	Recto, R. 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.
Lacson, P. M.	Zubiri, J. M. F.
Pangilinan, F. N.	

With 17 senators present, the Chair declared the presence of a quorum.

Senators Gordon, Marcos, Pacquiao and Villar arrived after the roll call.

Senators Hontiveros and Lapid, who were both on official mission, arrived after the roll call.

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

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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. 33 (November 6, 2019) and considered it approved.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

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

- Department of Finance (DOF) Secretary Carlos Dominguez III;
- Department of Budget and Management (DBM) Secretary Wendel E. Avisado;
- Staff of the DOF and DBM, together with their undersecretaries and assistant secretaries;
- Staff of the National Economic and Development Authority (NEDA) headed by Undersecretary Rosemarie G. Edillon;
- Staff of the Bureau of Internal Revenue (BIR), Bangko Sentral ng Pilipinas (BSP), and Bureau of Treasury (BT);
- Zonta Club of Makati-Ayala headed by Ms. Nini Layug, together with Zonta Club of Makati & Environs Foundation, Inc. head Ms. Maritess Pineda and Zonta Club member Deth Tan, the mother-in-law of Senator Zubiri;
- Cong. Angelica Natasha Co of Barangay Health Wellness (BHW) party list;
- Vice Mayor Richie Jason David of Limay, Bataan; and
- Former Mayor Tomas “Tommy” Osmeña of Cebu City.

Senate President Sotto welcomed the guests to the Senate.

APPROVAL OF SENATE BILL NO. 1076 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, Senate Bill No. 1076, printed copies of which were distributed to the senators on November 7, 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 ESTABLISHING MALASAKIT CENTERS IN ALL DEPARTMENT OF HEALTH (DOH) HOSPITALS IN THE COUNTRY AND IN THE PHILIPPINE GENERAL HOSPITAL (PGH), PROVIDING FUNDS THEREFOR 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	Pimentel
Binay	Poe
Cayetano	Recto
Dela Rosa	Revilla
Drilon	Sotto
Gatchalian	Tolentino
Go	Villanueva
Lacson	Villar
Pangilinan	Zubiri

Against

None

Abstention

None

With 18 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 1076 approved on Third Reading.

MANIFESTATION OF SENATOR GO

Senator Go thanked all the Members of the Body, especially Senators Recto, Drilon, Pangilinan, Gatchalian, Villanueva, Angara, Binay, Revilla, Lacson, Pimentel, Villar, Cayetano, Dela Rosa, Tolentino, Hontiveros, Pacquiao, Lapid, Gordon, and Zubiri, as well as Senate President Sotto, for their support and for pushing for the immediate passage of the Malasakit Center bill which, he said, is one of the solutions that the Duterte government has developed to provide quick and quality access to health care to all Filipinos



regardless of age, sex, ethnic background, religion, and political affiliation. He lauded the august Chamber for prioritizing the measure and making it one of the first pieces of legislation to be approved on Third Reading in the Eighteenth Congress.

He also thanked the DOH, DSWD, PCSO, PhilHealth, DBM, and other government agencies for their cooperation and commitment to ensure the successful implementation of the measure.

Senator Go believed that with the Malasakit Center Act in place to complement the Universal Health Care Law, the government is a step closer towards making quality health care more accessible and affordable for all Filipinos, especially the indigent and poor patients in need of medical assistance.

Senator Go said that the government is simply giving back the people's money to them in terms of speedy, efficient, and reliable medical services for every Filipino through the Malasakit Center.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri congratulated Senator Go, saying that the Malasakit Center is a landmark and legacy measure of the Senator.

EXPLANATION OF VOTE OF SENATOR RECTO

Senator Recto explained his affirmative vote, as follow:

For most of our countrymen, hospitalization is a luxury they cannot afford. The body may be willing, but the pocket is not. The result is that six in ten deaths in this country are unattended by a doctor. This should not surprise us at all because almost all families are one grave sickness away from bankruptcy. Financial ruin is a side effect of sickness.

The reality is that while only one member of the family is in the sickbed, the entire family's finances end up in the ICU. Even those with the insurance, public and private, soon realize that it will cover only a small portion of hospital bills. Often, the balance to be paid is still so high that it has been proposed to put a recovery room beside the billing section of a hospital or a crash cart near the cashier.

But, better still, a Malasakit Center in, at least, DOH-run public hospitals and the PGH.

The latter must not only be centers of wellness but of compassion as well. The creation of such is one step in helping our people raise the financial resources for the medical care of their loved ones. These are access points to financial health in a one-stop shop set up in hospitals themselves.

As our National Health Accounts would show, funds which can be tapped by these centers would not totally displace the need for out-of-pocket medical expenses.

Truth be told, they represent a mere fraction, but these gateways to assistance tell the people that government is here to help.

In 2018, total national health spending was P799 billion. Of this, almost P450 billion was out-of-pocket expenditures of individuals. In all, government, including PhilHealth, accounted for P221.7 billion. This means that for every health peso spent, P0.59 came from private pockets and P0.32 came from the various instrumentalities of the government.

Not captured by the National Health Accounts are contributions to Malasakit Centers by PAGCOR and PCSO. Just the same, the Malasakit concept is commendable for bringing this help to the people instead of the people chasing after them.

Ito po ay parang Waze na magtuturo kung paano makakamit ang tulong. Ang diperensiya nga lamang ay hindi ka na pupunta pa kung saan-saan kasi embedded na sa ospital. This is an ease-in-securing-aid program that spares the caregivers of the agony for scouting for help, which today assumes the proportion of an urban expedition lasting many days in many government offices.

At this point, I would like to commend the sponsor of the measure for spearheading the passage of this bill.

APPROVAL OF SENATE BILL NO. 1122 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, Senate Bill No. 1122, printed copies of which were distributed to the senators on November 7, 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 DESIGNATING THE THIRD SUNDAY OF NOVEMBER EVERY YEAR AS THE NATIONAL DAY OF REMEMBRANCE FOR ROAD CRASH VICTIMS, SURVIVORS, AND THEIR FAMILIES.

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
Gordon	Villanueva
Lacson	Villar
Marcos	Zubiri

Against

None

Abstention

None

With 20 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 1122 approved on Third Reading.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

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

- Department of Agriculture (DA) Secretary William Dar;
- Securities and Exchange Commission Chairman Emilio Benito Aquino; and
- Philippine Charity Sweepstakes Office (PCSO) board member Sandra Cam.

Senate President Sotto welcomed the guests to the Senate.

EXPLANATIONS OF VOTE ON SENATE BILL NO. 1122

By Senator Poe

Senator Poe, chairperson of the Committee on Public Services, thanked everyone for their support, saying that the bill's approval was only fitting as the world remembers the millions of lives lost or hurt in traffic accidents on the coming third Sunday of November. With the institutionalization of this remembrance day, she hoped to get one step closer to serving justice. Aside from remembering, she said that it is also the government's duty to proactively prevent such accidents. Thus, she once again called for the passage of the bill creating the National Transport Safety Board as a response to the call for solutions to accidents in the country.

She once again thanked all the members of the Body for their support.

By Senator Recto

Senator Recto explained his affirmative vote with the following statement:

Since the time that we approved this bill on Second Reading last week, there have been 1,786 vehicular accidents in Metro Manila alone. Of these, 282 were injuries and about five were fatalities. We extrapolated this from last year's data.

It is safe to assume that the ones for this year are even worse.

If we use the PNP Highway Patrol Group's 2020 Report which is national in scope, there have been 26 deaths from road crashes since the afternoon of November when we approved this bill on Second Reading.

However, the real body count—as with other road accident data—is far higher as there are other deaths unreported to the HPG or which the latter failed to report.

After all, this is a land where traffic accidents like overspeeding fly under the radar.

There is another thing missing.

These are the taxpayer's funds no longer spent for road safety which the original Motor Vehicle User's Charge Law mandated.

When we interred the Road User's Board in the graveyard of unlamented agencies, we also

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pulled the plug on the provision earmarking 7.5% of vehicle registration fee collections for road safety.

I agree that there was much to be desired in the way the allocations were spent, but the idea of plowing back a fixed percentage of what car owners pay in registering their vehicles for projects designed to make our roads safe remains valid.

Bad implementation of idea does not make it obsolete, in the same vein that the existence of “ninja cops” is not an argument for the abolition of the entire police force.

It is worth noting that MVUC collections stood at P46.25 billion as of late last year. For 2019, this will increase by P13.9 billion.

I have earlier said that the law we passed merely abolished the Road Board but did not abolish the duty of the government to declare where MVUC collections will be spent.

And under the law, such itemization should be made in the NEP and eventually in the General Appropriations Act. *Mukhang nakaligtaan po yata sa taong ito. Baka pupuwede sa susunod na taon, mayroon na.*

The utilization menu has also been changed, earmarking the collections solely for the construction, upgrading, repair, and rehabilitation of roads, bridges, and road drainage—a change I wholeheartedly agree to.

If I can make a suggestion to the DPWH, perhaps they can use the MVUC to fund road works that will guarantee pedestrian safety near schools.

Through widened roads, ample sidewalks, elevated walkways, and marked pedestrian lanes, we can create a “kid-safe zone” around the schools and colleges where 25 billion people or one-fourth of our population go to daily.

We need engineering interventions that will cocoon places where our children spend most of their day.

We still resurrect the MVUC from a fund that killed transparency to one that will save children’s lives.

I have raised the above proposal so that this bill which we passed will go beyond remembrances to one whose import is more meaningful as it would create programs that will be enjoyed the whole year round instead of commemorating it for one day.

Nagbabalak pa naman ang administrasyon na lakihan—doble or maaring triple—ang

bayad sa pagpaparehistro ng sasakyan. Baka naman kaakibat ng panukalang ito ay mai-pakita muna nila kung saan gugugulin ang mga nakaimbak na mga koleksyon. At kung kasama ang mga proyektong ililigtas ang ating mga anak sa mga sakuna, maaring makamit nila ang kapahintulutan ng bayan.

SPECIAL ORDER

Upon motion of Senator Zubiri, there being no objection, the Body approved the transfer of Committee Report No. 18 on House Bill No. 4228 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 18 ON HOUSE BILL NO. 4228

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, House Bill No. 4228 (Committee Report No. 18), entitled

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

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

The Chair recognized Senator Angara for the sponsorship.

SPONSORSHIP OF SENATOR ANGARA

Senator Angara, on behalf of the Committee on Finance, submitted for plenary consideration House Bill No. 4228, entitled “An Act Appropriating Funds for the Operation of the Government of the Republic of the Philippines from January One to December Thirty-One Two Thousand and Twenty, and for Other Purposes,” under Committee Report No. 18, or more commonly known as the annual national budget which, some say, is the most important piece of legislation which Congress is called upon to pass every year.

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

The national budget does not only outline the Philippine government's planned operations and expenditures for the coming year. More than a collection of figures, percentages and targets, it is a symbol of our collective priorities and values as a country and our dreams and aspirations for our people. *Hindi lamang po pondo kundi pangarap ang nilalaman ng panukalang ito.*

During the earlier DBCC hearings, our Budget Secretary even used the mnemonic guide "legacy" to describe the 2020 expenditure program, saying that the initiatives to be funded "will sustain our development momentum" such that the present government "will be able to leave a legacy of a more secure, more equitable, and more prosperous country."

So critical is the GAA, in fact, that because we failed to pass it on time during the previous budget cycle, the country paid a price.

One adverse impact was slower GDP growth in the first half of the year; another was that the construction and repair of thousands of classrooms were delayed as were the tuition fees of thousands of government scholars across the country. Opportunities were also lost to create via government projects and programs thousands of jobs in the construction, public administration defense, wholesale and retail trade, land transport, and education sectors.

Of course, the Executive has since responded well and we are in the midst of implementing a catch-up plan. Recently, we received the good news that economic growth has returned to its former clip for the third quarter of the year at 6.2% besting even the forecasts of some of the experts.

Nevertheless, this experience has underscored for us to maintain our country's momentum and upward trajectory. We can afford no more delays, especially when public spending can account for up to 20% of the entire economy. And that is why the Finance Committee has worked to deliver the President's budget on time, dividing the task of hearing it between this Representation and our nine vice chairpersons. *Malalim po ang ating pasasalamat kina Senators Cayetano, Gatchalian, Go, Gordon, Hontiveros, Lacson, Marcos, Villanueva, and Villar. Sa tulong po nila nasuri nang masinsinan ang budget ng mga ahensiya marahil sa mas mabilis na panahon.*

We also thank the Senate staff, even the staff of our colleagues, particularly the hardworking men and women of the Legislative Budget Research and Monitoring Office led by Executive Director Doblón who has put off retirement in the meantime. *Maraming salamat po.*

Aabot po sa P4.1 trillion ang nilalaman ng committee report. Baka maging P5.1 trillion pa po ito kung tinanggap ng iyong komite ang lahat ng requests at amendments.

Napapaloob dito ang P1.25 trillion na automatic appropriations at P3.066 trillion in new appropriations. Out of this amount, 15.4% will be devoted to expenditures related to operating and improving our communications, roads and other forms of transportation; 17.3% for education, culture, and manpower development; 9% for social security and welfare; 4.8% for domestic security; and 7.4% for public order and safety.

Ipagpatuloy po natin ang mga pangunahing proyekto ng ating administrasyon tulad ng CCT at ng UCT or Unconditional Cash Transfer. Ang block grant para sa BARM, ang AFP Modernization Program, at base sa budget na ito, lalapit sa 5% ng Gross Domestic Product (GDP) ang paggastos po natin para sa inprastruktura.

We believe that this budget will help bring us closer to becoming an upper-middle income country by 2022 where human development is high and growth is more inclusive as manifested in lower poverty incidence in rural areas and the lower unemployment rate.

Sa mga halagang ito, pakay nating ipagpatuloy ang proseso para abutin ang pagbabago sa ating lipunan kung saan titibay ang tiwala ng taumbayan sa gobyerno, panatag ang kanilang loob na ligtas ang kanilang buhay, at lalawak ang pagkakataon po nila para umasenso.

Alinsunod sa mandato ng Saligang Batas na dapat pinaka-prayoridad ng budget ng bansa ang edukasyon ng mamamayang Pilipino, pinalaki po ng iyong komite ang pondong mapupunta sa Department of Education, Commission on Higher Education, at Technical Education and Skills Development Authority.

DepEd

Sa rekomendasyon ni Vice Chair Senator Pia Cayetano at Senate President Pro Tempore Recto, itinaas po natin ang pondo ng Department of Education. Ito ay para madagdagan ang puwedeng maisama sa programa para sa

private senior high school vouchers para palawigin ang Last Mile Schools Program kung saan magtatayo o pagagandahin ang mga eskuwelahan sa mga matatarik na bundok, liblib na isla, at mga malalayong lugar na mahirap puntahan; para rin po ayusin at preserbahin ang mga tinatawag na "Gabaldon Schools" na bahagi ng ating kultura at kasaysayan o heritage alinsunod sa Republic Act No. 11194 na ipinasa natin kamakailan lamang.

Sinusuportahan din ng inyong komite ang Quick Response Fund (QRF) ng DepEd bilang pagtugon sa mga sakuna tulad ng mga lindol sa Mindanao nitong nakaraang buwan. Tinataya na maaaring umabot sa P2 bilyon ang halagang kailangan para sa repair, reconstruction, at rehabilitation ng halos 837 na paaralan na naapektuhan sa matinding pagyanig sa Mindanao. Kung pagsasamahin ang parte ng QRF ng DepEd na hindi pa nagagamit ngayong taong 2019 — of around P679 million — at ang matatanggap nilang QRF sa 2020—of around P2 billion — sapat po ang pondo ng DepEd para maayos ang mga nasalantang paaralan sa North Cotabato, Davao del Sur at ibang bahagi ng Mindanao. Ang mahalaga ay maaprubahan ang panukala na pahabain o i-extend ang validity ng 2019 budget na ating inihain noong nakaraang linggo. Inaantay na lamang ang pagpasa ng House of Representatives dito at ma-sponsor natin ito kaagad.

On top of these, we have appropriated a portion of the NDRRM fund to be used solely for relief, repair, and rehabilitation of Regions XI and XII which were hit hard by the October earthquakes.

CHED

Itinaas din po natin ang pondo para sa mga scholarship at tulong pinansiyal ng Commission on Higher Education (CHED); Student Financial Assistance Program (STUFAP), again through the initiative of Vice Chairperson Cayetano and Senate President Pro Tempore Recto; at ang pag-implementa ng Universal Access to Quality Tertiary Education (UAQTE) Law na kasama ang karamihan dito na may-akda ng batas at ng Private Education Students Financial Assistance (PESFA).

Sa pamamagitan ng mga scholarships at financial assistance, nakakapag-aral ang tulad ni Mrs. Beth Rosales, isang 33-year old na may Grade V na anak. Dahil sa free college tuition siya po ay third-year college student for Bachelor in Technical Teacher's Education sa Zamboanga City State Polytechnic College (ZCSPC). Sa Pilipinas, pangarap natin na lahat

ay nakakapag-aral pati ang mga nanay na makapaghabol ng kanilang pangarap magtapos.

Naglaan din tayo ng pondo para magkaroon ng cash grants for medical students bilang tuition fee subsidy para sa ating mga medical students sa state universities and colleges at sa mga may doctor of medicine program.

Sa usaping TESDA, pinondohan din natin ang Tulong Trabaho Fund, alinsunod sa Tulong Trabaho Act or RA 11230 ni Labor, Employment and Human Resources Development Chairman and Vice Chairman Senator Joel Villanueva. Ito ay pangangasiwaan ng TESDA para mas marami ang makakakuha ng mga TechVoc Training or TVET courses at bibigyan ng prayoridad ang mga taong walang trabaho, hindi nag-aaral o hindi nagte-training. Alam po natin na daan-daan at libo-libo ang nagtagumpay sa tulong ng TESDA. Ang pinakamatingkad na ehemplo nito ay walang iba kundi ang ating seatmate na si Senator Villanueva. Dahil sa TESDA, hindi lamang siya naging barista o espesyalista sa kape, naging senador pa po.

DOH

Tuloy-tuloy pa rin ang ayudang pinaaabot ng gobyerno para sa mga kababayan nating nahihirapan. Sa pagsusulong ni Vice Chairperson Senator Bong Go, sinisigurado natin na patuloy na may malasakit ang gobyerno lalo na sa may mga sakit.

Halimbawa, sinigurado natin na may pondong nakalaan sa Department of Health (DOH). Bilang assistance sa indigent patients, puwedeng bigyan ng tulong pinansiyal ang mga mahihirap na pasyente sa 430 government hospitals; 67 na DOH-run; 17 sa ilalim ng AFP and PNP; tatlo na pinatatakbo ng mga SUC; at 341 na LGU or local government unit-owned. Kasama po rito ang PGH or Philippine General Hospital; NKTi or National Kidney Transplant Institute; Philippine Heart Center; Philippine Children's Hospital; Lung Center of the Philippines; at East Avenue Medical Center.

Sa pamamagitan naman po ng isang special provision, puwedeng bigyan ng assistance ang mga mahihirap na pasyente sa mga pribadong ospital ng medical and health services kung hindi kaya ng mga government hospitals na tugunan ang pangangailangan ng mga pasyente. Ang mahalaga lamang ay mayroong karampatang memorandum of agreement ang mga private hospitals at mga regional offices ng Department of Health.

Nilalagyan din po natin nang sapat na pondo ang Human Resource for Health or HRH

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deployment program *ng ahensiya para patuloy pa ring makapagserbisyo ang mga doctor, nurse, at midwife sa mga government hospitals natin.*

Popondohan din po natin ang pagkaka-roon ng isang mental health hotline bilang pandagdag sa ibang programa alinsunod sa Mental Health Law na ang principal author ay no less than the Senate President, Senate President Vicente Sotto III, at isinulong ni Vice Chair, Senator Hontiveros noong nakaraang Kongreso. Ito ay tugon sa sinasabi ni Dr. Cornelio Banaag Jr., ang professor emeritus ng UP College of Medicine at ang tinataguriang "Father of Philippine Child Psychiatry," dahil ayon sa kaniya may umuusbong na mental health crisis sa mga batang Pilipino.

We have also augmented the funding for the Philippine General Hospital for the purchase of medical supplies and equipment like 2D Echo diagrams, mechanical ventilators, and the provision of medical services, again, an initiative of Vice Chair Sen. Pia Cayetano.

DSWD

Sa ilalim naman po ng budget ng DSWD, mananatili ang Pamilyang Pilipino Pantawid Program o 4Ps alinsunod sa bagong 4Ps law na nagtatalaga at nagpapatatag sa programang ito. Milyun-milyong pamilya na rin ang natulungan. Nararapat lamang po na ipagpatuloy ito.

Sa pagsusulong po ni Vice Chairperson Sen. Imee Marcos, paiigtingin din natin ang Supplementary Feeding Program, alinsunod sa adbokasiya niya at ni Sen. Grace Poe, para masigurado na nakakakain nang tama at masustansiya ang mga batang undernourished na 0 to 4 years old at hindi nakapag-enroll sa kindergarten.

DOLE

Dinagdagan din po natin ang makukuha ng DOLE para sa mga programa nito na tumutulong sa ating mga kababayan na nahihirapan makahanap ng trabaho o hanapbuhay. And we have also added to the Emergency Repatriation Fund and Welfare Assistance Fund of the Overseas Workers Welfare Administration (OWWA) so that more of our OFWs will be protected even beyond Philippine borders, upon the recommendation of Vice Chair Sen. Joel Villanueva.

DFA

Through the initiative of Vice Chairperson, Sen. Richard Gordon, we also worked to strengthen our presence around the globe so that

assistance is available to all Filipinos, particularly for those who have chosen to earn their living abroad.

This is why we provided additional funds to the Department of Foreign Affairs, particularly the Office of the Secretary, not only for the continued operations of existing foreign service post and consular offices, but also the opening of new posts and missions abroad.

We do this not only to serve our brothers and sisters living and working abroad, but also to maintain a solid presence in an increasingly interconnected world. We will provide funding for six foreign service posts which we will open this year—Philippine embassies in Stockholm, Rabat, Morocco; Philippine consulate generals in Barcelona, Spain, Nagoya, Japan, Melbourne, Australia and Istanbul, Turkey, as well as funding for new posts in Colombo, Sri Lanka, Addis Ababa Ethiopia and Astana Kazakhstan.

Courts

In the 2020 budget, we are proposing that we will also complement the work done by our hardworking chair of the Committee on Justice, Sen. Richard Gordon, who has done so many investigations and proposed necessary policy changes that will make justice real to our people.

Hence, we have increased budgets that correspond to the different pillars of justice — the courts, prosecution, law enforcement and corrections.

We have increased the Judiciary's budget to be utilized primarily for creating new positions in the Supreme Court and the lower courts; for the repair and maintenance of halls of justice nationwide; for hiring the services of the Court's Decongestion Officers or professionals who help clear dockets of backlog; for the hazard pay of judges for lower courts and for the creation of 50 new judges-at-large positions — 30 regional trial courts and 20 municipal trial courts. And this is according to the newly passed Judges-At-Large Act, Republic Act 11459, which Senator Gordon sponsored in the last Congress.

We have also augmented the funds for the Sandiganbayan to help them construct their office building, conduct general repairs and maintenance of their facilities. Same applies for the operations expenses of the Court of Appeals, the Court of Tax Appeals, as well as the Office of the Ombudsman.

Law Enforcement

For law enforcement, we have realigned

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funds within the Philippine National Police to allow them to properly implement EO No. 70, series of 2019, which calls for a whole-of-nation approach to restoring peace and order in the countryside — meaning, not just a greater police presence but also greater engagement with our communities.

Corrections

We have also amended the special provision in the budget of the DILG, Bureau of Jail Management and Penology or BJMP to make available funds for drugs and medicines up to 182,000 assumed prisoners for their laboratory and diagnostic test. This aligns closely with the goal of ensuring that every Filipino, regardless of their circumstance, has access to free check-ups and lab tests.

Philippine Army

Mahalaga din ang seguridad para maabot ng Pilipinas ang kaniyang mga pangarap kaya dinagdagan din ng inyong Komite sa pagsusulong po ni Defense Committee chairperson at Finance Committee vice chairperson, Senator Ping Lacson, ang pondo ng Department of National Defense at mga kaakibat na ahensya na mahalaga sa kaligtasan, kapayapaan, at katatagan ng ating lipunan.

Halimbawa, dinagdagan ang pondo ng Philippine Army upang makapag-activate sila ng isang buong infantry division para depensahan ang bansa, partikular sa BaSulTa o ang Basilan, Sulu, at Tawi-Tawi area mula sa banta ng Abu Sayyaf Group at ibang terrorist elements.

Kamakailan lamang po, lumabas ang balita na may napatay na tatlong suspected suicide bombers — dalawang taga-Egypt at isang Pilipino — sa engkwentro sa isang checkpoint sa Jolo, Sulu. May nakuhanang mga bomb vests at grenades mula sa mga suspects.

Such developments only demonstrate how the threat of terrorism is very real and how it is imperative that we support our armed forces in fighting this threat.

Philippine Air Force

Makakakuha naman ang Philippine Air Force ng karagdagang pondo para pagandahin ang Rabina Air Base sa Camp O'Donnell, Tarlac. Ang air base na ito ay nagsisilbing training facility for aerial combat.

AFP-General Headquarters

Itinaas din ang pondo ng AFP General

Headquarters hindi lamang para makapagtayo ng bagong library at lecture hall sa Philippine Military Academy kundi para umigting ang suporta ng Sandatahang Lakas para panatilihin ang kapayapaan sa kanayunan.

Office of the Secretary

Makakatanggap din ng karagdagang suporta ang DND-OSEC para patakbuhin ang Task Force Balik-Loob at ang Enhanced Comprehensive Local Integration Program (ECLIP) na naghihikayat sa mga rebelde na magbalik-loob sa Republika ng Pilipinas. All of the aforementioned defense enhancements were initiatives of Sen. Ping Lacson.

Clearly, the solution we are pursuing is not purely military. We seek a holistic approach kung saan para maibalik ang kaayusan at kapayapaan sa kanayunan, mahalagang bigyan muli ng pag-asa ang ating mga kababayan — silang mga naglunsad ng armadong kilusan dahil sa kawalan ng katarungan na nakita at naranasan nila. Naniniwala po tayo na kapag binuksan muli ang pagkakataon para sila ay mangarap at umasa sa magandang buhay, magbabago ang kanilang pananaw at kusa nilang ibaba ang kanilang mga armas.

Under the protective mantle provided by our uniformed personnel, we believe it would be easier for the country to achieve global competitiveness, attract foreign investment, and realize its aspiration of prosperity. But our economic growth and productivity continues to be hampered by congestion, not only in our road systems but also in the digital networks that connect people, and facilitate commerce and trade which is why we have also trained our focus on the funds of the DOTr, the MMDA, and the DICT.

For instance, under the DOTr shepherded by Sen. Win Gatchalian, there is a significant amount appropriated for the North-South Commuter Railway System Project, envisioned to expand from Clark to Calamba.

MMDA Pasig River Ferry

To help decongest Metro Manila of road traffic, there are more funds lodged in the MMDA for the Pasig River Ferry System particularly for improving the ferry stations, maintaining existing boats, and procuring four new 50-seater air-conditioned ferries. Any means which would help decongest the daily gridlock and punishment of the 500,000 cars per day traffic on EDSA should be supported.

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DICT

Considering that the world is becoming more and more wired and interconnected, again, through the initiative of vice chair Sen. Ping Lacson, the Committee opted to provide more funds to the DICT, led by our former colleague, now Secretary Honasan, for its plans which include building digital classrooms, workforce, workplace, and communities; deploying a Government Emergency Communication System (GECS); turning our government on to the digital revolution and setting up a national government portal; implementing the national broadband plan and connecting more free Wi-Fi internet access in public spaces and SUCs, pursuant to the Free Wi-Fi Law, or Republic Act No. 10929.

Siyempre, hindi rin po tunay na maabot ang mga pangarap natin para sa bansa kung hindi po umuunlad ang kanayunan, partikular ang sektor ng agrikultura. Iyan po ang idinidiin ng ating vice chairperson Sen. Cynthia Villar na siyang chairperson din ng Senate Committee on Agriculture, Food and Agrarian Reform at Committee on Environment, Natural Resources and Climate Change.

DAR

Sa kaniyang inisyatibo, dinagdagan po natin ang pondo ng DAR para sa land acquisition and distribution para mas maraming beneficiaries ang maaaring makinabang at mabigyan ng sarili nilang lupa.

DA

Nagsagawa rin po tayo ng mga realignment sa budget ng DA para masigurado na tunay na makikinabang ang mga magsasaka, mangingisda, at iba pang mga manggagawa sa bukid at dagat. Nilagyan ng special provision kung saan nakasaad na dapat lahat ng pondong napupunta sa research and development sa ilalim po ng DA ay may "farm level application" at tunay na nakakatulong para mas maging "profitable" ang pagsasaka at pangangisda.

Wala rin pong saysay ang ating mga galaw kung hindi natin alagaan at protektahan ang ating kalikasan, lalo na at palaki nang palaki ang banta ng climate change sa kasaganaan at kaunlaran ng ating bansa. Kaya sinigurado natin na may sapat na pondo ang mga ahensyang may kinalaman dito.

Environmental Management Bureau (EMB)

May mga realignments na ginawa para makapag-procure ang EMB ng DENR ng mga plastic recycling machineries at composite

machineries na makakatulong sa issue hinggil sa plastic waste.

It is no secret that the Philippines has been identified as a top source of plastic waste found in our oceans, which is unfortunate since our waters had been identified as a center of the world's biodiversity.

DENR

It is no secret also that my predecessor in the committee, Senator Legarda, was a strong advocate for the environment. It is with her in mind that we are ensuring that ample funding has been provided to the DENR, particularly for its program in protected areas, caves and wetlands development and management on coastal and marine ecosystems, rehabilitation as well as for the Climate Change Commission.

It is also high time that we more actively broadcast to the world what we Filipinos are capable of producing — that, in fact, we are ready to make more and better products; we are ready to link up with global value change and contribute new and transformative innovations. Hence, the 2020 budget reflects our aspirations of building and promoting across the globe a solid and Philippine brand, or "*Tatak Pinoy*," so to speak.

CITEM

During our hearings with the Department of Trade and Industry, we heard about the many ways the Filipino products like cacao, coffee, furniture and fashion are already making waves not only in international trade fairs but also in competitions. This is why we decided to support the plans of Center for International Trade Expositions and Missions (CITEM) to showcase more of our products abroad and to increase the number of Philippine booths and exhibitions in international fairs and conventions, thus, ensuring wider access to bigger markets for our producers.

Trade Attachés

We also consulted the DTI on possible creation of more trade attachés across the world. While such discussions are ongoing, we opted to increase the funding for its "Breakout Economy" initiative which is aimed at enabling our existing trade attachés to expand their promotional activities and priority markets in East Asia.

This will be done with the end goal of narrowing our trade with partner countries and encouraging more investments and generating jobs.

We envision that such promotional activities will follow the footsteps of my predecessor, now Deputy Speaker Loren Legarda, when she supported the return of the Philippines to the Venice Biennale, the world's biggest art fare, some four to five years ago. In the sense that her efforts helped put our country on the radar of the art world, we want to do the same for the full gamut of "*Tatak Pinoy*" products, services, and talents across the globe whether we speak of Philippine design, Philippine chocolate, Philippine book/writing, Philippine authors, and Philippine publishing, among others.

Filipinos are known to be a creative and resourceful people endowed with a rich heritage and colorful culture. Leveraging on that is one aim of our "*Tatak Pinoy*" initiatives. It is also why the committee fully supported Vice Chairpersons Cayetano's and Hontiveros' efforts to provide added funding for agencies dealing with creatives and our cultural agencies such as the Film Development Council of the Philippines, the National Commission for Culture and the Arts (NCCA), the Cultural Center, the National Historical Culture of the Philippines, the National Museum, and the Komisyon sa Wikang Filipino.

DTI

Of course, promotions alone do not build a strong Philippine brand. That is why we put more funding into initiatives that enhance our productive capabilities here at home. This includes establishing more Negosyo Centers across the country, enhancing the DTI's One Town, One Product (OTOP) Next Generation program, and placing more Shared Service Facility (SSF) in our communities.

We all know that our people are creative and hardworking but sometimes they lack just a little bit of entrepreneurial know-how, or some market access or even equipment or technology. These are the small gaps that we want to help the DTI in filling.

Take, for instance, the Shared Service Facility (SSF) program. Through the program, an entrepreneur can save on their production costs because they have ready access to some piece of equipment, machinery, tool, or technology that would help them produce their products.

One example of this beneficiary is the San Fabian Pangasinan Council of Women or PCWI Multi-Purpose Cooperative based in San Fabian, Pangasinan. They were provided with one stainless steel preparation table, an upright type freezer grinder, and a vacuum packaging machine pressure cooker. With such endowment, the council was

able to properly pack and store boneless *bangus* and *bangus* sardines. On its first year of production, they were awarded the best One Town, One Product (OTOP) price in Pangasinan in Region I a few years ago.

This is but one example of what one Shared Service Facility facility can do. As of August 31, 2019, over 2,000 SSFs have been established around the country benefiting hundreds of thousands of individuals and generating thousands of jobs. We wish to support more of such "*Tatak Pinoy*" enhancing facilities in the 2020 budget.

General Provision 18 — The "*Tatak Pinoy*" Provision

There is also the challenge of finding markets for "*Tatak Pinoy*" products and services. Considering that public spending can account for up to 20% of the economy, we thought that government should be at the forefront of patronizing our very own. Hence, we introduce wording in the next year's budget stating that: "In the procurement of goods and infrastructure projects, the government and any of its instrumentalities shall give preference to materials and supplies made and manufactured in the Philippines."

Innovation

Since we are talking about competitiveness, in recent years, our rankings have increased. But to increase our competitiveness even further, it is best to implement fully the Ease-of-Doing Business Law, the brainchild and baby of our Majority Leader, Sen. Migz Zubiri. With this in mind, we have augmented the funds of the Anti-Red Tape Authority, or ARTA, upon his initiative.

And if we are to provide a truly attractive value proposition to the world's investors, we need to start investing heavily in innovation. We need to build up our know-how not only in our R&D, or Research and Development, but also in bringing new technological findings as quickly as we can to the market.

This is why our Committee has chosen to increase funding at the DTI's initiatives towards spurring innovation in our industries and including several Regional Inclusive Innovation Clusters (RIICs), where our government, the private sector and the academe regularly meet to discuss ways on how they can collaborate and innovate.

We need to unleash the forces of innovation in every region of the country, in our state universities and colleges, in our businesses, and in our government offices.

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Ayusin din po natin ang Research Institute for Tropical Medicine (RITM) para lalong lumalim ang pagsaliksik po natin tungkol sa iba't-ibang sakit at karamdaman at mapo-proktetahan natin ang ating mga kababayan.

Innovation Fund

Towards this end, we have also provided seed money for the establishment of the Innovation Fund under NEDA as mandated by the Philippine Innovation Act (Republic Act No. 11293) pushed by our vice chairman, Sen. Win Gatchalian, who was then chair of the Committee on Economic Affairs.

R&D of DOST and SUCs

We have also augmented the funds of the DOST for its community empowerment through science and technology programs as well as set aside research grants to be distributed across our state universities and colleges in the UP system upon the initiative of Sen. Joel Villanueva who happens to be the chair of the Committee on Higher Education.

Makikitang napapaloob sa panukalang ito ang mga prayoridad, pinahahalagahan at pangarap natin bilang mga Pilipino.

Mababatid sana rito na kaakibat ng katuparan ng ating mga pangarap ay ang agarang pagtugon sa mga pagsubok na kinakaharap natin bilang isang bansa. Nararapat lamang na suriin at pag-usapan natin ito nang masinisinan. Nararapat lamang na siguraduhin natin na malaya ito sa anumang katiwalian o pagsasayang. Nararapat din na sa darating na mga araw, huwag po nating kalimutan na naka-angkla rin ang ating kaunlaran at kasaganaan bilang isang bansa.

Again, we would like to thank our colleagues in this august Chamber particularly the Senate leadership—Senate President Sotto; Senate President Pro Tempore Ralph Recto; Majority Leader Migz Zubiri; Minority Leader Frank Drilon; the nine vice chairpersons of the Committee on Finance—Senators Cayetano, Gatchalian, Go, Gordon, Hontiveros, Lacson, Marcos, Villanueva, and Villar; and all the other senators, all of whom regularly attended and participated in the committee's hearings towards the end of a better budget.

As we continue our debates and dialogues on the august halls of the Senate plenary, our committee again extends its thanks and requests the support for the timely passage of the 2020 budget.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri stated that the vice chairpersons of the Committee on Finance would deliver their cosponsorship speeches, except for two who would just submit their speeches to be placed on record.

PARLIAMENTARY INQUIRY OF SENATOR DRILON

Traditionally, Senator Drilon stated that after the chairperson delivers his/her sponsorship speech regarding the national budget, the Body proceeds to the debate on General Principles.

Asked if the vice chairpersons would also sponsor the budgets of departments that were assigned to them, Senator Zubiri explained that the debates on General Principles of the proposed GAA would commence at ten o'clock in the morning of the next session day.

Asked if the vice chairpersons of the Committee on Finance would no longer deliver their cosponsorship speeches on the national budget, Senator Zubiri replied in the affirmative, saying that they would instead individually deliver their respective sponsorship speeches when the budgets of the departments that were assigned to them are called on the floor.

Senator Zubiri also reminded the Body that those who would like to interpellate on the budget may signify their reservations with the Secretariat.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4228

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

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 5 November 2019, the House of Representatives designated Representatives

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Ferrer, Barzaga, Jr., Rodriguez, Ortega, Fortun and Quimbo as conferees to the Bicameral Conference Committee, on the disagreeing provisions of House Bill No. 4933 and Senate Bill No. 1043, both entitled

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

To the Committee on Rules

BILL ON FIRST READING

Senate Bill No. 1154, entitled

AN ACT MANDATING THE INTEGRATION OF THE NATIONAL BUILDING CODE OF THE PHILIPPINES UNDER REPUBLIC ACT NO. 6541, ENTITLED "AN ACT TO ORDAIN AND INSTITUTE A NATIONAL BUILDING CODE OF THE PHILIPPINES," AS A MAJOR SUBJECT IN THE CURRICULUM OF THE BACHELOR OF SCIENCE DEGREE PROGRAMS IN CIVIL ENGINEERING, MECHANICAL ENGINEERING, ELECTRICAL ENGINEERING, SANITARY ENGINEERING, ELECTRONICS ENGINEERING AND ARCHITECTURE, AND ITS INCLUSION AS A TOPIC IN THE LICENSURE EXAMINATIONS FOR THESE PROFESSIONS

Introduced by Senator Lapid

To the Committees on Higher, Technical and Vocational Education; and Civil Service, Government Reorganization and Professional Regulation

COMMUNICATIONS

Letters from the Office of the President of the Philippines, transmitting to the Senate two (2)

original copies of the following Republic Acts which were signed by President Rodrigo Roa Duterte:

Republic Act No. 11451, entitled

AN ACT ESTABLISHING A DISTRICT BRANCH OF THE LAND TRANSPORTATION OFFICE IN THE MUNICIPALITY OF MARAMAG, PROVINCE OF BUKIDNON AND APPROPRIATING FUNDS THEREFOR;

Republic Act No. 11452, entitled

AN ACT CONVERTING THE LAND TRANSPORTATION OFFICE (LTO) EXTENSION OFFICE LOCATED IN THE MUNICIPALITY OF ROSALES, PROVINCE OF PANGASINAN INTO A REGULAR LTO DISTRICT OFFICE AND APPROPRIATING FUNDS THEREFOR;

Republic Act No. 11460, entitled

AN ACT AMENDING REPUBLIC ACT NO. 10807 OR AN ACT DECLARING A WORKING HOLIDAY AND NO CLASS DAY IN SCHOOLS IN THE CITY OF PARAÑAQUE, METRO MANILA IN COMMEMORATION OF ITS FOUNDATION DAY ANNIVERSARY; and

Republic Act No. 11461, entitled

AN ACT DECLARING NOVEMBER 26 OF EVERY YEAR A SPECIAL WORKING HOLIDAY IN THE CITY OF DASMARIÑAS, PROVINCE OF CAVITE, AND ALL ITS BARANGAYS TO BE KNOWN AS THE "FOUNDATION DAY OF THE CITY OF DASMARIÑAS."

To the Archives

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):

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Circular Letter Nos. CL-2019-068, 069 and 070 dated 24 September 2019;

Circular Nos. 1051 and 1057 dated 27 September and 28 October 2019; and

Memorandum Nos. M-2019-023 and 024 dated 25 and 24 September 2019.

To the Committee on Banks, Financial Institutions and Currencies

COMMITTEE REPORTS

Committee Report No. 19, prepared and submitted by the Committee on Public Order and Dangerous Drugs, on Senate Bill No. 1155, with Senators Recto, Zubiri and Dela Rosa as authors thereof, entitled

AN ACT FIXING THE VALIDITY PERIOD OF THE LICENSE TO OWN AND POSSESS, PERMIT TO CARRY OUTSIDE OF RESIDENCE OR PLACE OF BUSINESS AND REGISTRATION OF FIREARMS, AMENDING FOR THE PURPOSE SECTIONS 7 AND 19 OF REPUBLIC ACT NO. 10591, OTHERWISE KNOWN AS THE "COMPREHENSIVE FIREARMS AND AMMUNITION REGULATION ACT,"

recommending its approval in substitution of Senate Bill Nos. 275 and 1023.

Sponsor: Senator Dela Rosa

To the Calendar for Ordinary Business

Committee Report No. 20, prepared and submitted jointly by the Committees on Economic Affairs and Finance, on Senate Bill No. 1156, with Senators Pangilinan, Gatchalian and Marcos as authors thereof, entitled

AN ACT PROMOTING FOREIGN INVESTMENTS, AMENDING THEREBY REPUBLIC ACT NO. 7042 OTHERWISE KNOWN AS THE "FOREIGN INVESTMENTS ACT OF 1991," AS AMENDED, AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill Nos. 418, 919 and 1024, taking into consideration House Bill No. 300.

Sponsor: Senator Marcos

To the Calendar for Ordinary Business

ADDITIONAL REFERENCE OF BUSINESS RESOLUTIONS

Proposed Senate Resolution No. 211, entitled

RESOLUTION EXPRESSING THE SENSE OF THE SENATE IN RECOGNIZING THE STRONG AND ROBUST AMITY AND COOPERATION BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE REPUBLIC OF SINGAPORE AND COMMEMORATING THE 50TH ANNIVERSARY OF OUR DIPLOMATIC RELATIONS

Introduced by Senator Gatchalian

To the Committee on Rules

Proposed Senate Resolution No. 212, entitled

RESOLUTION EXPRESSING THE PROFOUND SYMPATHY AND SINCERE CONDOLENCES OF THE SENATE OF THE PHILIPPINES ON THE DEATH OF JOHN GOKONGWEI JR.

Introduced by Senator Drilon

To the Committee on Rules

Proposed Senate Resolution No. 213, entitled

RESOLUTION URGING THE EXECUTIVE DEPARTMENT NOT TO PURSUE THE PLANNED LIBERALIZATION OF THE SUGAR INDUSTRY WITH THE END IN VIEW OF SAFEGUARDING THE WELFARE OF SUGAR FARMERS AND INDUSTRY WORKERS IN MORE THAN TWENTY (20) PROVINCES IN THE COUNTRY

Introduced by Senators Zubiri, Villar, Binay, Gatchalian, Gordon, Pimentel, Villanueva,



Sotto, Recto, Cayetano, Dela Rosa, Go, Hontiveros, Lacson, Marcos, Pacquiao, Pangilinan, Poe, Revilla, and Tolentino

To the Committee on Rules

COMMITTEE REPORT

Committee Report No. 21, prepared and submitted jointly by the Committees on Public Services; and Constitutional Amendments and Revision of Codes, on Senate Bill No. 1157, with Senators Tolentino, Poe, Recto and Revilla, Jr. as authors thereof, entitled

AN ACT CREATING THE OFFICE OF THE MOBILITY CZAR TO COORDINATE URGENT RELATED MEASURES NECESSARY AND PROPER TO EFFECTIVELY ADDRESS THE TRANSPORT AND TRAFFIC CRISIS AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill No. 213, taking into consideration Proposed Senate Resolution Nos. 55, 81 and 133.

Sponsor: Senator Poe

To the Calendar for Ordinary Business

**SECOND ADDITIONAL
REFERENCE OF BUSINESS**

RESOLUTION

Proposed Senate Resolution No. 214, entitled

RESOLUTION EXPRESSING THE SENSE OF THE SENATE IN RECOGNIZING THE ENDURING FRIENDSHIP BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE REPUBLIC OF SINGAPORE

Introduced by Senator Binay

To the Committee on Rules

PROPOSED SENATE RESOLUTION NO. 213

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 213 entitled

RESOLUTION URGING THE EXECUTIVE DEPARTMENT NOT TO PURSUE THE PLANNED LIBERALIZATION OF THE SUGAR INDUSTRY WITH THE END IN VIEW OF SAFEGUARDING THE WELFARE OF SUGAR FARMERS AND INDUSTRY WORKERS IN MORE THAN TWENTY (20) PROVINCES IN THE COUNTRY.

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 ZUBIRI**

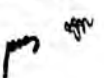
Senator Zubiri stated that along with the majority of senators, he filed the resolution for fear that the planned liberalization of the sugar industry would adversely affect the 20 provinces in the country – from Cagayan Valley all the way down to Davao del Sur, Bukidnon and even Negros Occidental the largest sugar producers in the country — and about five million people directly and indirectly. He said that he did not want the sugar industry to experience what has be-fallen the agricultural sector following the liberalization of rice importation.

Senator Zubiri said he does not want another industry to fall and falter because of the planned liberalization of importation of sugar products as the face of the sugar farmers now was no longer the *hacenderos* or the *mestizos* but the sugar farmers from Batangas, Tarlac, Pampanga and Negros who are agrarian reform beneficiaries. He added that the national average landholdings of sugar farmers were, in fact, less than a hectare or about 9,000 square meters.

Senator Zubiri said that the resolution is a reminder to the government that there is a need to support the industry through the Sugar Industry Development Act (SIDA), a law that mandated the government is to develop the sugar industry and make it robust.

On this note, Senator Zubiri said that it was not the time to liberalize sugar importations as he encouraged support for a competitive sugar industry and the full implementation of SIDA.

Finally, Senator Zubiri conveyed the gratitude of the sugar farmers to the Senate.



ADOPTION OF PROPOSED SENATE RESOLUTION NO. 213

Upon motion of Senator Zubiri, there being no objection, the Body adopted the Proposed Senate Resolution No. 213, subject to style.

PROPOSED SENATE RESOLUTION NO. 211

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 211 entitled

RESOLUTION EXPRESSING THE SENSE
OF THE SENATE IN RECOGNIZING
THE STRONG AND ROBUST AMITY
AND COOPERATION BETWEEN
THE REPUBLIC OF THE PHILIP-
PINES AND THE REPUBLIC OF
SINGAPORE AND COMMEMORAT-
ING THE 50th ANNIVERSARY OF
OUR DIPLOMATIC RELATIONS,

taking into consideration Proposed Senate Resolution No. 214.

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.

Thereupon, the Chair recognized Senator Gatchalian to sponsor the resolution.

SPONSORSHIP SPEECH OF SENATOR GATCHALIAN

Senator Gatchalian called on the Senate to adopt Proposed Senate Resolution No. 211 expressing sincere gratitude and appreciation to the Singaporean Government and the Singaporean people for their important contributions to the economic projects and development of the Philippines.

The full text of Senator Gatchalian's sponsorship speech as follows:

In the seven decades since the founding of the Republic of the Philippines, conversations about our country's foreign relations have often revolved around our ties with major military and geopolitical powers. Even now during the present administration, a lion's share of media attention has been devoted to the emerging shifts in our relationships with the two giants on the world stage today: the United States and China.

In pursuing a more independent foreign policy, however, it is my view that the Philippines must give more attention to cultivating stronger ties with smaller but also formidable allies. In the context of the deepening integration between the members of the Association of Southeast Asian Nations, special attention must be given to developing more fruitful social, economic, defense, and cultural partnerships with our ASEAN neighbors.

In line with this, it is my honor to sponsor a resolution to recognize the strong and robust amity and cooperation between the Philippines and the undisputed economic powerhouse of ASEAN, the Republic of Singapore, in commemoration of the 50th anniversary of the establishment of diplomatic relations between our proud nations.

Five decades of friendship and cooperation with Singapore has made a significant impact on economic development and social progress within the Philippine archipelago. Singapore is our country's fifth largest export market worldwide, and our seventh largest economic partner with two-way trade volume of US\$10.49 billion. In 2018, P21.18 billion worth of investment commitments came from Singapore alone, comprising 11.8% of total foreign pledges and making Singapore our second highest source of investments overall.

I should say, however, that the true potential of our deepening relationship with Singapore lies beyond figures on trade sheets.

As the 69th Lee Kuan Yew Exchange Fellow, I was given the humbling opportunity to learn more about Singapore and its people during the study tour visit graciously arranged by the Singaporean government last month. In my meetings with various government officials and civil society leaders, especially in the fields of education and energy, I had the opportunity to learn from Singapore's enviable, world-class systems.

I also came to realize how similar we are to each other. Due to our unique colonial experiences, the Philippines and Singapore are both complex melting pots of Western influences and Asian sensibilities, a rarity among Southeast Asian states. This common cultural and historical foundation provides Filipinos and Singaporeans with a strong capacity for mutual understanding among one another. It is no surprise, then, that more than 200,000 Filipinos live, work, and study in Singapore, thus mutually contributing to progress and development within our respective societies and economies.

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The agreements signed between our countries during the state visit of Singaporean President Halimah Yacob this September have signaled the development of even stronger ties with our Singaporean brothers and sisters. The partnerships in the fields of innovation, education, cultural cooperation, data protection, waterworks and sewerage systems, human capital, and infrastructure development established by our governments are poised to bring this mutually beneficial relationship between our countries to even greater heights.

With all of this, I respectfully call on this august chamber to adopt this Resolution to express our sincere appreciation and gratitude to the Government of the Republic of Singapore and the Singaporean people for the important contributions they have made to economic progress and development in the Philippines and throughout the entire ASEAN region. The Senate of the Philippines and the Filipino people look forward to many more years of unwavering friendship and cooperation between our proud Southeast Asian republics.

COSPONSORSHIP SPEECH OF SENATOR BINAY

Senator Zubiri manifested that Senator Binay would submit her cosponsorship speech on the measure for insertion into the Journal and Record of the Senate.

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

This year, we celebrate 50 years of friendship between the Philippines and Singapore.

Over these past 50 years, our governments and peoples have continuously strengthened our commitment and invested resources toward making this relationship stronger.

Currently, Singapore is the Philippines' fifth largest export market worldwide and the first in ASEAN, with export receipts amounting to 4.234 billion US dollars in 2018.

Singapore is also the Philippines' second biggest international investor, with investment commitments totaling P21.18 billion or 11.8% of total foreign pledges in 2018.

It is important that our two countries continue to work closely together as we bring this friendship to new heights.

Strengthened relations between our two nations will only promote mutual and strategic

advantages for both our countries as we strive to bring the best benefit for our people.

The Philippines is steadfast in maintaining and improving bilateral relations with Singapore and with this, I am proud to sponsor Senate Resolution 214 recognizing the enduring friendship between the Republic of the Philippines and Singapore.

ALL SENATORS AS COSPONSORS/COAUTHORS

Senator Zubiri manifested that all members are cosponsors/coauthors of Proposed Senate Resolution No. 214.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 211

Upon motion of Senator Zubiri, there being no objection, the Body adopted the Proposed Senate Resolution No. 211 taking into consideration Senate Resolution No. 214, subject to style.

ACKNOWLEDGEMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Zubiri acknowledged the presence in the gallery of the municipal mayors of Camotes Island in the 5th District of Cebu: Erwin Yu of the Municipality of Tudela, Al Arquillano of San Francisco, Manuel Santiago of Pilar, and Edgar Rama of Poro.

Senate President Sotto welcomed the guests to the Senate.

PROPOSED SENATE RESOLUTION NO. 212

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 212, entitled

RESOLUTION EXPRESSING THE PRO- FOUND SYMPATHY AND SINCERE CONDOLENCES OF THE SENATE OF THE PHILIPPINES ON THE DEATH OF JOHN GOKONGWEI JR.

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.

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Thereupon, the Chair recognized Senator Drilon, sponsor of the resolution.

SPONSORSHIP SPEECH OF SENATOR DRILON

Senator Drilon presented to the Body for their adoption Proposed Senate Resolution No. 212 as their expression of profound sympathy and sincere condolences on the death of John Gokongwei Jr., a pillar of Philippine economy.

The full text of Senator Drilon's sponsorship speech follows:

Mr. John Gokongwei Jr., during his lifetime, was larger than life to many of us. He lived a life worthy of emulation by every Filipino. Indeed, if every Filipino adhered to the principles that he nurtured and pursued, our country would not be saddled by the problems that we face today. He had very simple rules in his life. First, he said, "Love your work." And, indeed, simple as it is, it says a lot of his life, of why he has succeeded.

He passed away at the age of 93 on November 9, 2019, as a founder and a chairman emeritus of JG Summits Holdings. He was born 93 years ago, a scion of a wealthy Filipino-Chinese based in Cebu.

At an early age, he was orphaned and helped his mother provide for the needs of his siblings by selling roasted peanuts, candles and threads on a bicycle in Cebu. But such poverty did not prevent him from succeeding to become a pillar of the Philippine economy.

To start with, he established in 1957 a corn starch plant, Universal Robina Corporation, which eventually became one of the country's largest food and beverage companies.

His hard work, perseverance and vision led to the establishment of other major companies in the country, such as Robinsons Land Corporation, Robinsons Retail Holdings, Inc., and Cebu Air, Inc., which generated thousands of jobs for our jobless Filipinos and gave them an opportunity to succeed in life.

In 1992, Mr. John Gokongwei Jr. and his brothers donated significant portions of their shares in JG Summit to establish the Gokongwei Brothers Foundation to support education in our country.

Indeed, Mr. Gokongwei lived a life whose hard work, business acumen, and philosophy have opened doors of opportunities to his fellow Filipinos.

Given all of these things that he has done for our country and our people, I submit that it is only fitting that this Chamber express its profound sympathy and sincere condolences to the family of the late Mr. John Gokongwei — his wife Elizabeth and their children — for having lost a father, a husband, and to the entire country for losing an outstanding citizen whose life we will always remember.

With that, subject to style, may we move that Proposed Senate Resolution No. 212 expressing this Chamber's profound sympathy and sincere condolences on the death of John Gokongwei, Jr. be approved.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri likewise expressed his sympathy and condolences on the death of John Gokongwei, Jr. He said that he was close to the children of Mr. Gokongwei, and that he idolized the patriarch because of his entrepreneurial spirit.

As an entrepreneur himself, he said that it was after attending one of Mr. Gokongwei's speaking engagements that he learned and was inspired to come up with his own brand—Z-Ice, an industrial ice company and also Z-Gas, a gas station in Bukidnon.

Senator Zubiri stated that Mr. Gokongwei was a visionary and a game-changer who established a budget airline which made flying economical and gave people more options to travel, and who also put up a telecommunications company, Sun Cellular, which provided cheap cellular connectivity to the people. Furthermore, he said that Mr. Gokongwei donated about P20 billion or half of his wealth to his foundation for building schools, as evidenced by a lot of complexes and business colleges named after him in various universities.

Senator Zubiri also commended Mr. Gokongwei's children for being kind and humble, which is a positive reflection of their parents. He said that the Gokongweis are a low-key family but very influential in the world of business.

ALL SENATORS AS COSPONSORS

Senator Zubiri manifested that all senators were cosponsors of Proposed Senate Resolution No. 212.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 212

Upon motion of Senator Zubiri, there being no objection, Proposed Senate Resolution No. 212 was adopted by the Body, subject to style.

SPECIAL ORDER

Upon motion of Senator Zubiri, there being no objection, the Body approved the transfer of Committee Report No. 14 on Senate Bill No. 1092 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 14 ON SENATE BILL NO. 1092

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1092 (Committee Report No. 14), entitled

AN ACT INSTITUTIONALIZING THE GRANT OF A TEACHING SUPPLIES ALLOWANCE FOR PUBLIC SCHOOL TEACHERS AND APPROPRIATING 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.

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

SPONSORSHIP SPEECH OF SENATOR REVILLA

Senator Revilla, on behalf of Committee on Civil Service, Government Reorganization and Professional Regulation, presented for plenary consideration Senate Bill No. 1092, entitled "An Act Institutionalizing the Grant of a Teaching Supplies Allowance for Public School Teachers and Appropriating Funds Therefor," under Committee Report No. 14.

The following is the full text of Senator Revilla's sponsorship speech:

The great Albert Einstein once said, "It is the supreme art of the teacher to awaken joy in

the creative expression and knowledge. Teaching is a mission and teachers are evangelists."

From the dawn of civilization to our time, society has always called upon education to provide the key to human progress. And the teacher has been a major pillar of that progress. No progress is possible that is not grounded on knowledge; knowledge on wisdom, like all the human virtues, increase and multiply the more they are shared with others.

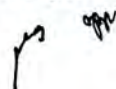
I stand here today for the benefit of our Filipino teachers. I would like to enjoin our colleagues to support Senate Bill No. 1092 under Committee Report No. 14 submitted jointly by the Committees on Civil Service, Government Reorganization and Professional Regulation; Basic Education, Arts and Culture; Ways and Means; and Finance. This is "An Act Institutionalizing the Grant of Teaching Supplies Allowance for Public School Teachers and Appropriating Funds Therefor" which is a substitute bill for the measures filed by our colleagues: Senate Bill No. 42 introduced by Senator Ralph G. Recto; Senate Bill No. 75 introduced by this Representation; and, Senate Bill No. 957 introduced by Senator Sonny Angara.

Sabi nga ng ating mga guro. "Mabuti pa ang mga sundalo, binibigyan ng bala para sa kanilang baril, pero ang mga guro hindi binibigyan ng chalk para sa kanilang blackboard."

Sa totoo lang po, binibigyan naman sila ng allowance para pambili ng chalk at iba pang materyales na kailangan nila sa pagtuturo. Ngunit kulang na kulang ang halagang ibinigay sa kanila.

Under the budget of the Department of Education in the annual General Appropriations Act, there is the "Provision of Cast Allowance for Teachers" that is given to classroom teachers every school year which shall be used "for the purchase of chinks, erasers, forms, portfolio preparation, and other classroom supplies and materials." Such classroom supplies and materials serve as the teachers' communication tools for their students. *Sa pamamagitan ng mga ito, napapadali at napapalawig ng ating mga guro ang mga aralin at gawain ng ating mga mag-aaral.*

Since the amount of P500 per classroom teacher per school year has been specified in the 2008 GAA, the "chalk allowance" or "teaching supplies allowance" has steadily increased roughly every three years. It is now at P3,500.00 per classroom teacher per year.



Ang halagang ito, kung kada araw, ay lalabas na P16 po lamang. Hindi po ito sapat para matugunan at matustusan ang pangangailangan ng mga guro sa kagamitan para sa pagtuturo.

And with the advent of K to 12, digital technology and a student-focused, student-centered environment with the teacher being a facilitator of learning, this meager amount is dismally insufficient. The 21st century education pushed by the Department of Education requires teachers to access information superhighway through technology so as to comply with the changing of the times amidst global economy. Unfortunately, these are not readily provided by this government and teachers are confronted by the sad reality of purchasing and shouldering the costs of these tools like laptops, projectors, and printers through loans deducted from their meagre monthly salaries.

Teachers must receive full moral, physical, and financial support due to their noble vocation.

Noong mga nakaraang taon, mayroon na pong mga panukala upang madagdagan ang chalk allowance ng ating mga guro. In fact, during the 17th Congress, pumasa sa Third Reading sa Senado ang panukala ngunit hindi pa rin po naisabatas ito.

To renew this Chamber's endeavor, the committee reports out Senate Bill No. 1092 which proposes to institutionalize the teaching supplies allowance and to peg it at a higher amount of P5,000. Furthermore, to ensure that the said allowance will be responsive to the needs of our teachers, it also mandates the Secretary of Education to conduct periodic review and recommend necessary increase based on current prices of the materials.

This measure will benefit more than 800,000 teachers who guide our children, build the foundation to make them responsible persons, and prepare them to become the future leaders of our country.

The Senate has been supportive of the increases in the teaching supplies allowance in the previous years and I am confident that they will extend the same support to this measure that seeks to institutionalize the same.

COSPONSORSHIP SPEECH OF SENATOR RECTO

Senator Recto delivered his cosponsorship speech, as follows:

It has been said that what the teacher writes on the board of life can never be erased. But we, on the other hand, can erase and change the amount of the annual "chalk allowance" our public school teachers get.

Which is what this bill precisely sets out to do — erasing "P3,500" and replacing it with "P5,000."

In this age of PowerPoint, when USBs now form part of the public school teachers' tool kit, "chalk allowance" remains as the popular term for the "teacher supply allowance" they get at the start of the school year.

The money is for consumable teaching supplies like pens, paper, cartolinas, paste, erasers, and in this digital age, for USBs, and even *tingi-tingi* internet load.

If teaching is performance art, the chalk allowance allows our teachers to buy the required stage props.

At present, the chalk allowance is P3,500 per year, which translates to about P16 a day. Per student, it comes up to a daily allocation of P0.50 each. *Sinkwenta sentimos bawat mag-aaral kada araw.*

If we spend it for bond paper, P16 will likely get us the same number of A4s at the corner sari-sari store.

If spent for internet load, P16 can buy us data which would not even allow us to download half an episode of "*Ang Probinsyano*."

This brings me to another reason why we should increase the teaching supply allowance. Teachers now need more buck for bytes because they have mountains and gigabytes of reports they have to submit.

Mas marami pang homework ang nagtuturo kaysa sa tinuturuan. Computers ought to be tools of liberation technology. They have instead become instruments of digital enslavement.

The bottom line is that the chalk allowance is not enough. This forces our teachers to spend their own money buying more supplies.

This is the reason why, for four Congresses now, I have been campaigning to raise the chalk allowance.

Fortunately, we have managed to, pun intended, chalk up small victories along the way.

In 2014, when the then administration proposed P1,000, I lobbied to have it increased to P1,500, and with the support of then Finance

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Chair Francis “Chiz” Escudero, it was approved by the Senate, and included in the 2015 national budget.

The P1,500 soon became the P3,500 of today. But because it is still not enough, I have since campaigned for a higher amount — P10,000 which is what my Senate Bill No. 42 seeks.

So when the committee report proposed P5,000, I signed it because a half-box of chalk is better than an empty one.

My years in Congress have taught me the value of compromise — that it would be better to go home with half a loaf of bread than none at all. That 50% of one is better than 100% of zero.

But let me still argue my P10,000 proposal, because it is feasible and far from being fiscally irresponsible.

Magkano po ba ang kabuuang budget para sa chalk allowance sa ngayon base sa kasalukuyang P3,500 kada guro? P2.9 billion.

The simple arithmetic is that if we increase it to P5,000, it will only entail an additional P1.25 billion. If we raise it to P10,000, we will be needing another P5.4 billion. Chalk dust *lamang po ito* in this era of the mega-trillion annual government expenditures. Compare the P5.4 billion to this year’s P17.2 billion travel budget for the national government personnel.

Ang isang bagay na dapat din nating tandaan ay hindi napupunta sa balsa ng mga teachers ang chalk allowance. Sa totoo lamang, abonado pa nga sila.

So, there is no way that this allowance, no matter the amount, will enrich them. It, however, enriches the way they teach. The end beneficiaries are the audience of their daily performance which are our children.

So, if they are the ones who shall benefit, then teaching supplies allowance is not expenditure, but an investment — an investment that yields the highest social and economic ROI.

In closing, let me remind you that chalk allowance is to teachers as what bullets are to soldiers. And those waging the war against illiteracy need more of this type of ammunition.

If we are not asking our soldiers to buy their own bullets, then why should we be forcing our teachers to buy their own provisions in fighting illiteracy?

Thus, I urge you to approve this bill, hopefully with the amended amount of P10,000.

This is not a case of us being generous, but of us giving the teachers what is rightfully theirs.

COSPONSORSHIP SPEECH OF SENATOR GATCHALIAN

Senator Gatchalian delivered his cosponsorship speech, as follows:

We always acknowledge the important role that teachers play in shaping the character of our nation. For the past years, the Department of Education has been receiving the biggest slice of the annual budget pie. Despite this strong budgetary support, however, we recognize that resources allotted to teachers are still inadequate.

We have proposed different measures that will help ease, if not alleviate, the burden of 840,000 public school teachers looking after 22.1 million students. These include salary hikes and added benefits that will help our school teachers lead a better life, which is the vision of Republic Act No. 4670, or the Magna Carta for Public School Teachers.

In realizing this vision, we tend to forget that teaching supplies are not often tallied like other items on education spending. While this may seem insignificant compared to other issues surrounding our education system, this is no less material to our public school teachers.

Every year, public school teachers receive P3,500 annually for their teaching supplies. For entry-level teachers making P20,754 in a month, this annual budget equates to around 16.9 percent of their monthly salary. If we divide this annual budget to ten months of school, teachers would get P350 a month, and that is probably just enough for a ream of bond paper.

This budget, known as the chalk allowance, amounted to P700 in 2011, but despite this significant increase, the present chalk allowance is only equivalent to about P16 per school day. With that amount, you can probably get one low-cost pen, a pencil, or a few sheets of paper in a day. This leaves teachers with no choice but to shell out money to support classroom activities and facilitate class discussions.

In the passage of the 2019 budget, there was already a proposal to increase the chalk allowance but this was not granted. It is also worth noting that the chalk allowance is provided for annually under the General Appropriations Act. This means that the budget can either increase or decrease, subject to the proposal of Congress and the approval of the President, making our teachers’ financial conditions more vulnerable.

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Naglalabas na nga po sila ng pera mula sa sarili nilang bulsa, wala pang kasiguruhan na magpapatuloy ang suportang natatanggap nila para magkaroon ng sapat na gamit at makapagturo nang maayos. It is high time that we gave teachers a greater sense of security when it comes to funding their teaching supplies.

As coauthor and cosponsor, I strongly support the proposal that would institutionalize the increase of our teachers' chalk allowance to P5,000. This amount will be periodically reviewed by the Department of Education for necessary increases in the following years.

In both chambers of Congress, there are several bills that aim to institutionalize this increase in teaching supplies allowance — four in the Senate and eight in the House. This is an indication that there is broad support for this proposal. It is only fair that we give our teachers every bit of support for the service they do to our country.

We are always inspired by teachers who do everything they can to ensure that our students' learning experiences are never compromised despite the limitations.

At this point, I also cannot help but think of the teachers in Mindanao's quake-jolted areas who are doing their best to restore normalcy to more than four million affected students. In the aftermath of disasters like this, one cannot help but admire and express gratitude for the teachers who are going the extra mile, sacrificing their own finances so that students' education is never disrupted. They do all these while helping their own families recover from the effects of the disaster.

This is the kind of sacrifice that our teachers are making, and while we can shower them with all the respect and gratefulness, they also deserve to be supported in a way that eases their financial woes.

This measure was already approved on third and final reading in the 17th Congress. I urge my colleagues to work with us to ensure the quick passage of this measure.

COSPONSORSHIP SPEECH OF SENATOR GRACE POE

Hereunder is Senator Poe's cosponsorship speech which she submitted for insertion into the record, pursuant to Senator Zubiri's manifestation:

It is my honor to cosponsor Senate Bill No. 1092, otherwise known as the "Teaching Supplies Allowance Act of 2019."

Our country produces children at an astounding rate. By the end of this day alone, we will have around 4,600 new infants to clothe, house, feed and educate. If we want these children to become productive citizens, then we must invest in our educational system, particularly in our public school teachers.

Constructing classrooms and procuring teaching materials are all part of building a strong educational system. Next year, for example, we are targeting to build 8,000 classrooms, procure 10.3 million textbooks, and distribute 4,300 e-classroom packages.

However, most important for our youth development is the role of teachers who have the mission to shape our children to become the leaders of the future. In turn, the duty to ensure that teachers remain motivated to stay in the profession resides in the State.

The present measure which seeks to lighten the burden on our teachers by providing a teaching supplies allowance of P5,000 per teacher per school year is definitely a step in the right direction. This has been a recurring amendment of the Senate in the General Appropriations Act, starting when we increased it from P1,500 to P2,500 in 2017 to the present P3,500 in 2019. *Lagi po natin inilalaban na hindi dapat manggaling sa mga guro ang pambili ng chalk at iba pang kailangan nila sa pagtuturo.*

I also hope that this measure is the first in a long series of legislation intended to improve the lives of our teachers. I hope to see the passage of an increase in their salary and benefits, and the rationalization of their work load within this Congress. They who are overworked but underpaid must get the most from the State.

With that said, I humbly request to be made coauthor of this measure.

COAUTHORS

Upon their request, Senators Villanueva and Zubiri were made coauthors of Senate Bill No. 1092.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1092

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

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no objection, the Body approved the transfer of Committee Report No. 21 on Senate Bill No. 1157 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 21 ON SENATE BILL NO. 1157

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1157 (Committee Report No. 21), entitled

AN ACT CREATING THE OFFICE OF THE
MOBILITY CZAR TO COORDINATE
URGENT RELATED MEASURES
NECESSARY AND PROPER TO
EFFECTIVELY ADDRESS THE
TRANSPORT AND TRAFFIC CRISIS
AND FOR OTHER PURPOSES.

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

Thereupon, the Chair recognized Senator Poe for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR POE

Senator Grace Poe submitted for plenary consideration of the Body Senate Bill No. 1157, entitled "An Act Creating the Office of the Mobility Czar to Coordinate Urgent Related Measures Necessary and Proper to Effectively Address the Transport and Traffic Crisis and for Other Purposes."

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

I shall be brief and direct to the point. For that is how travel within and between cities in our country should be today.

This bill picked the good solutions from the noise of the debates. It harvests from the heavy traffic of great ideas – from those who view the problem from afar to those who experience it daily, including the incisive ones presented by Senators Tolentino, Recto and Revilla, found in their resolutions and bills.

It is likewise enriched by the inputs from government agencies, the academe and experts –

whether those who have made a career in studying transport problems or those who grapple with them in real life.

I will no longer repeat the numbers churned out by organizations that quantify the national losses from traffic. Our traffic is so bad that it has birthed an industry – from JICA, to ADB, to Waze – that measures our national misery.

For all their studies, none shocks as this reality that captures the harrows of commuting in Metro Manila: That many of us have to wake up at four in the morning to be at the office by 8:00 a.m., and leave work by 5:00 p.m. only to stagger into home by 9:00 p.m.

Let me walk you through the salient features of this bill:

1. Transport and traffic management plans shall be anchored on the principle of "*moving persons rather than vehicles*." We have to change the automobile-centric metrics of success. Thus, high occupancy vehicles should be prioritized as well as innovative ways of moving people such as pedestrian-friendly walkways and bike lanes.
2. It creates an *Office of the Mobility Czar*, an office directly under the Office of the President. The person will have a seat on the most important table in the country. If we want to put traffic in the front burner, then its Cabinet advocate must not be a backbencher.
3. It mandates the drafting of *Mobility Action Plans* for every LGU, because roadmaps are indispensable. On a national level, this bill compels the urgent crafting of a *Transportation Master Plan*, one with a longer shelf life so that it transcends administrations. *Kung tayo nga, gumagamit ng Waze para sa ating biyahe, kailangan rin nating ng mapa para sa biyahe ng ating bayan.*
4. It establishes a *single transport and traffic management unit* in each city. Someone must be directly responsible for addressing the local transport concerns.
5. It harmonizes local traffic laws with national laws. We cannot Balkanize our traffic management, where traffic rules of one city end in its boundary and another takes over. Seamless management can only be done by a singular unit.
6. It promotes and expands the use of alternative methods of procurement under current laws. To address the crisis, it presents a novel solution which proposes shorter completion for a premium.

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7. This bill expedites acquisition of rights-of-way and other project sites, but in a manner that is targeted, not speculative; pinpointed in location and not real estate plays that impose predatory prices.
8. This bill supports the need for a modernized public transport with social mechanisms that will not leave our PUV sector wanting. Full assistance shall be given by the State in order to create a safer, more comfortable, and environmentally sustainable good public transport system.
9. This bill seeks the route rationalization of PUVs, in consultation with the LGUs affected, as the basis for the modification, suspension or revocation of franchises issued by the LTRFB.
10. Finally, this bill addresses the technical deficit in our traffic management know-how. By capacitating our agencies to handle present and upcoming challenges, we are future-proofing this important sector.

While there are many things that this bill is about, there are equally many things that it is not. It is not the sole handbook to fix our traffic problems. It is but one of many. For example, laying more railway tracks and running more trains on them is a guaranteed traffic-buster. Land use plan is another.

There are also solutions on the demand side which are outside the ambit of this bill, foremost of which is decongesting Metro Manila, by dispersing development across the regions, and with jobs available there, foreclose the need for people to migrate to the national capital.

For as long as development remains limited to the metro, our people will continue to flee a countryside lacking in opportunities, only to crowd into a problematic megapolis. The requirements of not just moving them around, but of housing them, educating them will spiral upward in the years to come. That's a bigger crisis which we all must solve soon.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1157

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

CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 1043 AND HOUSE BILL NO. 4933

Upon motion of Senator Zubiri, there being no

objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 1043, and House Bill No. 4933, both entitled

**AN ACT POSTPONING THE MAY 2020
BARANGAY AND SANGGUNIAN
KABATAAN ELECTIONS, AMEND-
ING FOR THE PURPOSE REPUBLIC
ACT NO. 9164, AS AMENDED BY
REPUBLIC ACT NO. 9349, REPUBLIC
ACT NO. 10632, REPUBLIC ACT
NO. 10656, REPUBLIC ACT NO. 10923,
AND REPUBLIC ACT NO. 10952,
AND FOR OTHER PURPOSES.**

The Chair recognized Senator Marcos to sponsor the report.

SPONSORSHIP SPEECH OF SENATOR MARCOS

Upon motion of Senator Marcos, there being no objection, the Joint Explanation of the Conference Committee was adopted as the sponsorship speech on the Conference Committee Report.

Following is the full text of the Joint Explanation of the Conference Committee:

JOINT EXPLANATION OF THE CONFERENCE COMMITTEE ON THE DISAGREEING PROVISIONS OF SENATE BILL NO. 1043 AND HOUSE BILL NO. 4933

The Conference Committee on the disagreeing provisions of Senate Bill No. 1043 and House Bill No. 4933, after having met and fully discussed the subject matter in a conference, hereby report to their respective Houses the following, that:

1. The conferees agreed to use the House version as the working draft;
2. Section 1 of the House version which amends Section 1 of Republic Act No. 9164, as amended, was adopted;
3. Section 2 of the House version which amends Section 4 of Republic Act No. 9164, as amended, was adopted;
4. Section 3 of the House version, on "Hold-over" was adopted with the following amendment:

On page 3, lines 15 to 19, delete the

for

sentence "The Liga ng Barangay and the *Pederasyon ng Sangguniang Kabataan* at the municipal, city, and provincial levels shall conduct elections for ex officio positions in the sanggunians under the Supervision of the Department of Interior and Local Government."

Thus, Section 3 now reads as follows:

"SEC. 3. *Hold-Over*. – Until their successors shall have duly elected and qualified, all incumbent barangay and sangguniang kabataan officials shall remain in office, unless sooner removed or suspended for cause: Provided, That barangay and sangguniang kabataan officials who are ex officio members of the sangguniang bayan, sangguniang panlungsod, or sangguniang panlalawigan, as the case may be, shall continue to serve as such members in the sanggunian concerned until the next barangay and sangguniang kabataan elections.

5. Section 4 of the House version on "Appropriations" was adopted;
6. Section 5 of the House version on "Repealing Clause" was adopted;
7. Section 6 of the House version on "Separability Clause" was adopted;
8. Section 7 of the House version on "Effectivity Clause" was adopted; and
9. The title of the House version was adopted.

In case of conflict between the statements and amendments stated in this Joint Explanation and that of the provisions of the consolidated bill in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

APPROVAL OF THE CONFERENCE COMMITTEE REPORT

Submitted to a vote, there being no objection, the Conference Committee Report on the disagreeing provisions of Senate Bill No. 1043 and House Bill No. 4933 was approved by the Body.

SPECIAL ORDER

Upon motion of Senator Zubiri, there being no objection, the Body approved the transfer of Committee Report No. 19 on Senate Bill No. 1155 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 19 ON SENATE BILL NO. 1155

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1155 (Committee Report No. 19), entitled

AN ACT FIXING THE VALIDITY PERIOD OF LICENSE TO OWN AND POSSESS, PERMIT TO CARRY OUTSIDE OF RESIDENCE OR PLACE OF BUSINESS AND REGISTRATION OF FIREARMS, AMENDING FOR THE PURPOSE SECTIONS 7 AND 19 OF REPUBLIC ACT NO. 10951, OTHERWISE KNOWN AS THE "COMPREHENSIVE FIREARMS AND AMMUNITION REGULATION ACT."

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.

Thereupon, the Chair recognized Senator Dela Rosa to sponsor the measure.

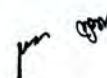
SPONSORSHIP SPEECH OF SENATOR DELA ROSA

Senator Dela Rosa, as chairperson of the Committee on Public Order and Dangerous Drugs, submitted to the Body for plenary consideration Committee Report No. 19 on Senate Bill No. 1155, otherwise known as "An Act Fixing the Validity Period of the License to Own and Possess Permit to Carry Outside of Residence or Place of Business and Registration of Firearms, Amending For the Purpose Sections 7 and 19 of Republic Act No. 10591, Otherwise Known as the Comprehensive Firearms and Ammunition Regulation Act."

Following is the full text of Senator Dela Rosa's sponsorship speech:

What do the United States, Mexico, and Guatemala have in common? In these countries, owning a gun is a constitutional right. However, the same could not be said about the Philippines

Nevertheless, our government does allow its citizens to own and possess firearms.



In a country like ours, gun ownership is a privilege that is hidden behind numerous documentary requirements and countless conditions that must be met; then and only then can one avail of such privilege.

The facts will serve to tell us what we need to know. According to data provided by the Firearms and Explosives Office of the Philippine National Police, before the enactment of Republic Act No. 10591, otherwise known as the Comprehensive Firearms and Ammunition Regulation Act of 2013, there were a total of 1,650,353 registered firearms. Fast forward to the enactment of RA 10591, the number increased to 1,869,684. An achievement, but not quite.

The same data set would show that as of August 31, 2019, a whopping 45% of these 1,869,684 previously registered firearms were not renewed. Forty-five percent means 837,758 firearms. As for the accounted loose firearms, there are 7,073 of them only for 2019. And this is exactly why we say that a mere increase in the number of registered firearms, upon the implementation of RA 10591, does not count as an achievement, especially when a sizeable number of the owners choose not to renew their licenses despite the possible risk of imprisonment, as mandated by Article V of RA No. 10591.

One may ask why, but one need not look very far for an answer. License renewal means a mountain of documents, papers, conditions. When we finally see how badly we would like to avoid that, we understand. We come to see that the very heart of the matter is practicality.

Such is the spirit of Senate Bill No. 1155.

First, to set the validity period of our firearms registration from four to five years is a practicable and obvious solution. It would serve us well if renewing our license to possess firearms comes at the same time that we renew the firearms themselves. In effect, we are not just extending the validity of our firearms licenses; we are, more fundamentally, extending our capacity to be responsible, our capacity to defend ourselves and those whom we love.

Second, the practicality of setting the validity of our license to possess firearms in a way that is reckoned from our birthdates, and at five years, is staring at us right in the face. Given that we renew our driver's license and, generally, our Professional Regulation Commission license on our birthmonth or date, then renewing our firearms license around a similar schedule would be an easy breeze to remember and accomplish.

Third, the practicality of extending the

validity period of one's permit to carry firearms from one to two years is one that makes perfect sense. Given that the ones who are granted such a permit are those whose lives are under actual threat or imminent danger, it would be helpful if this privilege and protective measure is to be bolstered by a longer time allowance.

We are for the promotion of safety. We are for the protection of our people. But surely, and that is what this bill ensures, it would be better if it would not take a mountain for us to do so.

COSPONSORSHIP SPEECH OF SENATOR RECTO

Senate President Pro Tempore Recto delivered his cosponsorship speech, as follows:

I would like to begin with a confession: I am a gun owner, of course, like the sponsor of this measure, Senator Dela Rosa.

This is so because the Rectos are a family of shooting athletes who fought under the flag and brought home medals.

My father was many times a Philippine champion and was an Olympian. Two of my brothers also made it to the national team, with Ricky even winning gold in the Southeast Asian Games. The family lore is that Ricky is the trapshooter, my dad was the sharpshooter, and Don Claro was the straightshooter. But in terms of accuracy, precision, and speed, none of them can beat me in shooting from the hip.

So, in keeping with the Recto tradition, I keep a collection of guns, some of which are family heirlooms, the most lethal of which I keep under lock and key from the clear and present danger who is my wife.

But I believe that my being a shooting sportsman does not compel me to abstain from sponsoring this bill, but on the contrary, advocate for it.

What this bill addresses are the challenges which I, like the rest of the responsible gun owners — from the small hardware owner in a street favored by armed riding-in-tandems, to the wife of an OFW who lives with her small children in an ungated village unpatrolled by the police, to the travelling countryside salesman, to the rancher in a remote homestead — have personally experienced in securing gun licenses. But before anyone here, in fire-aim-ready fashion, would shoot from the hip and kneecap of this bill because of the mistaken notion that this bill makes it easy for anyone to acquire guns, let me

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state it upfront that this bill does not make it easy for anyone to own a gun. On the contrary, it retains all the hurdles in buying one.

It does not shortcut the process nor shorten the list of requirements. The present battery of tests remains. The current police, medical, judicial clearances stay. Not one of the seminars will be scrapped. None of the documentary requirements, including tax returns for certain type of applicants, will be discarded. In other words, it does not lower the bar for gun ownership, or to use a shooting lingo, enlarge the target that even a blind man can hit.

This bill preserves existing gun controls which I fully subscribe to, even if as a gun holder, saying it makes me sound like a chicken rooting for *Mang Inasal*.

So what does this bill seek to do?

It seeks to streamline and harmonize gun permit and licensing schedules because the current system is so disjointed that tens of thousands, if not hundreds of thousands, of gun owners, fatigued by the ordeal of securing permits, have opted not to renew theirs.

At present, for every gun a person owns, he has to secure up to three permits from the Philippine National Police. First is the firearm registration which must be renewed every four years. The second is the License to Own and Possess Firearms (LTOPF) which must be renewed every two years. And the third, if one has applied for and qualified for it, is the Permit to Carry Firearms Outside of Residence or Place of Business (PTC) which must be renewed annually.

In almost all cases, these permits expire and thus must be renewed on different dates. So, if one has two guns, he has to go through 14 separate applications in four years.

In order to simplify matters, this bill proposes to bundle all these applications under one filing date: the birthday of the applicant or the licensee, the same rule that applies for a driver's license. *Ibig sabihin, imbes na iba't-ibang araw, gawing sa kaarawan na lamang ng may-ari ng baril ang takdang araw sa pagkuha ng lisensya sa pagmamay-ari nito.*

And instead of different expiry dates—four years for registration, one year for the permit to carry, and two years for the license to own—this bill seeks to grant the registration and license to own a uniform validity of five years, while the permit to carry, a validity of two years.

Synchronizing the application period will not, however, leave the government shortchanged.

By and large, current fees will be retained, there will be no loss of income on the part of the government. Extending the validity of the permits does not also deny the government the chance to flag errant permit-to-carry holders every year.

Because gun ownership remains a privilege and not a right, the license can be revoked for cause anytime. The permit to own or carry a gun is not an irrevocable franchise.

What is true is that having different licensing schedules, more than the clearances required, have forced many owners to opt out of renewing their gun licenses.

By PNP's count, close to 500,000 registered gun owners were without valid licenses to own firearms by the second quarter of 2015, and one of the culprits cited was the different application schedules.

This only proves the observation that when regulations are hard to comply with, we force people to disobey them. Indeed, whether they are for guns or for taxes, simplifying rules is the best way to ensure compliance.

Although the evening news and the morning papers paint a country hemorrhaging from gun violence, facts show that these are not caused by licensed civilian-owned firearms.

The truth is, there are more unlicensed firearms than licensed ones today. There are 1.2 million registered firearms, of which close to 540,000 are in civilian hands.

But this figure is eclipsed by the number of illicit firearms, which is estimated to be 2.4 million.

While by group, registered civilian gun owners account for the most number of guns, they are responsible for the least number of deaths, in fact, too miniscule to count.

Licensed civilian gun owners did not forcibly occupy Marawi, nor are they behind the still-booming kidnap-for-ransom business in the South.

They do not commit EJKs, nor do they moonlight as grab riders, meaning, armed riding-in-tandems who grab bags.

Licensed civilian gun owners do not compose the world's oldest rural insurgent army, nor do they make up the ranks of separatists fighting for self-rule who now want to end it in exchange for block grants.

Rather, they are law-abiding citizens who own guns either for sport or self-protection, they, who do not endanger other people's lives but whose own lives are in danger.

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And we cannot blame them, if out of desperation, some of them are keeping a gun in their homes, as the last line of defense during these perilous times when police are hard to summon, or when they finally come, they crawl in glacial pace.

It is in their behalf that this bill is being sponsored.

COAUTHOR

Upon his request, Senator Revilla was made coauthor of Senate Bill No. 1155.

COSPONSORSHIP REMARKS OF SENATOR ZUBIRI

Senator Zubiri stated that the current law sets the renewal period of the licenses to possess at two years and the renewal for registration of firearms at four years. He said that under the proposed measure, the renewal period of the license to possess firearms and the firearms registration would be five years. He posited that the move would streamline the bureaucratic processes, making gun owners far more likely to register as it is required of them, and the State would have better control over gun violence in the country. He added that the proposal would be somewhat similar to the validity extension for driver's license – from three to five years – and Philippine passports – from five to ten years. He said that by extending the validity of the firearm registration and permit, the public and government would also save on man-hours in applying for and processing the documents, and in the long run, it would be more economical for Filipinos applying for a license to possess and for registration of firearms.

Senator Zubiri informed the Body that when he posted the bill in his Facebook page, it received several "Likes" and the post was shared several times. He stated that the post on the extension of the LTOPF and gun registration had been his best so far, with thousands of likes and shares. He believed that Senators Dela Rosa and Recto as well as many gun owners share his frustrations when renewing gun permits and licenses. He believed that with the proposed measure, the gun owners were also elated with the idea of not having to go to Camp Crame every year.

Senator Zubiri recalled that when he inquired about the crime rate involving licensed gun owners, he was told that only less than 1% of their total

number have been accused of crimes. Like Senator Recto, he believed that most crimes are perpetrated by unscrupulous individuals with unregistered and unlicensed firearms who break the law, while most people with registered firearms and license to own and possess obviously are law-abiding citizens. He said that it has been the consensus of the committee and the resource persons that it would be safe to register or to renew the licenses every five years.

He likewise agreed with the observation of Senator Dela Rosa that the difference between Philippines and the United States is that in the latter, there are so many gun-related violence like mass shootings in schools because it is very easy to buy a gun in the U.S. because all that a person would have to do is to submit a Social Security I.D. He recalled that years ago, shotguns and hunting rifles were sold at Target and Walmart in the Midwest.

Senator Zubiri stated that in the Philippines, gun buyers would have to go through a drug test, psychological test, neuro-examination, among others, making the registration process alone very difficult. Expressing the belief that proper gun control is the answer to gun violence, he urged the Members to pass the measure.

COSPONSOR

Upon his request, Senator Tolentino was made cosponsor of Senate Bill No. 1155.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri informed the Body that the proposed measure was very timely as there were several gun shows scheduled that week – one being sponsored by Armscor and the other by AFAD. He said that he, Senator Dela Rosa, and other senators were invited to grace the shows. However, he said that he would have to turn down the invitation as the Senate would be hearing the budget. He then requested Senator Dela Rosa to represent him and the other senators who had been invited but could not make it.

Senator Zubiri expressed hope that the Body would pass the bill after the Chamber passes the budget by December.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1155

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

SPECIAL ORDER

Upon motion of Senator Zubiri, there being no objection, the Body approved the transfer of Committee Report No. 10 on Proposed Senate Resolution No. 38 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 10

Upon motion of Senator Zubiri, there being no objection, the Body considered Committee Report No. 10 Re: Proposed Senate Resolution No. 38, entitled "Resolution Directing the Senate Committees on Public Order and Dangerous Drugs and National Security and Defense to Conduct an Inquiry, in Aid of Legislation, on the Missing Minors who are Allegedly Recruited by Leftist Groups as their Members and Fighters to the Detriment of the Welfare of said Minors with the End in View of Recommending Measures that will Ensure Peace and Promote the Welfare of Children."

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 report was read without prejudice to the insertion of its full text into the Record of the Senate.

Thereupon, the Chair recognized Senator Dela Rosa, sponsor of the report.

SPONSORSHIP SPEECH OF SENATOR DELA ROSA

Senator Dela Rosa submitted to the Body for plenary consideration Committee Report No. 10 Re: Proposed Senate Resolution No. 38, entitled "Resolution Directing the Senate Committees on Public Order and Dangerous Drugs and National Security and Defense to Conduct an Inquiry, in Aid of Legislation, on the Missing Minors who are Allegedly Recruited by Leftist Groups as their Members and Fighters to the Detriment of the Welfare of said Minors with the End in View of Recommending Measures that will Ensure Peace and Promote the Welfare of Children."

Following is the full text of Senator Dela Rosa's sponsorship speech which was accompanied by slide presentations:

Napakahalaga ng committee report na ito sapagkat ang paksa na nakapaloob sa report ay tungkol sa hinaing ng mga magulang

hinggil sa mga nawawala nilang mga anak at ang pangkahalatang kapakanan ng mga kabataang Pilipino.

WHERE ARE OUR DAUGHTERS

Last 23rd of July 2019, a group of parents came to my office to share their sentiments and agony over their missing daughters, most of whom are minors. According to the painful recounts of the mothers, their daughters were enrolled in their respective schools as senior high school students. Everything was in order, or at least, so the unsuspecting mothers thought. However, what appeared as interesting school activities for their children, turned out to be recruitment schemes employed by "student leaders" who, in reality, were enlisting young, active, naïve, vulnerable young students as members of left-leaning organizations. Taking advantage of the susceptibility and curiosity of the youth, the recruiters induced these minors to leave and abandon their schools and homes, and to devote their time to support the advocacies of their organizations whose philosophies tend towards the revolutionary movement.

NAGBAGO PO ANG AMING ANAK

The journey that your Committee traversed was emotionally laden. The mothers agonizingly recalled how they saw the drastic changes in their daughters' behavior. From being timid, industrious and respectful, their daughters gradually exhibited aggressive and resentful manners, and became easily agitated upon hearing social issues. Suddenly, their daughters' whereabouts became a source of daily stress. Communication became less frequent. Fabricated alibis from so-called leadership trainings, fora, and seminars, just to be away from home for a number of days. Then days became weeks, and weeks became months, until some of these minors were nowhere to be found.

SENATE INVESTIGATION

That is what precisely brings us here, in the very walls of this Session Hall, where I now stand before you, imploring you to think, see, and feel, not only as senators of the country, but also, and more importantly, as parents and guardians to our children.

Hindi natin lubos maisip ang pighati ng mga magulang na nawawalan ng mga anak. Walang gamot ang makapagpapagaling sa sakit na nararamdaman ng isang magulang kung mawalay ang anak niya, lalo't walang kasiguraduhan sa kanyang kaligtasan.

In their desperation to look for their daughters, these mothers searched through each

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nook and cranny of every street just to find traces of their presence. But everyone knows that no matter where the search may lead, a mother's heart is always drawn back to her beloved brood.

WHAT HAPPENED TO OUR CHILDREN?

We could hardly imagine the shock and dismay of these mothers when they saw and discovered their young daughters, now undernourished and grimy, in the middle of the streets participating in rallies, holding banners and placards, and provocatively chanting tirades against the government. These mothers could barely recognize their own daughters. Suddenly, they realized that their daughters had transformed into different persons, and were no longer the same innocent children whom they nurtured and cared for all these years.

But what could have triggered this sudden twist of faith?

PROTESTERS

Ayon sa mga salaysay ng mga magulang ng mga nawawalang bata, at ayon na rin sa mga larawan na nakita nila sa Facebook accounts ng kanilang mga anak, ang mga anak nila ay hinikayat ng mga miyembro at opisyaes ng Kabataan Partylist, Anakbayan, League of Filipino Students, at Gabriela Youth, na sumanib sa kanilang organisasyon, at suportahan ang makakaliwang adhikain tungo sa armadong pakikibaka laban sa pamahalaan.

AOM

Your Committee unravelled, through its investigations, the deceptive pattern employed by Kabataan Party-list, Anakbayan and the other left-leaning groups, in making rebels out of our young students.

The representatives of these groups prey upon the youth sector, particularly young students who are most vulnerable to fall into the pit of their deception. *Iyong mga estudyante na hindi nakakaangat sa estado ng buhay, iyong mga may galit sa mga magulang, iyong mga may pinagdadaanan na mga pagsubok sa pamilya, ito ang mga target ng mga makakaliwang grupo na hikayatin na maging miyembro ng kanilang samahan. Marahil dahil sa madaling mahikayat at maniwala ang mga estudyante na may pinagdadaanan sa buhay, kung kaya't sila ang pinupuntirya ng mga makakaliwang grupo na maging kasapi nila.*

In the guise of lectures, fora, or seminars, representatives of these left-leaning groups would discuss to young students some academic

issues like tuition fee increases, student representation on policy-making bodies, and the like. Then, the discussions escalate to more serious social, political and economic problems such as massive unemployment, suppression and violation of individual rights, steady price hike of commodities, among others. This is the stage where theses representatives indoctrinate the students in the belief that the government is not responsive to the needs of the people, and that poverty is embedded into the system. They inculcate into the young minds of our students that the only way to eliminate social ills is to defy the duly-constituted authorities, and raise arms.

Dito na magsisimula ang baluktot na pag-iisip at pananaw ng mga kabataan hinggil sa pamunuan ng ating pamahalaan. Dito na sila maghahanap ng paraan upang lumahok sa pakikibaka ng mga makakaliwang grupo. Ito ang simula ng pagsanib ng mga estudyante sa mga rally at protesta laban sa pamahalaan. Dito lalong pinaigting ng mga makakaliwang grupo ang interes ng kabataan na sumanib sa kanilang samahan upang lalong maintindihan ang sakit sa lipunan. Aabot sa puntong hihikayatin ang ating mga kabataan na sumama sa kabundukan kung saan makikisalamuha sila sa mga maralita at danasin ang buhay ng pakikibaka.

This is where our young students are immersed into the life and struggles in and of the countryside. This is the stage where they personally deal with the farmers, peasants and their respective families, and experience the struggles of daily living. Their recruiters take advantage of this phase where they indoctrinate the minds of our students in the perceived inability of the government to alleviate the plight of the poverty-stricken communities. Unbeknownst to these young students, they are now actually dealing face to face with the members of the New People's Army, who are all too happy to have new recruits in their midst.

SAVE OUR YOUTH

Sa puntong ito, namumulat na ang mga mata at isip ng ating mga kabataan na napasama sa kabundukan, sa realidad na kanilang kinakaharap. Dito nila mararanasan ang hirap at pasakit sa buhay na kanilang pinili. Sa mga kabataang nakabalik sa buhay estudyante, sila ay nagiging lider ng organisasyon sa kanilang paaralan at inaatasang manghikayat pa ng mas marami pang estudyante na sumanib sa kanilang grupo, at tanggapin ang mga adhikaing makakaliwa.

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Ngunit mayroon ding mga tuluyan nang isinabuhay ang ideolohiya ng pag-aaklas at pagtutol sa polisiya ng gobyerno. Sila ang naging "hardcore" members ng komunistang grupo, na isinasapuso ang rebolusyonaryong pag-iisip.

News reports tell us that according to the Department of the Interior and Local Government, some 500 to 1,000 young people are being recruited by communist rebels every year. The number is not just a cause for alarm. The number is practically a wake-up call, rousing us from the sleep of complacent policies and overly trusting parenthood.

On the brighter side, not all student activists who embraced the life of the countryside have reached the point of no return. Luckily, for some young students, they have realized that living a life of armed struggles is not the solution to the social ills, and that the revolutionary life is nothing but an empty promise of a better life. It is unfortunate, however, that the "normal life" they wish to return to is often no longer there.

Karamihan sa ating mga kabataan na sumanib sa makakaliwang grupo ay na-brainwash na ng mga miyembro ng NPA na hindi na sila maaaring bumaba ng kabundukan at bumalik sa kani-kanilang pamilya. Ito ay sa kadahilanang sila ay natukoy na ng mga militar, kung kaya't sila ay maaari nang arestuhin, ikulong, pahirapan, at patayin. Sa takot na mapahamak pa, ang iba ay nagtitiis na lamang sa buhay-NPA, at pinili na lamang mamuhay nang patuloy na nakikibaka, at sa kasawiang palad, ang iba ay napapatay sa engkuwentro sa militar.

The scenario presented in this committee report is not new. It is unfortunate that the recruitment of young students by the communist groups has been a vicious cycle for many years now. But why do they go after the young generation? Why victimize the juvenile minds whose spring of ideas is unsullied and incorruptible? Why exploit the future of the youth by instilling revolutionary philosophies of defiance, armed struggle and radicalism?

The answers we have for these questions may not be final, but they are plausible, and they are reliable. This committee surmises that the central reason why the youth are being targeted lies in their vulnerability to indoctrination, especially in accepting an ideological system that they thought was the perfect answer to society's struggles.

Hindi lingid sa kaalaman ng mga tao ang

presensiya at impluwensiya ng lider ng Communist Party of the Philippines na si Jose Maria Sison. Ayon sa mga pag-uulat, siya, na dati ring aktibista, ang nagbibigay ng direktiba sa mga kaalyadong organisasyon — dapat mas lalong paigtingin ang panghihikayat sa ating mga kabataan na sumanib sa mga aktibidad ng kanilang grupo. Sa ganitong paraan, lalong dadami ang kanilang mga kasapi, lalong lalawak ang paglaganap ng kanilang pilosopiya, at lalong lalakas ang armadong pakikibaka sa ating bansa. Nagagawa nila ito sa pamamagitan ng mga nagpapakilalang lider ng aktibistang organisasyon ng mga kabataan at estudyante.

Ganito ang nangyayari sa ating mga estudyante at anak, at ang kanilang kuwento ang nakapaloob sa committee report na inihain ko sa Senado. Ang kuwento ng mga menor de edad na estudyanteng nahikayat na sumanib sa Kabataan Partylist, sa grupong Anakbayan, at sa League of Filipino Students, na hindi na bumalik sa kani-kanilang mga magulang, at ngayon ay patuloy na hinahanap ng kani-kanilang pamilya.

STUDENT ACTIVISM

Lest we be misunderstood, allow me to emphasize that being an activist does not necessarily equate to being a communist. School activism is, by all means, a positive step towards the enlightenment of young minds to the various social maladies, and the corresponding action of the government and its citizenry in responding to the needs and welfare of the people. Hence, the democratic right to express one's opposition to the government and its leaders is more than accepted; it is gravely important.

The right to express one's beliefs in how to manage the affairs of the State should never be curtailed nor suppressed.

However, the corresponding actions done pursuant to one's ideology should never be at the expense of the rights and welfare of others, especially our young people, whose innocence should not be exploited by the leftist groups. The directive to focus on the youth as the buffer zone for revolutionary movement should be condemned. It is definitely not worth the sacrifice. Many of our young people have already lost their lives by being at the frontline of the armed revolution. These were the same youth who had promising futures, who led brilliant academic lives, and who were cared for by their families, until they were recruited by the wrong people who led them towards the road to perdition.

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ADMINISTRATIVE RECOMMENDATIONS

There are several administrative and legislative recommendations in the committee report submitted for consideration by this august Chamber.

First, we must increase and intensify the internal security enforcement in schools, taking into account CHED Memorandum Order No. 09, series of 2013, entitled "Enhanced Policies and Guidelines on Student Affairs and Services," specially Section 28, Safety and Security Services, and DepEd Order No. 44, Series of 2005, or the Declaration of Schools as Zones of Peace.

POLICE VISIBILITY

Second, we must increase police visibility in school premises, with the reasonable number of police forces at an acceptable designated time. We value the right of expression and academic freedom. However, the exercise of these rights should not be at the expense of the rights and interests of the youth who may end up as armed combatants by insurgent groups.

STUDENT IDENTIFICATION SYSTEM

Third, there must be stringent regulations on the issuance of student identification cards in schools. Schools must adopt an efficient, reliable, and secured identification system.

IMPLEMENT DepEd AND CHED ORDERS

Fourth, there must be a strict implementation of DepEd Order No. 66, series of 2017, or the Implementing Guidelines on the Conduct of Off-Campus Activities, and CHED Memorandum Order No. 63, series of 2017, or the Policies and Guidelines on Local Off-Campus Activities. School authorities should observe due diligence in the conduct of off-campus activities; otherwise, administrative sanctions will be imposed.

LIABILITIES OF TEACHERS

Fifth, CHED and DepEd should look into the possible liabilities of school administration and teachers of the universities and colleges where the minors are enrolled. Furthermore, CHED should likewise look into the reported continuing recruitment of students in higher education institutions to determine liabilities of the school administration and teachers.

AFP AND PNP FORA

Sixth, the AFP and PNP shall conduct seminars or lectures to students and parents on "Arouse, Organize, Mobilize," and career orientation in the law enforcement sector in order to encourage students to pursue studying law enforcement-related courses.

REVIEW CURRICULA

Seventh, DepEd and CHED must exercise regulatory and supervisory powers in reviewing schools' curricula, syllabus, and Daily Lesson Log to ensure that the values of patriotism, cultural enrichment, and historical preservation are taught in schools. An exception is granted to those private higher education institutions that are autonomous or have deregulated status, pursuant to CHED Memorandum Order No. 52, Series of 2006.

INVESTIGATE TEACHERS

Eighth, an Administrative Order must be issued by the CHED and DepEd mandating school administrators to initiate thorough administrative investigations against teachers who instigate the students to join rallies and demonstrations advocating radical or subversive ideologies, and as a result of said investigations, administrative sanctions should be meted out against the teachers if the facts and evidence warrant.

DEBRIEFING PROGRAMS

Ninth, there must be an adoption of the psychological debriefing and de-radicalization programs by the DSWD, PNP, and AFP for the recruited and indoctrinated minors and students.

INVESTIGATE RECRUITERS

Tenth, further investigation of the recruiters of the minors should be done for possible filing of criminal charges.

INTERAGENCY TASK FORCE

Eleventh, an Inter-Agency Task Force shall be created for the search and rescue of missing students who are believed to be recruited by leftist groups. The task force shall be composed of DepEd, CHED, AFP, PNP, DSWD, CHR, other government agencies and private institutions. The task force shall closely coordinate with the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC).

LEGISLATIVE RECOMMENDATIONS

Republic Act No. 11188

Twelfth, as part of the legislative recommendations, our Committee endorses the following: amendment to R.A. No. 11188, or the Special Protection of Children in Situations of Armed Conflict, to expand coverage of recruitment of children in armed conflict to include students recruited by insurgent groups in schools.

Republic Act No. 9208

Likewise, amendment to R.A. No. 9208, or

the Anti-Trafficking in Persons Act of 2003, must be introduced in order to include as “qualified trafficking in persons” the recruitment of children as armed combatants.

Furthermore, R.A. No. 7610, or the Special Protection of Children Against Abuse, Exploitation and Discrimination Act, should be amended in order to include in the definition of “child trafficking” the recruitment, indoctrination, and immersion of children in communist-insurgent movements and activities.

Republic Act No. 9372

Also, it is important to amend R.A. No. 9372, or the Human Security Act, by including within the ambit of the definition of “terrorism,” any criminal act committed pursuant to a subversive dogma, in order to coerce the government to give in to an unlawful demand.

Republic Act No. 7941

Equally necessary is the amendment to R.A. No. 7941, or the Party List System Act, by mandating the outright refusal or cancellation of registration of any national, regional, or sectoral party, organization, or coalition that advocates subversive dogma and pursuant thereof, undertakes criminal acts towards this goal.

OTHER LEGISLATIVE RECOMMENDATIONS

In addition to the aforementioned amendments, we must institutionalize the preventive measures that would protect the youth from being recruited as members of revolutionary organizations.

DepEd MEMORANDUM

Moreover, DepEd Memorandum Order No. 66, series of 2017, that regulates co-curricular and extracurricular off-campus activities, providing penalties in case of violation thereof, must be institutionalized.

SUPPORT TASK FORCE

And, lastly, it is essential to support the National Task Force to End Local Communist Armed Conflict created under Executive Order No. 70 by providing the necessary funds for the implementation of its programs.

These proposals, hopefully, will address the urgent issues at hand and will add another layer of protection for the Filipino youth.

We are also encouraged by the fact that after the hearings conducted by the Committee, there were a series of successful operations done by the Armed Forces of the Philippines and the Philippine National Police, retrieving several

minors who had already been recruited by the leftist groups. The minors were found in the midst of ammunitions and explosives, and not to mention a strong atmosphere of resistance and rebellion. If there is to be a noble end to these operations and this retrieval, it is that they underscore the need to protect our youth, or better yet, the need to become better parents and guardians to our youth.

FILIPINO YOUTH

As chairman of the Committee on Public Order and Dangerous Drugs, I humbly submit this report to my dear colleagues as I beg them to join me in this crusade in saving our youth from the snares of the duplicitous and deceptive leftist groups who use our youth for violent ends. Think of our own children, nephews and nieces, or even the ordinary children we see on the streets, who are all potential victims of recruitment by these revolutionary organizations and their leaders. Yes, we share our children to the world for them to explore what lies beyond the corners of our homes and schools. But we always provide protective shields for them so that they will not be taken advantage of and have their own freedom snatched away from them.

The lives of our youth are worth our sacrifices. Let us lead them to the right path. Let us teach them how to choose their battles wisely, to fight the kind of battles that build up humanity rather than those that destroy and eat away at the fabric of our communities. Let our fight to be their guide, today and in the years to come.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Zubiri acknowledged the presence in the gallery of the following guests: Mrs. Elvie Kaalaman, Mrs. Luisa Espina, Mrs. Gemma Labsan, and Mrs. Annabel Sabado.

Senate President Sotto welcomed the guests to the Senate.

SUSPENSION OF CONSIDERATION OF COMMITTEE REPORT NO. 10

Upon motion of Senator Zubiri, there being no objection, the Body suspended consideration of Committee Report No. 10.

SPECIAL ORDER

Upon motion of Senator Zubiri, there being no



objection, the Body approved the transfer of Committee Report No. 20 on Senate Bill No. 1156 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 20 ON SENATE BILL NO. 1156

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1156 (Committee Report No. 20), entitled

AN ACT PROMOTING FOREIGN INVESTMENTS, AMENDING THEREBY REPUBLIC ACT NO. 1042 OTHERWISE KNOWN AS THE "FOREIGN INVESTMENT ACT OF 1991," AS AMENDED, AND FOR OTHER PURPOSES.

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

The Chair recognized Senator Marcos for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR MARCOS

Senator Marcos, on behalf of the Committees on Economic Affairs and Finance, submitted for plenary consideration Senate Bill No. 1156, entitled "An Act Promoting Foreign Investments, amending thereby Republic Act No. 7042 otherwise known as the 'Foreign Investments Act of 1991,' as Amended, and for other purposes," under Committee Report No. 20.

Following is the full text of Senator Marcos' sponsorship speech:

In the long study of economics, investment is defined as "the purchase of goods and services not to be consumed today but instead bought today in the belief that wealth will be created tomorrow." Investment, thus, are monies paid committing to the idea that such monetary assets will provide income, will provide productivity or higher price for profit, employment, and other gains in the future, in the years to come.

Such economic optimism has not been upheld by the recent record of foreign investments in our country. While the burgeoning Asian economies, especially within the ASEAN Region, go from strength to strength, in Asia today, accounting for over 34% of FDIs and ASEAN for 20%, the Philippines languishes as one of foreign capitals least attractive and smallest destinations. Singapore today receives over half of ASEAN's investment. Indonesia, following a high profile anti-corruption campaign, saw a fivefold increase in foreign investments from 2016 to 2017, posting a record US\$23 billion within a single year; Vietnam, pursuing its aggressive export policy, was a country of choice for almost all of the 33 companies that departed China overnight following the U.S. trade dispute.

But 28 years after the passage of RA 7042, or the Foreign Investment Act of 1991, foreign capital has only very slowly trickled into the Philippines. And unlike our ASEAN neighbors, we have not been swept up by the great tide of foreign capital that has created huge global enterprises in the ASEAN, empowered agriculture even in the remotest villages, and lifted millions from poverty and ignorance.

Worse, as small as the Philippine share has been in the global foreign direct investment portfolio, according to the Bangko Sentral ng Pilipinas, FDI inflow has declined 85% from last year to this year. Further, inter-regional and cross border or ASEAN investment was also negligible here when, in fact, ASEAN community investment has been huge and critical in Indonesia and elsewhere.

The question arises: What is wrong with the Philippines and why is everyone afraid to invest in us? There is also the challenge of attracting responsible, chosen, select investors, quality investments as it were that direct capital, talented management, institutional effort needed for sustainable and developmental enterprise.

What little foreign investment has come to the Philippines has merely been in gas and natural resources, traditional manufacturing, real estate, construction, wholesale and retail trade. In truth, very few new businesses have entered the country, with foreign investment pledges approved by different Philippine promotion agencies declining in the past 18 months.

Despite the vaunted domestic market of 106 million people in the Philippines, much like Indonesia indeed, and an underutilized youth dividend comparable to the rest of ASEAN, investments directly needed in infrastructure, new manufacturing, agriculture, health tourism,

the technology, and the booming creative industries have not been forthcoming. Are we Filipinos really only good for POGO and online gaming? At best, good only for call centers and basic customer services?

In the effort to derive foreign investment share for our country, I sponsor today Senate Bill No. 1156 – Committee Report No. 20 – to promote foreign investments amending thereby RA 7042, otherwise known as the Foreign Investments Act of 1991, as amended, and for other purposes.

While the Foreign Investments Act seeks to attract productive investments from foreigners, several of its provisions instead create a substantial barrier to foreign investment. The OECD has repeatedly declared that due to the Philippine Constitution's restrictions, and our lamented negative lists, we continue to be one of the most restrictive countries in the world.

The World Bank also decries the minimum US\$200,000 capital requirement that we impose as substantially bigger than the amounts required by the other emerging economies such as China, India, and, in fact, most of ASEAN.

Our committee report does aim to reduce this requirement to a minimum capital investment of US\$100,000, with just 15 direct local employees except in the case of retail and other sectors governed by specific laws.

The Department of Trade and Industry, as well as the different local chambers, supports this amendment. Stating that with the threshold of US\$100,000 as minimum investment, the competition it would pose would only be against a small percent — 11% — constituting a small sector of SMEs and would, rather than compete and destroy SMEs, encourage competition and innovation in the tourism, technology, and creative sectors. Our other amendments echoed those from Senator Gatchalian's report from the Seventeenth Congress requiring an annual rather than a biennial or two-year review of the negative list by the NEDA to cope with the rapid changes in regional and the inter-national marketplace.

Also, we invoke the establishment of an investment database, together with one-stop shops in bricks and mortar throughout the country, a big expansion of the Seventeenth Congress web portal.

Our committee report also repeats a previous national security consideration mandating the monitoring and evaluation of all foreign operations with regard to impacts on local and national security.

However, there are new investment promotions councils that we have determined to add in the new amendments in order to integrate the divergent and sometimes conflicting efforts of the Board of Investments (BOI) under the DTI, PEZA, the Clark-Subic-CEZA, and other eco-zones, the Department of Energy, in its effort to boost self-reliance in energy, as well as the PNOC and other national agencies with their own pet projects, not to speak of individual LGUs and local governments with separate concerns and interest, all, perhaps, driven by the good intention of promoting foreign investments but frequently confusing or even discouraging to foreigners uninitiated into the Filipino mess of doing business.

We further see the need to rationalize the different investments into a coherent, comprehensive, and strategic investment priorities plan. Unlike its precisely targeted and finely tuned Singaporean, Thai, Indian, and other equivalents, the Philippine Investment Priorities Plan of 2017 is a mere seven-page laundry list without mention of measurable or time-bound results, whether in the medium or the long-term. To date, in fact, the Investment Priority Plan of 2018, as well as the National Export Plan, remains incomplete and unsigned by the Executive.

Last year, President Duterte issued EO 65, the 11th Negative List For Foreign Investors. While foreign chambers and even NEDA Secretary Pernia lamented that only marginal improvements are contained in the list, the Executive issuance for the first time includes the liberalization of the foreign ownership for Internet businesses now established as a hundred percent foreign-owned.

Our committee report similarly creates a new digital category finally and clearly distinguishing between Internet business or enterprises transacting sales of goods and services through online digital platforms versus the Internet as mass media. Under the Consumer Act or RA 7934, the Tobacco Regulation Act of 2003 or RA 9211 as well as myriad Security and Exchange Commission's opinions, much research and legal study is yet needed to regulate technology and manage the universal techlash against the abuse and exploitation engendered by the Internet even as digital commerce, content producers and providers, as well as DOJ's Internet access providers are required that we clear the clouds of confusion and point the way forward for Philippine digital development.

There is also in our committee report an entirely new area of foreign investment amendments having to do with punishing public officials, employees, as well as foreigners committing

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malfeasance, misfeasance, and nonfeasance in the pursuit of foreign investment.

Corruption has been a long-standing and pervasive deterrent to investing in the Philippines, and through harsher and much expanded enforcement of the Anti-Graft Law, the Code of Ethical Conduct, and other administrative sanctions, we seek to improve transparency, reliability, and accountability in the entire process of registration, permitting, and investment.

It should be noted that other jurisdictions have been emphatic and frequently draconian in this regard — the BKPM of Indonesia clapping in jail highly placed officials together with their family members, and Brazil recently establishing a direct investment ombudsman solely to go after foreign investment grafters. It will be noted that this committee report, following the wisdom of the Seventeenth Congress, makes no mention of the foreign nurse practice of profession. In truth, it is our provision which was absent in the original law but somehow inserted later on in the negative list. Our endeavor is for the FIA to address only issues that are directly related to investing in the Philippines and not the practice of professions by foreigners in the Philippines, which should tidily and more logically be left within the ambit of each of the specific laws governing each of the different professions.

In order to consolidate these rules in an orderly fashion, I filed today Senate Bill No. 1164, a separate effort covering the foreigners' practice of professions, an attempt to both encourage foreign professionals to share their expertise, their skills, and their experience with their Filipino counterparts, and at the same time, through the Professional Regulation Commission, protect Filipino professionals from exploitation and certain unethical practices of gigantic multinational operations.

The amendments of the Foreign Investments Act intoned by our committee report are merely a first step in the long journey to overcome the issues confronting the Philippines as an unpreferred and undesirable investment destination: The inconsistency and unreliability of policy; a lack of quick redress and judicial settlement; the failure of coordination between schools, training, and the labor market; the lack of integration among government agencies and LGUs; and once again repeated, the difficult and opaque Philippine bureaucracy; the reluctance to establish bilateral and free trade agreements; the mixed results of Build, Build, Build; the meager transport and communication network support; and the sense that high-level corruption and

influence peddling are necessary for investments to be approved. No doubt, there remain huge roadblocks for us in the future.

Here in Congress and the Senate, the Foreign Investments Act is merely a starter bill for a whole slew of essential changes: in the Public Service Law with Sen. Grace Poe; the Retail Trade Act under Sen. Koko Pimentel and authored by Senator Drilon; government procurement; the contractors' licensing; and many other liberalizing amendments that will finally and truly open up the Filipino economy to foreign investments. But let us begin by amending the Foreign Investments Act today.

Finally, lending truth to the economists' prophecy of great and future gains, let us encourage foreigners who believe in us and share their capital and talent with our citizenry. With them, we must together invest in our future: the future of our country, the Philippines, the future of every Filipino. For if indeed, as economists say, optimistically, the promise is that investment is a committed belief in wealth and prosperity to be created in the future. Such is reason enough for us here in the Senate to grapple with foreign capital laws in the conviction that a progressive and prosperous Philippines beckons to all of us in the future. Let us make way for the future today and, thus, make the Filipino dream tomorrow's reality.

COSPONSORSHIP SPEECH OF SENATOR GATCHALIAN

Senator Gatchalian delivered his cosponsorship speech, as follows:

Republic Act No. 7042, otherwise known as the Foreign Investments Act, was enacted in 1991 to invigorate the Philippine economy by substantially liberalizing foreign investment laws and policies. Foreign direct investments, or FDIs, are important to a developing country like ours as they provide tangible economic benefits in the form of technical expertise, technological transfer, foreign exchange from exports, employment, and higher tax revenue, among others.

At the time the Foreign Investments Act was passed in 1991, the law did a fair job in accomplishing its mandate to increase foreign investor access into the country. According to the Joint Foreign Chambers in a 2010 policy document, the FDI accumulation in the Philippines grew from \$4.711 billion between 1990 and 1994, to \$11.183 billion between 2005 and 2009, representing a 237% increase over a 20-year period.

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Despite this progress, we have the second lowest FDI accumulation figures among the ASEAN 6 from 2015 to 2017 according to the World Bank. Our FDI accumulation for that period stood at \$23.98 billion. Meanwhile, Singapore's FDI accumulation for the same period stood at \$208.48 billion; Indonesia had \$45.79 billion; Vietnam had \$35.5 billion; and Malaysia had \$32.84 billion. Only Thailand recorded a lower FDI accumulation at \$19.78 billion.

The Organization for Economic Cooperation and Development or OECD's FDI Regulatory Restrictiveness Index for 2018 also lists the Philippines as one of the most restrictive countries in the world when it comes to FDI rules. Of the 68 economies covered by the index, the Philippines ranked among the most restrictive in terms of FDI rules in business services, telecommunications, media, electricity, and transport industries, with a restrictiveness score way above the OECD average. We fared a little better in the financial services industry, although we still scored above the OECD average. All in all, the OECD found the Philippines to have the most restrictive FDI rules among the 68 economies included in the study, with an overall restrictiveness score almost six times higher than the OECD average.

It has been 28 years since the enactment of the Foreign Investments Act, yet our current foreign investment laws and policies are still relatively restrictive, standing in the way of economic attractiveness and employment opportunities. We remain a relatively unattractive investment destination because our investment laws are less open and generally more inhibitory compared to those of our neighbors in the ASEAN. Given the current global and regional economic climate, there is a need to take a look at the Foreign Investments Act in its current form and face the fact that it may not be living up to its potential as a vital piece of legislation.

I am cosponsoring today a measure that proposes to amend several provisions of the Foreign Investments Act which will help us take advantage of global and regional economics dynamics. If passed into law, this bill will help make the Philippines more attractive as an investment destination which, in turn, could open up more employment opportunities for the Filipino people.

The updated policy declaration puts a premium on the major role played by technological advancements as well as global and regional economic realities on the Philippine economy. The proposal also provides a review mechanism over foreign investment transactions

that threaten to impair national security, ensuring that the State does not take for granted national security issues in the name of gaining more FDIs. I also see that the committee report carries certain provisions which reflect the intent of my proposal under Senate Bill No. 919 on the establishment of a web portal that will serve as a central database and will make it easier for investors to learn about the country's pertinent laws, rules and regulations, and policies, including restrictions on foreign investments. This will provide potential foreign investors' access to what legal and practical issues they might need to face—sending a clear message that transparency and ease of doing business are as important to the State as it is to businesses and investors.

Taken together, these amendments will result in a foreign investment regime that is more fine-tuned to the changing economic climate and its accompanying demands. Our receptiveness to these changes may very well determine whether we can live up to our true economic potential, or remain in the doldrums compared to our next-door neighbors.

While I reserve my prerogative to interpellate on some of the provisions of the committee report, I support the measure's immediate passage. It is high time for our country to start enjoying the economic benefits that our neighbors have reaped from foreign investments for the longest time.

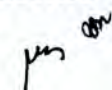
SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1156

Upon motion of Senator Zubiri, there being no objection, the Body suspended consideration of the bill to allow the senators to further study the measure.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri stated that no other matter was left in the day's Order of Business except for the manifestation of a number of senators to interpellate on certain bills; however, most of them have left to prepare for the next day's budget deliberations.

Senator Zubiri stated that the plenary session would be suspended for the day and would resume the following day, starting with the debate on the General Principles, then the budgets of various government agencies. He reminded the Body that committee hearings would no longer be conducted while the budget deliberations are ongoing.



Senate President Sotto reminded the staff of the Committee on Finance and the representatives of the Executive Department to be present at the Session Hall as he would bang the gavel at exactly 10 o'clock in the morning. He said that the Body would have a break at 12 o'clock noon and would resume at two o'clock in the afternoon.

Moreover, Senator Zubiri requested the staff of the Committee on Finance to remind the agencies when their budget is on deck; if the heads of the agencies are not around, their budgets would be bypassed.

As regards the inquiry on whether some bills could be tackled or not, Senator Zubiri stated that traditionally, the Body does not tackle any bill unless there is an emergency, or it is a priority measure, at which time the Body could suspend the budget deliberations to tackle the bill.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, there being no objection, Senate President Sotto declared the session suspended until ten o'clock in the morning of the following day.

It was 6:15 p.m.

RESUMPTION OF SESSION

At 10:00 a.m., Tuesday, November 12, 2019, the session was resumed with Senate President Sotto presiding.

COMMITTEE REPORT NO. 18 ON HOUSE BILL NO. 4228

(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4228 (Committee Report No. 18), entitled

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

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

Thereafter, Senate President Sotto recognized Senator Angara, sponsor of the measure, and Senator Lacson for the interpellation.

INTERPELLATION OF SENATOR LACSON

At the outset, Senator Lacson commended Senator Angara for his discipline regarding the timelines that the Members have followed. He expressed hope that there would no longer be a reenacted budget as the country's economy would be affected.

At this juncture, Senate President Sotto allowed Senator Angara to sit down during the debates.

Senator Lacson presented a slide showing the historical Gross Domestic Product (GDP) projections from 2010 as against the yearly actual GDP and he noted that on November 7, 2019, the GDP growth jumped from 5.5% in the second quarter to 6.2% in the third quarter, still not enough to reach the target of 7%-8% as stated in the Budget of Expenditures and Sources of Financing (BESF). He recalled that during the Development Budget Coordinating Committee (DBCC) hearing, Secretary Pernia of NEDA declared that the outlook for 2019 had been adjusted to 6%-7%. He then inquired if the low-end of GDP of 6% to 7% could still be achieved and how given the present situation.

Senator Angara replied that the government should hit the 6.7% target in the last quarter in order to achieve the 6% low-end level, noting that the government was able to achieve a growth rate of 5.5% in the first quarter; 5.6% in the second quarter; and 6.2% in the third quarter. He said that for the government to stay within the trajectory, it would have to ramp up spending and that it is crucial that the funds are released, although the DBM claimed that it has already released 90% of the budget.

As for the other factors that would contribute in reaching the low-end target of 6% to 7%, Senator Angara explained that the agricultural sector has always been crucial, noting that for the third quarter, the sector surprisingly grew by 3.1% when historically, agricultural growth was usually below 1%. *r*

Senator Lacson noted that based on the Philippine Development Plan (PDP) from 2017 to 2022, the end-of-plan target for outstanding national government debt stock as its share in GDP is at 35.4% which was adjusted to 38.8% based on the DBM's fiscal year briefer. He lamented that both levels were off-target given that in 2018 the actual debt-to-GDP ratio was at 41.9%. Since the current projection is at 38.8%, he then asked if the government would be able to reach the target by 2022.

At this juncture, Senate President Sotto relinquished the Chair to Senator Zubiri.

Senator Angara stated that he was assured by economic managers that the revised target was achievable, provided government would control the borrowings and revenue collection would improve.

Citing the expansionary fiscal policy to sustain the government investments in infrastructure and human capital development, Senator Lacson noted that revenue effort is at 17.2%, while the disbursements to GDP is at 20.4%, or a gap of 3.2%. Asked how the gap between the revenue effort and the disbursements to GDP could be narrowed, Senator Angara disclosed that the DBM has been meeting with the different agencies to speed up the disbursements, while on the revenue side, the remaining tax reform packages — the additional taxes on sin products and the Corporate Income Tax and Incentives Rationalization Act (CITIRA) which rationalizes the fiscal incentives and lowers the corporate income tax, as well as the taxes on passive income — are crucial for the administration.

As regards the effect to the government if the CITIRA and the excise taxes are not passed into law, Senator Angara stated that the revenue projection would be short by P20 billion.

Senator Lacson said that the House version of the tax on alcohol and tobacco would yield P16.3 billion, or P4 billion short of the projection, while the DOF's version would raise a little over P30 billion. Senator Angara said that the Senate version would raise revenue to P45 billion, or a difference of P22 billion.

On another matter, Senator Lacson noted that the gross borrowings in 2018 for the national government financing was at P897 billion and if the amortization of P114 billion were deducted, the net financing would have a balance of P783.3 billion.

Stating that the requirement in net financing amounts to P558.3 billion, he then questioned government's move to borrow more than what is needed.

At this juncture, Senator Zubiri relinquished the Chair to Senate President Sotto.

Senator Angara replied that according to the National Treasurer, what was not indicated in the data was the Bond Sinking Fund (BSF) which answers for the future maturities of the country's domestic borrowings

For his part, Senator Recto interjected that, in effect, government is building up cash for future obligations. However, he said that in the BESF, as with the LGUs, there is a beginning year balance and a year-end balance which would determine how much cash would be needed by the government. He then wondered why, as far as the national government was concerned, these balances were not indicated in the BESF.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 10:17 a.m.

RESUMPTION OF SESSION

At 10:22 a.m., the session was resumed.

Upon resumption, Senator Angara said that the borrowings and the cash position of the government are confidential and could not be discussed publicly as it would affect the position of the government vis-à-vis some of the lenders. However, Senator Recto believed that if the government has a very good cash position, it must be made known to the public. He posited that the government was building up its cash position by borrowing more than what is needed to cover the calculated P677 billion deficit for 2020 and taking advantage of the low interest rates. This, he pointed out, should have resulted in a lower debt-to-Gross Domestic Product (GDP) ratio.

Asked why the government was borrowing more than what it was supposed to finance, Senator Angara replied that it was to take advantage of the current low interest rates on domestic and foreign loans. To illustrate, he said that a businessman with loans to

pay in the coming years would take advantage of the current low interest rates by borrowing money more than what he needs at present because he is assured of having money regardless of whether further interest rates would run high or stay low.

As regards budgetary change in cash form, Senator Angara replied that it is invested in high-yielding government securities.

At this juncture, Senator Recto asked on the current cash position of the government after having borrowed P225 billion more than the P588 billion deficit in 2018, and P426 billion more than the P620 billion deficit in 2019. He stated that the government's plan to borrow an additional P564 billion would further build up its cash position.

Continuing, Senator Lacson noted some leakages in tax revenues from imported products in 2017, based on the data from the World Integrated Trade Solutions (WITS), such as:

- The Philippines reported a total of US\$18.4 billion worth of goods imported from China in contrast to China's report of having exported US\$32 billion worth of goods to the Philippines for a discrepancy of US\$13.5 billion

Given that the rate is P50.4 to a dollar for the year, he said that at P50.4 to a dollar for the year, when the VAT was computed by multiplying P684.8 billion times 12%, the leakage was P82.1 billion.

- The Philippines reported US\$8.8 billion worth of goods imported from Korea contrary to Korea's report of having exported goods to the Philippines.

He noted a discrepancy of US\$1.7 billion or P89 billion based on the same dollar rate for 2017, and multiplied by 12% VAT, the leakage was P10.7 billion;

- The revenue loss of the government was P4.757 billion from products imported from Hong Kong; and
- The revenue loss was P853 million from imported products from the United States.

Senator Lacson also cited the revenue loss or leakage in more than 500 ecozones in the Philippines

that amounted to P63 billion in 2017 alone. In sum, he said that the revenue loss or leakage, which involved tax administration, was P161.5 billion. He then asked whether there were efforts to plug the leakages since additional sin taxes may no longer be needed if leakages are stopped.

Senator Angara explained that the discrepancy was due to China's declaration of goods for transshipment as exports, such that goods sent to the Philippines but are bound for Australia, are still declared as exports; on the other hand, the Philippines would not declare such items as imports since they are just passing through the country as transshipment.

Noting that the actual deficit in 2017 was recorded at P350.6 billion, which is equivalent to 3.2% of the GDP, and assuming that the revenue loss amounting to P161.2 billion is plugged, Senator Lacson asked how it would impact on the budget deficit, as he believed that plugging huge leakages in the tax collection would help lower the deficit particularly if the tax administration of the government is efficient. Senator Angara agreed, as he disclosed that the department is even trying to ramp up the fuel marking as an administrative measure.

Asked whether the department has some data when the fuel marking was implemented as well as the incremental increase, Senator Angara replied that the department began implementing fuel marking only last October and that the monthly figures for the collection had yet to be compared. He assured Senator Lacson that he would ask for the data as soon as they are available.

On another matter, Senator Lacson said that in the glossary of terms of the Department of Budget and Management, "budgetary deficit" refers to a shortfall of revenues from disbursements, excluding debt repayments and payments on the budgetary accounts. However, he believed that budget deficit should be correctly computed as the difference between obligations and not disbursements because obligations have to be paid. Senator Angara clarified that a budget deficit is considered as a cash deficit, the amount of money that leaves the Treasury rather than an obligation which is just based on a contract. He agreed, however, that a cash deficit is binding on the government but does not represent the cash position of the government.

Asked for the reason behind the continued failure of the Tax Revenue Program to hit tax revenue projections of the government and plug leakages, Senator Angara attributed the failure to the government's thrust of setting up higher standards in the collections to incentivize the collectors to work hard although they have been performing better over the years.

Moving on to the 2020 proposed budget, Senator Lacson observed that the total disbursements is P4.213 billion while the expenditures program is P4.1 trillion, or a difference of P113.8 billion which should be funded by the Unprogrammed Appropriations which is allotted P216 billion. He then asked for details of the Unprogrammed Appropriations which is going to be funded in the amount of P113.8 billion and why it is higher than the supposed gap between disbursements and expenditures. Senator Angara replied that the gap between the disbursements and the expenditures is not necessarily the unprogrammed appropriations for the year because the disbursements could represent obligations for that fiscal year as well as the previous year's obligation. He said that there are accounts payable that would be carried over and which could be counted in the disbursements.

Senator Lacson explained that he just wanted to look deeper into the unprogrammed appropriations considering that there is a provision in the GAA which mandates the DBM to submit to the Speaker of the House of Representatives, the President of the Senate, the House Committee on Appropriations and the Committee on Finance a quarterly report of its disbursements, and he asked if the DBM had been complying with it. Senator Angara replied in the affirmative, saying that the provision is found in the GAB. He then gave a breakdown of the Unprogrammed Funds amounting to P213 billion as contained in the GAB as follows:

- Support for Infrastructure Projects and Social Programs (SIPSP), in the amount of P10 billion;
- AFP modernization, approximately P5 billion;
- Budgetary Support to Government-Owned and -Controlled Corporations, P61.8 billion;
- Support to Foreign-Assisted projects, P90.3 billion;
- Risk Management Program, P30 billion;
- Payment of arrears of LTO-IT Service, P2 billion;
- Refund of service development fee for the right

to develop the Nanpeidai in Tokyo, Japan, P210 million;

- Prior years' LGU shares, P1.192 billion;
- Bangko Sentral ng Pilipinas equity infusion pursuant to RA 11211, P2.7 billion;
- National Identification System, P2.43 billion;
- Normalization program in the Bangsamoro, P5 billion; and
- Health Facilities Enhancement Program (HFEP), P5.44 billion.

Asked where the excess of P3 billion would be sourced since the allocation for "Support for Infrastructure Projects and Social Programs," was only P13.6 billion but the budgetary transfers to agencies amounted to P16.6 billion, Senator Angara replied that the amount of P3.01 billion was realigned from the Risk Management Program budget which was also under the Unprogrammed Appropriations.

Asked on the definition of "Support for Infrastructure Projects and Social Programs," Senator Angara stated that according to a special provision in the GAA, it is chargeable and to be used in support of infrastructure projects and social programs such as, but not limited to, catastrophe bond.

Senator Lacson recalled that as previously discussed, the government is borrowing more than what it had programmed to spend to be able to build up cash. However, referring to the unused appropriations in the SAOB FY 2017 versus the actual budget, he noted several government agencies with unused appropriations. He then asked why the government was appropriating huge amounts of money which remain unspent, noting the P257 billion unused budget of agencies. Senator Angara replied that underspending has been a perennial problem, and that the appetite for spending has grown faster than the capacity to spend. By looking at the needs of the different agencies, he suggested that the unused appropriations could be realigned to other agencies that need the budget like PhilHealth, or funding free tertiary education.

Senator Lacson believed that underspending is the product of poor planning, because if a program has been poorly planned, the agency would not be able to utilize the appropriations as fast as it was enacted. And poor planning, he said, could be attributed to agencies unaware or not knowing that

there were items lodged is their budget through insertions made by legislators, about which they were not consulted, resulting in nonimplementation of projects and underutilization of funds. He noted that the problem of underspending has been occurring since the last 10 years. He recalled that there was a time during the previous administration when the average unused appropriations reached P450 billion. He acknowledged that the situation has improved as underspending has gone down to P257 billion in 2017, but still, he said that it was not right as far as the fiscal program or expenditure program of the government is concerned.

As to how the practice of underspending could be remedied, Senator Angara replied that it must be treated as a case-to-case basis because each agency has its own reasons for underspending. Agreeing with Senator Lacson on the need for proper planning, he suggested trimming the budget to the essentials and not including items which are not likely to be spent, obligated, or disbursed during the year.

Senator Lacson posited that the RDCs might have submitted PAPs which were not adopted by the national government when supposedly the needs and priorities should focus on the local development plans of the different LGUs. He added that if the programs were merely imposed by the national government to the LGUs, then there would be unused appropriations because the LGUs do not see the need for such projects.

Senator Angara stressed the need to improve the relations and the communication between the local and national levels.

Asked to confirm the statement of NEDA Undersecretary Rosemarie Edillon that the percentage of RDC-approved programs and projects or PAPs as compared to those approved by the national government was still at 14%, Senator Angara replied that it was revealed during a DBCC meeting that it has increased to 25%.

Senator Lacson stated that the 25% approval rate of RDC-submitted PAPs was still low, which is proof that there is disconnect between the needs and priorities of the local government units and the spending program of the national government.

As to how the gap would be narrowed, Senator Angara stated that in the breakdown per agency,

there were agencies performing better than the others, citing DTI which recorded 72% utilization rate.

Senator Lacson cited the term "asynchronous" as used by Undersecretary Edillon as reason for the unutilized appropriations which means that the RDC output was not synchronized with the local development plans because of the incapacity of the local government units to prepare their respective local development plans. Thus, he said that there must be an effort to capacitate the local government units to avoid the big disconnect between the needs and priorities of the LGUs and the national government.

Senator Angara agreed, noting that some municipalities really do not have the manpower or the talent to come up with good plans.

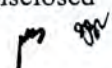
As to how many regions are compliant as regards the submission from the RDC to DBM, Senator Angara replied that all are compliant.

But Senator Lacson noted that it was only Region V that was diligent in the submission of programs, and that the NCR and the more well-off regions seemed not interested in submitting their respective programs and projects. In reply, Senator Angara said that he would ask for the breakdown per region. He added that the concern of Senator Lacson was valid and that the economic team should look at the performance of the various agencies especially in fulfilling the wishes of the LGUs. He noted that some performed 6% to 4%, while there were others that perform at 72%, 62 % or even 100%.

Senator Lacson cited NHA with 0% performance while CHED and DOH were at 1%.

Senator Lacson likewise stated that based on the data submitted by NEDA as of July 31, there are 75 big-ticket projects amounting to P2.4 trillion with 20 for project development, four for government approval, five for review, and 46 for implementation.

Asked for updates on the big-ticket projects and their impact on the Build, Build, Build program of government, as well as those that have been abandoned, Senator Angara said that according to NEDA Secretary Pernia, the list of 75 projects was being reviewed and revised to more doable or shovel-ready because some projects were found to be technically, financially, or economically non-viable, while some were not yet implementation-ready. He disclosed



that the list of projects was still being finalized and would be submitted to the NEDA Board for approval.

Asked why some projects have been abandoned when there were still two and a half years to finish them, Senator Angara replied that some of the longer bridges would most likely be deferred because of the huge cost involved.

Senator Lacson stated that precisely the government resorted to borrowing in order to invest in infrastructure in its desire to attract more investments. He assumed that sufficient study must have been made as regards the ROI, no matter how long the bridges and no matter how expensive they are. He then asked if indeed sufficient study was conducted in terms of possible ROI of the projects. Senator Angara replied that studies were done before they were submitted to the NEDA Board for approval.

As to the list and the reasons for the abandonment of the 75 big-ticket projects, Senator Angara replied that the reasons included technical, financial, and economic non-viability.

At this point, Senator Lacson suspended his interpellation.

INTERPELLATION OF SENATOR DRILON

Taking off from the last issue that Senator Lacson raised, Senator Drilon asked whether indeed nine of the 75 flagship projects have commenced in terms of actual construction. Senator Angara answered in the affirmative.

Asked how many more projects are expected to start and when they would be finished, considering that the current administration barely has less than three years to go, Senator Angara clarified that the revised list contained around 100 projects.

Senator Drilon pointed out that projects that are still at the stage of being subjected to feasibility studies have nothing to contribute to the country's GDP because it is actual construction where there are actual disbursements that would propel the economy.

Senator Angara said that upon asking for the numbers that could be rolled out aside from the current nine projects, he was told that 12 projects

would be completed by 2020, 17 projects by 2021, 26 projects by 2022, and 43 projects beyond 2022.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 11:01 a.m.

RESUMPTION OF SESSION

At 11:06 a.m., the session was resumed.

As regards the earlier query of Senator Drilon on the list of flagship projects as well as their status, Senator Angara said that the agency has yet to complete and finalize the said list. He then asked if he could present the information requested the next day. Senator Drilon agreed, reiterating the need for the information as to which of the 75 projects had been abandoned, which new projects have been included, and the stages of development of the projects which remain in the list.

As regards the Panay-Guimaras-Negros Bridge which was one of the 75 projects listed under the Build, Build, Build program, Senator Drilon believed that the project was particularly important especially to those like him who are from Western Visayas because of the economic development that could result out of connecting the three islands of Panay, Guimaras, and Negros. He said that in the case of Guimaras, for instance, the province has a very high poverty incidence and development is very hard but whose potential is very high particularly in the tourism sector but which cannot be developed due to lack of transportation. Relative thereto, he also stressed the importance of transportation as he recalled the recent drowning of 31 people caused by an accident on a 15-minute crossing between Iloilo and Guimaras which could have been prevented if they had a bridge.

Senator Drilon said that crossing the Iloilo-Guimaras portion of the Panay-Guimaras-Negros bridge would make for about two and a half kilometers and the approaches would make a total of 4.6 kilometers as the length of the bridge. He then asked where exactly they are in terms of the said project and how much the total project would cost when breaking it down to Panay-Guimaras and Guimaras-Negros. Noting that the length of the

Guimaras-Negros portion that is 26 kilometers is quite challenging, he acknowledged the difficulty of the length of time that is needed before finally deciding whether to proceed with the project, unlike the Iloilo-Guimaras portion which is manageable. He also asked whether the said project is still in the list. Senator Angara assured that the project has definitely not been shelved and that he was, in fact, told that it would proceed and that it would be submitted to NEDA for ICC review and approval in November 2019.

Asked if the feasibility study was done by a Chinese company, Senator Angara replied in the affirmative, specifying that it was the China Communications Construction Company, or CCC Limited, that did it. As to when the feasibility study was completed and submitted, he said that it commenced in November of the previous year.

Noting that it was already the month of November, Senator Drilon asked if the feasibility study has already been submitted to NEDA since it would also take time for the ICC to review it. Senator Angara clarified that the feasibility study was completed in September but the DPWH was still reviewing it before it submits it to the ICC for approval. He said that the design was already finished and is was being evaluated by the DPWH in terms of its physical design and its cost.

Asked if the Panay-Guimaras-Negros bridge is economically feasible, Senator Angara said that based on the actual result of the feasibility study, the project was very feasible.

At this juncture, Senator Zubiri stated that the project is part of the "One Visayas Bridge Program," that would connect Cebu to Negros Island, Negros Island to Guimaras, Guimaras to Iloilo. Saying that the plan to build the Iloilo-Guimaras bridge has been made a long time ago, he hoped that there would be a groundbreaking at least before the term of the President ends. He believed that building even a portion of it would prompt the next administration to continue the program. He also hoped that the "One Visayas Bridge Program" would be realigned because it would certainly be a game changer for tourism and development in the Visayas.

As to how much was the total cost of the Iloilo-Guimaras and the Guimaras-Negros projects, Senator Angara said that according to the DPWH, it would cost P211 billion. He said that they could discuss

with the DPWH the accurate figure when agency's budget is taken up, as he conveyed the assurance that the project was not one of those that would be shelved. Senator Drilon pointed out that his concern was not just that the project would not be shelved but also about when it would be implemented since its cost is yet unknown.

Asked to confirm the accuracy of the GDP growth rates from 2010 to 2018 that were being flashed on the screen, which showed a decline in the year-on-year direct investments, Senator Angara confirmed that accuracy of the 2018 figure which, when added to the 2019 figure, would amount to US\$10 billion.

Senator Drilon placed on record the Central Bank's confirmation of the weakening FDI inflows carried in the business pages of both the *Philippine Daily Inquirer* and the *Philippine Star* that day.

Senator Angara stated that the decline was a result of the current trade war between the U.S. and China.

As regards the decline in GDP growth, Senator Angara remarked that the DBM should revise their forecast particularly on export, from US\$57 billion to US\$51 billion.

Senator Drilon pointed out that from 2016, to the first three quarters of 2019, there was already a decline in GDP growth.

Senator Angara agreed that the contraction in the GDP was because the government component was absent for the first few months of 2019.

Referring to the Technical Notes on the 2020 Proposed National Budget, Senator Drilon noted that the first semester of 2019 showed a growth rate of only 5.2% which was lower than the previous year.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 11:26 a.m.

RESUMPTION OF SESSION

At 11:29 a.m., the session was resumed.

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Upon resumption, Senator Angara clarified that what Senator Drilon was referring to was the Gross National Index (GNI) which is different from GDP. He explained that the gross national income includes income outflows from other countries such that if a Philippine company has an investment abroad, any inflow into the country would be included in the GNI.

As to the GDP growth for 2019, Senator Angara replied that the GDP growth was 5.5% for the first semester and 6.2% for the third quarter.

Asked of the chances of meeting the targeted growth rate of 6% to 7% in fourth quarter of 2019, Senator Angara said the economy has to grow by 6.7% to reach the lower end of 6.7%

To the information that the World Bank has predicted the country's economic growth to be 5.8% for 2019, Senator Angara hoped that the economic growth would be higher.

As to why the country's economy was not reaching the targeted growth rate, Senator Angara said that one of the biggest factors was the delay in the passage of the 2019 budget.

Thereupon, Senator Drilon placed on record his effort which allowed President Duterte to sign the national budget despite the very serious deadlock between the position of the Senate questioning the constitutionality of the insertion of the House of Representatives and the need to have the budget signed. He disclosed that it was him who suggested to Senate President Sotto to approve and transmit the budget with a certification that the budget does not include the P75 billion worth of insertions. He said that the Senate was able to find a compromise on the issue because of his suggestion and, subsequently, President Duterte exercised his line-item veto power to approve the budget without the P75 billion worth of insertions unbeknownst to the line agencies. He said that because of the system, the national budget was signed even at the late stage of mid-April 2019; otherwise, the Senate would have stood on its position that the General Appropriations Bill did not meet the constitutional requirements.

Asked if the ability of the bureaucracy to respond to the spending authority is also a big factor in underspending, apart from the delay in the execution of the budget, Senator Angara replied in the negative. He said that the factors that should be given weight

are the election ban, the delay in the budget, and the external uncertainty engendered by the trade war between the United States and China. He believed that government spending has peaked in the third quarter, triggering larger than expected economic growth.

Accordingly, Senator Drilon quoted the view of respected economist and former NEDA director-general Cielito F. Habito in his column, "No Free Lunch" in the November 12, 2019 issue of the *Philippine Daily Inquirer* (Vol. 34, No. 337, page A12), to wit: "It implied that government's capacity to implement its planned infrastructure projects could be the bigger problem," rather than simply a delay in the budget. Also, he stated that former Secretary Habito referred to the budget disbursement rates, particularly by the Department of Public Works and Highways with a disbursement rate of 34.1% in 2017 and 39.7% in 2018, and the Department of Transportation which had a disbursement rate of 25.6% in 2017 that further went down to 23.8% in 2018.

Senator Drilon explained that the reason for bringing out the media report was that government spending constitutes 20% of the country's gross domestic product. He pointed out that if government spending is not meeting the target, the GDP growth would be adversely affected; thus, it is very important to put fire in the belly of public officials so they would execute projects where money is available and authorized to be spent.

Senator Angara stated that the 2017 disbursement rate of DPWH was 36.3% and the DOTr was 39.2%.

Senator Drilon said that the figures on underspending which he cited came from DBM, and he noted that since 2017, the disbursement rates of DPWH and DOTr in charge of the "Build, Build, Build" program had consistently been below 45% of their budgets; on the other hand, according to the Commission on Audit (COA), the disbursement rates of the two agencies are even worse.

In reply, Senator Angara said that 2019 was an outlier because of the delayed budget, the reason a very low disbursement rate should be expected. Nonetheless, he assured that there was a catch-up plan which provides for a bill to extend the validity of the 2019 budget. Conversely, Senator Drilon said that the extension of the validity of the 2019 budget would not solve the problem but would only postpone it as

long as the same bureaucracy which could not respond to the spending authority remains. He further pointed out that extending the validity of the budget would only worsen the problem because it creates an attitude on the part of the bureaucracy that even if they do not disburse on time, experience has shown that they would extend the effectivity of the budget anyway. This, he believed, would not help insofar as improving the disbursement rates of the DPWH and DOTr was concerned.

Senator Angara admitted that the extension is merely a temporary solution since the problem will subsist as long as the same bureaucracy and the same slow spending remain. He said that there has to be some internal reform in the hope that the DBM and DOF would be at is forefront.

Asked how he understands the disbursement rate, Senator Angara replied that it is payment or disbursement over obligations multiplied by 100 percent and that it is not simply the DBM releasing or downloading of funds because funds released by the DBM to the agencies were only the first step and not yet considered as the actual disbursement.

On whether the actual disbursement would be the actual payment to the contractors, Senator Angara replied in the affirmative.

Responding to the audit findings of the Commission on Audit that there was indeed a very poor disbursement rate by the two biggest infrastructure agencies of the government, DPWH and DOTr, Senator Angara said that it was also one reason the Committee transferred some funds to other agencies such as DepEd with P6 billion and the Committee on Higher Education (CHED) with P18 billion.

Asked for more definite data on what was transferred from the DOTr or DPWH to the other agencies with an expected higher disbursement rate, Senator Angara replied the almost P9 billion from the right-of-way budget of the DOTr was transferred to the other agencies.

At this juncture, Senator Recto pointed out that even if the disbursement rate is disbursement over appropriations, the ratio would even be much lower. Senator Drilon agreed that it would be much lower.

Senator Angara believed that the figure would roughly be below but not more than 20%.

Senator Recto believed that a 42% disbursement rate is still a good number, as he could not recall any year that DOTr had been able to spend that much of their appropriations. Senator Angara agreed.

Senator Drilon asked what the projected disbursement rate would be if it is based on disbursement over appropriation.

At this juncture, Senator Lacson noted that even though cash-based appropriations or cash-based budgeting aims to speed up spending, it has not cured the problem. Senator Angara said that the government has not gone to a full cash-based budgeting yet due to uncertainty over the outcome.

On whether the cash-based budgeting system, which was initially implemented in 2018 and even extended by virtue of Joint Resolution No. 3, was even viable, Senator Angara clarified that the current budgeting system is a hybrid since in a strictly cash-based budget all obligations and disbursements must be within the fiscal year, while the current budgeting system makes allowances for payments and disbursements that would exceed the fiscal year.

To Senator Lacson's observation that the government has an unclear and confusing definition of whether its "savings" ought to be based from disbursements or from obligations, Senator Angara explained that the budgetary system was still undergoing an adjustment period, but he acknowledged Senator Lacson's concern regarding the stability of a cash-based budgeting method.

To the earlier query of Senator Recto, Senator Angara explained that the disbursement rate over appropriations for the DPWH and the DOTr would be lower at 39% and 36%, respectively.

Senator Drilon agreed, saying that the low disbursement rate is a problem that should be confronted for the budget to become a real instrument of economic growth. He added that the budget is given by Congress which, if left utilized by the bureaucracy, does not achieve its purpose as an instrument of economic growth.

Senator Angara said that another option would be downloading funds to the local government units in reference to the implications of the *Mandanas* ruling which entitles LGUs to a bigger share of the IRA pie.

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Senator Drilon said that applying the *Mandanas* ruling would reduce the allotment for the national government and increase the funds for the local government units. He added that with the *Mandanas* ruling, the 2022 Internal Revenue Allotment (IRA) of approximately P828.6 billion could go up to P1,083,000,000,000, a 31% increase or P254.4 billion.

Asked how the government would confront this certainty in 2019 since the budget is a zero-sum game, Senator Angara said that there would have to be some reapportioning, particularly with a projected yearly increase in almost all budgets of the agencies. He affirmed that services, projects, and programs of the national agencies would also be affected, but he believed that the Personal Services (PS) would not be affected in the sense that the government would have to lay off or fire people but might mean putting a halt on increasing personnel components.

Asked where the government would source the additional requirement under the IRA with the *Mandanas* decision, Senator Angara said the Department of Finance was looking at three options:

- The government will devolve some of the budgets with functions which have already been devolved under the Local Government Code such as health and agriculture.

He said that under the *Mandanas* ruling, those budgets would be taken away from national government agencies and given to the increased share of the LGUs.

- Congress would pass a law to amend the Local Government Code and reduce the IRA share from 40% to 30% of the national revenue.

Senator Angara said the DOF was considering the second option.

- Third, the government will declare an unmanageable fiscal deficit and then by *force majeure* the 40% share will become 30%.

Senator Angara said the first would be the easiest, most palatable, and least controversial option.

At this juncture, Senator Recto said that he had filed a bill that would allocate the P254 billion to a local Build, Build, Build program as a capital outlay. He said that the law ought to include a menu

indicating that LGUs can only spend their IRA for projects such as roads, bridges, and irrigation.

But Senator Drilon cautioned that there are restrictions on the ability of Congress to allocate the funds in behalf of the local government.

Senator Recto said that his bill strictly adhered to the Local Government Code. He said that the money is not sourced from taxes collected by the local government, and as such the national government could more or less dictate where it ought to be utilized.

Senator Drilon added that it must be coupled with the devolution of those functions which are presently in the national government and funded by national taxes.

As regards the three options that were earlier defined, Senator Drilon said that the last two options are simply unrealistic and that declaring an unmanageable deficit would have very serious implications. He opined that the concept of devolving more functions and accordingly more fiscal and financial responsibility to LGUs would be the most appropriate way to go given the burden that the *Mandanas* decision would impose on the national budget.

At this juncture, Senate President Sotto relinquished the Chair to President Pro Tempore Recto.

Senator Angara agreed, saying that there would have to be a trimming of funds, like the Assistance to LGUs (ALGU) and the Local Government Support Fund (LGSF) which in the future would be included in the IRA.

Asked for the reason behind the very sharp decline in the investments particularly the foreign direct investments (FDIs) which went down by about 8.5% in capital investment in the second quarter, Senator Angara cited uncertainty due to the trade war and policy uncertainty because of the Corporate Income Tax and Incentives Rationalization Act (CITIRA) or commonly known as the Trabaho Bill which has made some investors hold back on their investment decisions pending the outcome of the measure in Congress.

At this juncture, Senator Lacson informed the Body that in his estimate, the funding by the national government on the devolved functions that is funded by the national taxes including the LGSF, is at P117 billion. However he pointed out that the problem in fully implementing the *Mandanas* ruling is that only

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20% of the funding is allowed for infrastructure under the Local Government Code such that what would be increased is the allocation for General Services along with 5% for calamity and 10% for Sangguniang Kabataan, and so on. He underscored the need to amend some provisions of the Local Government Code so that the *Mandanas* ruling could be used to spur development in the countryside.

Senator Recto said that this was precisely the reason he filed a bill increasing the percentage of the IRA given to the local government units for infrastructure purposes.

Senator Lacson said that the P117 billion funding of the devolved functions to the LGUs could also be reduced. He shared that Governor Presbitero J. Velasco, Jr., president of the League of Provinces, and the other governors had requested P100 billion from the 2020 budget so that their provinces can benefit from the Supreme Court ruling on the IRA. However, he said that further study is needed since the P117 billion funding for the devolved functions to the local government unit could not be converted into the IRA and only 20% of the said amount could be utilized.

Given the higher IRA for LGUs, Senator Drilon said that he was inclined to adopt the position of the Secretary of Finance to pass on certain identified economic activities to the LGUs, such as farm-to-market roads. Senator Angara agreed, stating that health, education and other funds should be devolved. Senator Drilon explained that the concept of devolution is to transfer more funds and responsibility to the LGUs. He noted that a good portion of the 20% of the local government fund allotted for infrastructure is not for capital outlay but for PS or salary for the contractuels for these infrastructure projects.

Regarding the budget for farm-to-market roads, Senator Lacson stated that the FMR allocation for 2019 was P10.2 billion compared to the P9.9 billion in the 2020 NEP. Senator Angara confirmed the figures mentioned by Senator Lacson.

On another issue, Senator Drilon noted that a fiscal risk to the country's growth is the pension cost of the military and uniformed personnel (MUP) considering that in the proposed 2020 budget the allocation for pension would be more than the salary of those in the active service – P71.8 billion would be for actual salary and P114.7 billion for pension of the MUP. Senator Angara answered in the affirmative. To illustrate,

he said that the government is paying three people for one job—one in the active service and two retirees.

Asked if the retirees would also get the increases of the one in active service, Senator Angara surmised that the retirees get one salary grade higher.

Senator Drilon asked what the government intends to do about the situation considering that 61.5% of the PS in the proposed budget is allotted for retirement and only 39.5% would be for the salary of those in the active service. He said that the problem would worsen later on because under present laws, the retirees get the corresponding increase whenever there is an increase of those in the active service. Senator Angara recalled that there was an effort to cut the indexation during Senator Drilon's term as Senate President and that a bill had been filed in the House of Representatives to adjust the indexation and age, as well as mandate contributions. Senator Drilon hoped that the Secretary of Finance would exercise political will on the issue because revenue generation efforts would be for naught if such a loophole persists.

Senator Drilon asked for an overall outline of what the government intends to do about that perennial issue. Senator Angara reiterated that the Committee would review the DOF-supported bill which seeks to adjust the indexation, retireable age as well as the mandatory contributions. He also mentioned the plan to utilize military properties and make them productive and income-producing so that the revenues could be dedicated to pensions.

Given that the administration has barely two and a half years left, Senator Drilon asked if the Secretary of Finance would recommend to the President the designation of that measure as an administration measure. He hoped that after the passage of the national budget, the bill in the House of Representatives would be certified by the administration as an urgent measure.

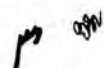
SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 12:09 p.m.

RESUMPTION OF SESSION

At 2:15 p.m., the session was resumed with Senate President Sotto presiding.



BIRTHDAY GREETINGS

At this juncture, Senator Zubiri informed the Body that it was Senator Imelda “Imee” Marcos’s birthday.

INTERPELLATION OF SENATOR DRILON (Continuation)

Asked by Senator Drilon how the projected deficit was allotted under the proposed 2020 General Appropriations Act, Senator Angara said that it was around P677 billion, or about 3.2% of GDP which is within the permissible limit.

Asked how the deficit would be funded, Senator Angara said that it would be funded from revenues, and partly from borrowings with a mix of 75% from domestic and 25% from foreign borrowings.

Senator Drilon said that he would be concentrating on revenue first because in borrowing, the interest rate is beyond one’s control. Asked on the measures being undertaken by the government insofar as revenue generation was concerned, Senator Angara said that among the measures were the bill increasing the excise tax on alcohol and tobacco products; the CITRA law, a revenue neutral in the sense that it would lower corporate income taxes while at the same time rationalize the fiscal incentives; and the Passive Income and Financial Intermediary Taxation Act (PIFITA); and the package that deals with financial taxes or taxes on income and on dividends.

Asked how much revenue was projected from the sin tax for 2020, Senator Angara said that around P40 billion was assumed under the 2020 budget.

Senator Drilon recalled that after the People Power revolution in 1986, one of the sources of funds for government operations at that time was the privatization of many government assets which generated quite a good revenue program for the government. He assumed that at the current times privatization does not have that much impact on the revenues generated by the government.

Senator Angara surmised that the reason must be that there are no more companies to be privatized. However, he said that according to the Finance Secretary, there are no more big-ticket items except perhaps the National Bilibid Prison in Muntinlupa which was still under debate.

Senator Drilon pointed out the privatization of the gaming industry — PAGCOR and the PCSO — as a good source of revenue which could possibly yield a one-time fund of P300 billion depending on how the privatization effort would be structured, such as a 10-year license that would generate a regular income from the activity. He lamented, however, that there has been no effort to privatize the gaming industry when it is admittedly a rich source of revenue for the government which could answer five or six times more than what the government intends to generate out of the sin taxes.

Senator Angara said that according to the Finance Secretary, it was one of their recommendations back in 2016 – to raise revenues for the infrastructure program and the other spending requirements of government—but that it has not been taken up since then.

Senator Drilon pointed out that gaming is an activity that can be run by private sector as he noted that it is only the Philippines where the gaming industry is operated and regulated by the government itself which, to him, is totally unacceptable because the supposed revenue leak was something that could not be quantified. He asked why there was a resistance when the benefits of privatizing PAGCOR and PCSO as sources of funds for government operations was something that could not be disputed.

Senator Angara surmised that there could be built-in resistance from the incumbents because of the President's Social Fund which is a recipient of huge funds remitted from PCSO and PAGCOR.

Acknowledging that the reason for the resistance to the privatization of the gaming industry might be valid, Senator Drilon proposed that the privatization be made effective on July 1, 2022. Senator Angara replied that it could be a valid proposal because it would not affect the incumbent administration. As to the conflict of being both the regulator and the operator, he noted that a similar conflict of interests was severed in the NFA.

Senator Drilon pointed out that not only was there a conflict between regulation and operation as there was also the issue of the gaming activity being undertaken and carried out by the private sector. He maintained that the government has no business in the activity which is already sufficiently served by the private sector. He said that while he understood the reality of the resistance on the part of the

incumbent, it should not be the basis for the inability to privatize the gaming industry. He then sought a commitment from the Finance Secretary that steps would be undertaken for the issuance of an executive order to privatize PAGCOR effective July 1, 2022, as a policy of the next administration. He explained that he was pushing for the proposal to find a solution to the problem of the military and uniformed personnel involving their pension system.

Senator Drilon said that he would be suspending his interpellation pending the submission of some data which he had requested from Senator Angara.

INTERPELLATION OF SENATOR MARCOS

Prefatorily, Senator Marcos stated that together with Senator Angara, she filed Senate Joint Resolution No. 7 in order to extend the availability of funds from the 2019 GAA for another six months in consideration of the fact that there remained a significant amount of funds still undisbursed given the six-month delay of their release for various reasons. She said that Congress was once again being called upon to pass a P4.1 trillion budget, the biggest the country has ever had, and she expressed concern that there would continue to be a huge, undisbursed and unobligated amount which, per DBM records, could go as high as P1.4 trillion. She noted that the obligation rate was only at 62%, with much lower disbursement rate.

Agreeing with the observation of Senator Marcos that there seemed to be a great amount of money still with the departments, Senator Angara said that according to the DBM, they have released over 90% of the agency budgets but were still awaiting the complete picture as to the actual spending and disbursing of the money. However, he said that it was a fair statement that there remains quite a substantial amount of undisbursed funds and that the DBM was still trying to implement the catch-up plan.

Senator Marcos noted that based on the Statement of Allotments, Obligations and Balances (SAOB), only 62% had been obligated and only a small amount had been disbursed, citing the DOTr disbursing 17% only of its budget as of August 2019. She asserted that if a large amount of cash would remain in the different agencies by the end of the year, Congress should not appropriate P4.1 trillion for the 2020 budget. She said that the problems in releases will not disappear by the end of the year but rather,

would even pile up. She said that issues in the DOTr like right-of-way, procurement, failure of bidding, Swiss challenge and other problems will not go away by December 31, 2019.

At this juncture, Senator Lacson pointed out that the obligation rate is just a portion of the unused or unreleased appropriations. He then inquired how much of the budget is unreleased which is on top of the unobligated budget.

Senator Marcos said that according to the DBM, at least 10% had been released. But Senator Lacson pointed out that if the unobligated were to be added, the total unused fund would be bigger than what was reported. He stated that based on the SAOB for 2020, the unreleased was P291 billion and the total unused was P396.8 billion.

Senator Angara stated that the unreleased appropriations as of October 31, 2019 was P225,424,433,000 and the unobligated allotment as of September 30, 2019 was P963 billion.

Senator Marcos clarified that the actual amount disbursed at present, excluding the actual obligation, was at P1.734 trillion. She posited that if the total budget for 2019 was P3.7 trillion and only P1.25 trillion had been spent, P2.55 trillion remains unspent.

To Senator Angara's observation that her base figures could be different from that of the DBM, Senator Marcos explained that the numbers that she used were the ones submitted by the DBM to the LBRMO. She maintained that the allotment given for 2019 was P3.657 trillion, with an obligation of P2.268 trillion and unobligated allocation of P1.389 trillion.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 2:42 p.m.

RESUMPTION OF SESSION

At 2:44 p.m., the session was resumed.

Senator Angara stated that the figures cited by Senator Marcosy were the correct figures: obligated, P2.1 trillion; and unobligated P1.388 trillion.

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Senator Marcos stated that since there was an unobligated amount of almost P1.4 trillion, as well as an unreleased balance of P225 billion, it was not therefore necessary to appropriate a budget of P4.1 trillion for 2020. She supposed that if there were still monies by the end of the month, it should therefore be spent the following month.

Senator Angara said that since there would be leftover money in the agencies, there would be plenty of funds in their ledgers. However, he said that if it concerns Personal Services, replenishment would be needed for 2020. He added that some of the slow-moving projects would pile up by the end of 2019.

Senator Marcos believed that there are substantial amounts that need to be looked into. She cited, for instance, the DepEd which released barely 20% of its total budget, while 43% remains unobligated; the DND, DOLE, DICT still need to disburse their funds; even the BARRM reported 17.9% unobligated. She reiterated her concern that Congress would be appropriating P4.1 trillion when government has yet to spend all of its budget for 2019.

Senator Angara remarked that there is a possibility that the cycle would repeat itself in 2020 unless something drastic would be done in terms of disbursing the money.

Senator Marcos stated that P4.1 trillion is a very large amount, yet many projects remain unfunded. She said that items like the teachers' pay and retirement benefits for the military, other issues like the agrarian reform and land distribution could be addressed given that the cash position is very favorable and so much funds still remain in the agencies. She further pointed out that the money could not be easily spent with the year about to end and that if the present budget is extended to another six months, she suggested that these funds be carried over to the 2020 budget and the proposed budget be reduced.

Responding thereto, Senator Angara supposed that the cut could be done in certain agencies that are slow moving, and the amount cut would then be transferred to agencies that are better at spending and have urgent needs. He said that the Committee would welcome amendments at the proper time.

Senator Marcos thanked the Committee, adding that the move could lead to genuine performance budgeting that would act as a reward to functioning

and active departments. She said that many agencies find it hard to implement their programs because they do not have the budget, when, in fact, there is funding from the remaining budget of 2019 that is yet to be spent. She stressed that the remaining fund should be spent first before giving the whole P4.1 trillion.

As regards the intelligence funds, Senator Marcos observed that even PCSO, PAGCOR, BFAR, DA, DSWD have appropriations for intelligence funds, and she noted that the DILG, DND and the Office of the President were quick to invoke Executive Order No. 70, dated December 2018, as basis of the intelligence fund worth P10 billion to P12 billion which was intended to institutionalize the whole-of-nation approach in attaining peace, and creating a task force that would end local communist armed conflict. She also noted that the Office of the President has P4.5 billion in intelligence fund.

Senator Angara stated that Senator Marcos was referring to the executive order which strengthened Task Force to End Local Communist Armed Conflict (ELCAC). He clarified that not all of the budget was used for intelligence; some were for travelling and representation expenses such as the TESDA which used its fund to have 10 mobile training laboratory trucks.

Senator Marcos pointed out that to date, the national peace framework is yet to be presented a year after the executive order was issued. She then inquired if the national peace framework was also completed and if there are fund releases intended for the ELCAC.

Senator Angara stated that he was not aware of any peace framework. Senator Marcos said that she has not seen any presentation either. Having been a governor for a long period, she believed that localized peace engagement was an effort that she was very keen to explore. She noted that under Section 9 of EO 70, the funding would be charged against existing appropriations and only when necessary, the Contingent Funds would be utilized. She then asked where in the 2019 budget were used.

Senator Angara stated that the DBM would submit the data to the Body. He explained that the ELCAC is a whole-of-government approach; it is not just the armed conflict but it is an engagement with the community in the hope of encouraging the insurgents to come back into the fold.

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Senator Marcos clarified that she wanted to see how much has been spent in the past because local governments would want to have an idea on how the fund was spent. Senator Angara replied that he would furnish Senator Marcos with the data on how these various funds were spent.

Senator Marcos also asked about the Contingent Funds as mentioned under Executive Order No. 70, of which P10 billion was appropriated in 2019 for risk management program to cover commitments by and obligations of the national government in PPP projects, and which has been a permanent feature of the Unprogrammed Funds for a number of years as mentioned earlier by Senators Lacson, Drilon and Recto; whether there are estimates from the DBCC of the contingent liabilities for 2019 and 2020 for each one of the PPPs; if there is an extant of those PPPs and the amounts that each item would engender; and whether there were also contingent liabilities that were actually incurred over the last year under the 2019 budget; and which PPP incurred such liabilities and how much was released for the program from the time it was introduced in the national budget. Senator Angara assured Senator Marcos that she would be furnished with the data that would indicate the projects and their corresponding allocations.

Senator Marcos also noted that the refunding of the Service Development Fee of the Nampaidai property in Japan has recurred in the 2020 budget amounting to P210 million and that it has been appropriated repeatedly in the Unprogrammed Funds for many years. She asked on the status of such claim and what has prevented the government from finally making the refund. Senator Angara replied that there is a pending Supreme Court case about the property; hence, the money was just lodged there as a standby appropriation awaiting certain contingency.

Senator Marcos said that she would wait for the information particularly with regard to the undisbursed, unobligated and free portion of the 2019 GAA before the release of 2020 GAA.

INTERPELLATION OF SENATOR LACSON (Continuation)

Senator Lacson stated that under Section 68 of the 2020 NEP, Volume 3, page 1082, "Savings refers to portions or balances of any released appropriations in this Act which have not been obligated." He said that as defined, savings are those which have not

been obligated until December 31, 2020, while in the NEP, it was provided that the payment may still be made until December 21, 2021. He then asked when savings could be declared. To illustrate, he cited a project in an infrastructure capital outlay obligated by December 31, 2020, but undisbursed by December 31, 2021. He then asked what would happen to the project and to the portion that was not obligated by December 2020. Senator Angara replied that according to the DBM, since the project was obligated already, it must not be considered as savings but as accounts payable.

Senator Lacson asked what would happen if the MOOE and other Capital Outlay were obligated by December 31, 2020 but undisbursed by June 30, 2021. Senator Angara replied that it would not be savings but would be an accounts payable; the undisbursed fund would go to the Treasury and would only be released once it is needed. He opined that the operative act to prevent it from being considered savings is that it was obligated before the end of the fiscal year.

Senator Lacson said that it is exactly the reason why cash-based budgeting is so confusing. Asked why cash-based budgeting was still being practiced, Senator Angara believed that cash-based budgeting would incentivize or push the agencies to spend faster.

As regards the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) which has a total block grant amounting to P75,634,706,000, Senator Lacson noted that there are still BARMM projects under the national government which, he said, were just fine because of the provision in the BARMM Organic Law, Section 37 of Article XIII on "*Public Works and Infrastructure*," which states that "The National Government shall fund and implement the construction and maintenance of the national roads, bridges, water supply, services, and flood control and irrigations systems...." He asked if local projects implemented by the national government would be in violation of the law relative to the Organic Act. Senator Angara replied that it would be violating the spirit of the law. Senator Lacson stated that it would not only be violating the spirit of the law but violating Section 37 which specifically provided that national projects should only be implemented by the national government. However, Senator Angara said that Section 23 of Article XII on *Development Programs and Projects* in the Organic Act of the BARMM

provides that “Immediately after the ratification of the Organic Law and for another five (5) years thereafter, the National Government shall provide for additional funds that will subsidize expenditures for development projects and infrastructure in the Bangsamoro Autonomous Region including provincial and municipal roads....”

Asked if it was the P8 billion that the Senate disallowed in the previous budget, Senator Angara recalled that the amount was used for the initial funding of the free tuition for college even before the law was passed.

Senator Lacson noted that the budget for farm-to-market roads in the amount of P466,600,000 was lodged under the Department of Agriculture for the BARMM, and P122,600,000 for the Department of Public Works and Highways (DPWH). He feared that there may be a repetition of the P8-billion realignment by the congressmen before. Senator Angara said that according to Undersecretary Canda of the DBM, the realignment would not happen again as there would be no double funding because when the BARMM requests projects from the department, a certification from the DPWH is required. Senator Lacson agreed, saying that the request should pass through the regional assembly, and without it, the DBM could not release the funds.

As regards *Other Financial Assistance to LGUs* under the 2020 GAB, Senator Lacson noted that there were items like Assistance to Municipalities, Assistance to Cities amounting to P2.489 billion, Conditional Matching Grant to Provinces, Provision for Potable Water Supply or SALINTUBIG and Other Financial Assistance to LGUS amounting to P4 billion, for a total of P6.489 billion which is being handled by the DBM. He asked how would the DBM, which is not an implementing agency, could implement the projects if there are no submission or listing for such lump-sum appropriations. Senator Angara replied that the DBM has the breakdown of such appropriations which they would furnish Senator Lacson. Senator Lacson said that he would just like to be certain on the appropriations of the P4 billion. Senator Angara said that he would welcome any suggestion as regards the fund to make them more certain and determinate. Senator Lacson suggested that such lump-sum could be realigned to other worthwhile projects. Senator Angara replied that he was open to the suggestion.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 3:15 p.m.

RESUMPTION OF SESSION

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

MANIFESTATION OF SENATOR CAYETANO

Stating that her manifestation regarding the Sustainable Development Goal (SDG) was directed to the government economic team, composed of DBM, NEDA and DOF, Senator Cayetano observed that the basic rule on economics to measure progress is by looking at the GDP of the country and how it fared in the ranking with other countries in the region. As chairperson of the oversight Committee on the SDG, she said that the realities seen on the GDP does not take into account environmental degradation and health cost. Thus, she suggested that NEDA form a team that would constantly churn out the numbers on these factors as well as their cost to the people. According to her, when billions of pesos were put in for rehabilitation of the area devastated by a typhoon, it would be hard to qualify growth of an investment when the investment done years ago was of poor quality and of poor decision-making. She said that she wanted to put forward the matter because decision-making is always time pressured and the people would pay the cost later if it is not done sustainably.

Senator Cayetano also raised her concern on the government's ability to plan or foresee the people's needs for the future as she noted that current media headlines point out to rice shortage, water crisis, traffic, and shortage of skilled workers – problems that require immediate attention. She wondered how many of the problems could have been avoided if there was more planning and foresight 10 or 20 years ago. She stressed that almost all of the problems could have been avoided.

Senator Cayetano stated that population growth is predictable and the need for food, water and power, among others, are constant; thus, what is required is future thinking in every department. She announced that Singapore is currently hosting an exhibit called

"Singapore 2219" and she has extended her invitation to the Secretary of Finance for a trip to the exhibit that explores what Singapore would look like to its citizens in 2219. She said that Singapore is exploring subterranean life or life underground. She stated that it is easy to say that Singapore is different from the Philippines and that Filipinos have no time to think about those things. But in the 1970s, she said that Singapore already commissioned a feasibility study to produce reclaimed water, and how more than 10 years ago, she was able to taste new drinkable water from the sewage in Singapore. She said that such is the challenge that Filipinos are currently facing.

Senator Cayetano expressed her trust in the economic team to push their agencies to propose projects that are sustainable and consider futures thinking.

Senator Angara lauded Senator Cayetano for the inputs, but he observed that Singapore has a continuous bureaucracy, meaning, graduates of NUS or Harvard KSG would be in government for the next 20 or 30 years, whereas here in the country, for instance, in the Chamber, in three years' time there will be different set of men and women sitting on the floor defending the budget.

INTERPELLATION OF SENATOR RECTO

At the outset, Senator Recto asked how much was really appropriated for Fiscal Year 2020 and how much did Congress authorize the President to spend. Senator Angara replied that the GAA amounted to P4.1 trillion consisting of new appropriations at P3.066 trillion, automatic appropriation at P1.25 trillion, and the Unprogrammed Fund at P216 billion. He affirmed that Congress was giving the President the authority to spend P4.316 trillion, including the unprogrammed and additional funds amounting to P216 billion even as newspapers reported P4.1 trillion.

To the observation that the Unprogrammed Fund has been roughly increasing from P65 billion in 2016 to the current allocation at P216 billion which is 240% bigger than the Department of Health's budget of P90 billion, Senator Angara answered in the affirmative.

Asked whether there were releases from Unprogrammed Funds in the previous years, Senator Angara answered in the affirmative, adding that the AFP

Modernization was among the programs who benefited from it annually.

Senator Recto clarified that the AFP Modernization Program only received funds in 2017 and 2018 after Congress asked for its inclusion. Senator Angara agreed that it was not budgeted in the previous year but it had allocation for the following year.

Asked whether the possibility to lengthen the validity of the 2019 budget was considered, Senator Angara replied that there are pending measures intended to that effect.

Asked how much the budget would be in 2020 from the current total of P4.3 trillion if the validity of the GAA would be lengthened, Senator Angara replied that the LBRMO estimated the total budget to hit around P900 billion to a trillion based on some extrapolation on the ability to spend. He said that about P5.2 trillion to P5.3 trillion would be added to the current budget of P4.3 trillion. He directed the LBRMO or the DBM to submit the items representing the P900 billion or P1 trillion which would not be spent by December 31, excluding the item on PS.

Asked on the possibility of over-appropriation with the addition of P900 billion or P1 trillion, Senator Angara replied that there would be no over-appropriation because some of the items would be bumped off and the spending level of P4.1 trillion would be maintained. He said that the DBM would not spend all of the P5.3 trillion.

Senator Recto believed that everything boils down to appropriations and the authority to spend, pointing out that the President can spend P4.3 trillion plus P1 trillion for a total of P5.3 trillion. However, he said that the problem lies with the government giving false hopes to the people. Asked if Unprogrammed Funds is not part of PS, Senator Angara replied it is not. Thus, Senator Recto surmised that if the validity extension of the 2019 budget would be passed without PS, it would also mean extending the Unprogrammed Funds unless it would be specified in the bill itself that only MOOE and capital outlay would be extended.

Senator Angara replied that it is not really a written rule but the policy which should be included in the bill, is that the Unprogrammed Funds is not extended.

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Asked whether MOOE and capital outlay would also be extended, for instance, travel and transportation expenses, Senator Angara answered in the affirmative.

On whether the extension of the validity of the budget would be applied to infrastructure considering that administrative expenses would be extended, Senator Angara replied that there would be two appropriations for traveling expenses but only one would be released. To the possibility of extending administrative expenses, for instance, reallocating a line item expense for travel, Senator Angara replied that it could be done in the same way that it could also be done in the case of the P14 billion allocation for the right-of-way of the DOTr the previous year. He admitted that the 2020 appropriation for right-of-way would reach P24 billion if the validity of the 2019 budget would be extended.

Senator Recto recalled that the proposed budget for right-of-way in 2019 was P20 billion but was reduced to P13 billion in the Senate version. Asked whether the right-of-way budget of P13 billion was used, Senator Angara replied that it was not.

As to how much the right-of-way would be getting for 2020, Senator Angara replied that it was P18.9 billion but the Senate reduced it to P10 billion.

On whether the DOTr could spend P23 billion with an addition of P13 billion if the 2019 GAA would be extended, Senator Angara replied that it involves a leap of faith.

To Senator Recto's suggestion to spend the P10 billion right-of-way allocation for more infrastructure and better social services so that the economy can grow at a fast rate and poverty incidence would be reduced, Senator Angara replied that it is practical thing to do and that it does not involve wastage because it is spent to where it is needed.

Senator Recto stated that extending the validity of the 2019 appropriations involves the P4.3 trillion allocation and the additional P1 trillion for a total of P5.3 trillion. With the DBM's admission that not all would not be released, he stated that the budget could be cut to the amount representing what is actually needed to be released. He said that he would be recommending amendments at the appropriate time.

On the GDP growth rate, Senator Recto noted that the third quarter posted the highest for the year. He then asked for the primary reason for the increase in GDP which hit 6% in the third quarter, Senator Angara replied that while there was some improvement in the agriculture side, the increase was largely due to the catch-up plan of the government.

Asked if passing a budget of P4.3 trillion and extending the validity of P1 trillion in the following year, or a total of P5.3 trillion, would mean that cash is available, Senator Angara replied in the negative. Senator Recto remarked that, in effect, the beginning and end-year balances are unknown. Saying that appropriations are different from the cash, he posited that Finance Secretary Sonny Dominguez would have to think how he could collect P13 billion everyday based on the projected collection of roughly P1.5 trillion for next year although actually the government would have to borrow P677 billion or more to cover the deficit and build up cash for future obligations.

Senator Recto noted that in 2018, the government borrowed more than what was needed in terms of the deficit, or by roughly P255 billion; for 2019, the plan was to borrow an additional P425 billion to build up cash and, for 2020, the plan is to borrow P564 billion which is more than the deficit. Relative thereto, he computed that from three years alone, there would be an estimate of at least P1.3 trillion cash in the government's bank account. Senator Angara stated that the amount would be about P1.2 trillion in three years.

Adverting to the Budget of Expenditures and Sources of Financing (BESF) and to their earlier discussion on appropriations, obligations and disbursement, Senator Recto stated that appropriation is simply an authority granted by Congress to spend up to a certain amount; it does not imply that there is cash since the revenue still has to be collected. He said that since P4.2 trillion is going to be disbursed, it means P4.2 trillion actual cash. He asked whether it would be disbursed for the 2020 budget or for multi-year budgets. Asked on the difference between an obligation-based budget and a cash-based budget, Senator Angara explained that the purpose of a cash-based budget is to speed up spending. He added that in a purely cash-based budgeting, all the acts are performed within the fiscal year; thus, the government obligates, contracts out the projects, and then award and obligate; if the project is completed, the government disburses and pays the money in a

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year. However, he admitted that since the government was unsure of how to proceed, it opted for a hybrid cash budgeting where money is obligated in a fiscal year and then allow the payment and disbursement the following year.

Senator Recto said that to his knowledge the difference between an obligation and cash budgeting is that presently, the DBM, by and large, manages roughly four budgets in a year which accumulate; for instance, if the obligation is for two years and the project was bidded out on the second year, delayed on the third year and finished on the fourth year, the cash for the current year would be paid because a part of the said disbursement might not necessarily be for the coming year but for three years prior. Hence, he said that government has to manage a four-year budget every year, hopefully with a cash-based budget. Agreeing with Senator Recto, Senator Angara presumed that it might even be longer than four years.

Senator Recto asked whether the DBM was trying to minimize the problem by making it a two-year instead of a four-year budget that they are managing every year. Senator Angara replied in the affirmative, pointing out that accounts payable at some point cease because they are only valid in a given year.

Asked if the disbursement as earlier discussed does not necessarily mean just for one year but for four years as far as the P4.213 trillion was concerned, Senator Angara replied in the affirmative. As regards the deficit target for the coming year, he said that it is 3.2% of the GDP. Senator Recto averred that 3.2% could actually mean less than or roughly 3% or possibly higher if the unprogrammed funds were included. Looking at it from a consolidated public sector, he said that the deficit is actually much lower because the GOCCs, like SSS and GSIS, would have a surplus. He also cited the LGUs under item *Other Public Sectors* which has a big surplus of P283 billion in the sub-subsequent year which means the estimated year-end cash balance is P283 billion. Asked how much would be the IRA of local government units for the coming year, Senator Angara said that it is P648 billion.

Given that their surplus is even increasing because the entire budget is not spent, Senator Rectos asked if there really is a need for additional allocations to local government units if they are not spent anyway.

Senator Angara pointed out that the allocations also have historically increased over the last five to six years.

Senator Recto presumed that the reason almost 40% or more of the allocations to local government units were not spent was that there were too many rules that the DBM, the DILG, and the COA prescribe.

Adverting to the national government expenditures, Senator Recto asked how much was appropriated for Personal Services for the subsequent year. Senator Angara replied that it was P1.256 trillion, or 30% of the budget, while the MOOE was P1.588 trillion, both of which, he affirmed, are expenses.

Senator Recto stated that, on the other hand, the capital outlay is the productive portion of the budget, and he asked how much was appropriated for 2020. Senator Angara said that it is P804 billion which is smaller compared to the other two items.

Senator Recto noted that in terms of its multiplier effect to the economy, the capital outlay only contributed 20% of the budget.

Asked on the total budget in 2018 as stated on page 112 of the BESF, Senator Angara said that it was P3.5 trillion with capital outlay at P899.7 billion; while for 2019, the budget was P4.1 trillion with capital outlay at P804 billion, or P95 billion less.

Senator Recto pointed out that when the budget was smaller at P3.5 trillion, government was spending more productively. He then questioned why the capital outlay was P95 billion smaller than the previous year's despite the Build, Build, Build program, when more taxes were being collected and with a budget of P4.1 trillion.

Senator Angara believed that the reason the proposed capital outlay was P95 billion smaller was that the government was still in the middle of the program and that they are not looking at the finished product yet.

With regard to the 75 projects worth P2.4 trillion with the NEDA, Senator Recto noted that several of the projects have appropriations in the subsequent year, one of which is the 35-kilometer subway from Valenzuela funded by JICA which is different from

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the one in Makati. Relative thereto, he asked how much the budget of the project is for 2020 and if it would commence in the said year.

Senator Angara stated that the Metro Manila Subway Project Phase I has an appropriation of approximately P9.78 billion under the DOTr budget, and that around P1.5 billion to P2 billion was appropriated in 2019. He clarified that the P13.2 billion budget for right-of-way acquisition covers all projects including the subway. He said that the amount of P9.2 billion was not for the right-of-way but for construction. He added that the right-of-way activities and utilities relocation are ongoing, according to NEDA.

Senator Recto asked how much was the appropriation and how much has been disbursed so far given that money has already been borrowed and was being paid with interest. He believed that the NEDA, through its monitoring office, should know the status because it was an ODA project.

Asked how many of the 75 projects have already been completed, Senator Angara said that no project has been completed yet. But Senator Recto disclosed that as of July, there were only two completed projects in the BCDA which was less than 1% of the total budget. He said that many projects which were still in the drawing board should have started in 2019.

Asked how much was spent for projects as far as feasibility studies were concerned, Senator Angara said that the NEDA does not have data at the moment.

Asked if the ODA projects could incidentally become a balance sheet of the national government like when the government borrowed money, Senator Angara replied in the affirmative.

Asked if the PPP would also be in the balance sheet of the national government, Senator Angara replied in the negative, saying that it is the private sector that would take on the expense.

Asked which between ODA and PPP projects are considered big-ticket items, Senator Angara said that the big-ticket projects are mostly PPP projects like the NLEX-SLEX Connector Road, NAIA Expressway, and MRT-7.

To Senator Recto's observation that many of the 75 infrastructure flagship projects have not started construction yet, Senator Angara explained that the delay in the commencement of construction was the long gestation period of the projects. Senator Recto posited that many of the projects could have been done through the PPP. Senator Angara noted that the BCDA was doing lots of PPP projects.

Asked on the total cost of the subway project, Senator Angara said that the project costs around P357 billion, or US\$67 billion, for which, as Senator Recto posited, supposing it is an ODA project, P70 billion would be appropriated every year. He acknowledged that money goes farther if multiplied and combined with the money from private sources; that way, the rate would be doubled considering that P2.4 trillion makes up the 75 NEDA projects, most of which might not be constructed.

Senator Recto believed that the idea to allow the private sector to implement the projects might be good as there would be no pressure to the country's balance sheet. He said that, in fact, many private sector companies would want to build airports in the country like the Clark International Airport Expansion Project which is 60% to 70% complete, and the New Bohol (Panglao) Airport.

Asked on the budget increase for DOTr next year, Senator Angara disclosed that the DOTr has the biggest increase, from P65 billion to P130 billion. He said that the DOTr appropriation in the NEP is P80 billion while that in the Senate version is P60 billion, not including the unprogrammed appropriation.

Thereafter, Senator Recto expressed concern about the government's promise of numerous infrastructure projects which seemed impossible to fulfill. Asked if the economic cluster could assure DOTr's capacity to spend the amounts for its projects, Senator Angara said that the DOTr secretary is confident that the projects would be finished.

On another point, Senator Recto recalled that it has been a practice in the bureaucracy for agencies to make it appear that they have obligated their budget by coming out with a MOA with the Procurement Service of the DBM or PITC. Asked if there are departments that have passed their budget and made it appear that they obligated the money to the Procurement Service, Senator Angara admitted that the DOTr does that.

Asked who is accountable in the bidding process, Senator Angara replied according to the DOTr, bidding process is outsourced but the awarding is the agency's responsibility.

Thereupon, Senator Recto questioned how a fund which has not been bidden out could be obligated by MOA and passed on to another agency; why the Procurement Service only deals with common supplies like ball pens and paper but would not bid on bigger and more specialized equipment; and why accountable individuals are missing when the budgets of departments and agencies are being discussed.

Asked if there are PITC representatives who attend budget hearings, Senator Angara replied that there were none as PITC does not receive any budget subsidy from the government. However, he said that together with the PS, they have a huge responsibility in the bidding process.

Senator Recto pointed out that agencies should stop the practice and instead build the capability of departments to handle their own bidding as it should be part of the expertise of the agency—for instance, in the procurement of transport vehicles for airports and seaports, the data regarding technical references of the vehicles for bidding would still come from the department or agency.

Asked how much was allocated in the 2019 budget for Miscellaneous and Personnel Benefits Fund (MPBF), Senator Angara said that the amount was P35.5 billion, of which P12 billion had been spent and P23 billion was still unobligated.

Thus, Senator Recto pointed out that if the P23 billion unobligated fund were added to either P53 billion or P63 billion, there would be P80 billion or P90 billion unspent funds. To the suggestion that part of the unspent fund should be realigned, Senator Angara agreed, saying that the P32 billion could be allocated as salary adjustment.

Asked when the SSL V for government employees would be granted, Senator Angara gave the assurance that the plan for salary increase would happen by January, noting that P32 billion has been allocated for 2020.

Since SSL IV was implemented through an executive order, Senator Recto believed that the P32-billion MPBF could likewise be appropriated.

Senator Angara said that while DBM could do it on their own, they would still prefer that Congress appropriates the said amount.

To the suggestion that the P32 billion be appropriated through an executive order, which amount would be given in three tranches at 10% salary increase, or 3.3% every year for the next three years, Senator Angara said that while the DBM has the power to immediately implement SSL V for December 2019, there was not enough funds since the budget for the first tranche requires P34 billion; however, for 2020, there is sufficient budget to cover SSL V.

Senator Recto noted that the bill which he filed proposing SSL V involves a bigger allocation, the reason why the Executive department needs to implement SSL V soonest. Senator Angara disclosed that according to DBM, President Duterte wants an allocation of P43 billion for SSL V.

Assuming Congress would take six months to deliberate on the SSL V budget, Senator Recto stated that the P43-billion allocation might be reduced to P20 billion, Senator Angara, agreed, conveying the Finance Secretary's openness to the idea of crafting the executive order.

Senator Recto remarked that he was looking forward to seeing the salary increase as he expressed gratitude for the opportunity to somehow convince some officials in the Executive department to support the measure.

Asked on the amount in the 2019 budget for the National Disaster Risk Reduction and Management Fund (NDRRMF), Senator Angara replied that it was P20 billion, P11.1 billion of which had been released as of October. As to the allocation for next year, he said that it remains at P20 billion.

Senator Recto said that the budget would increase to P30 billion if they extend it. Senator Angara explained that there is P9 billion left, so they would have P29 billion for next year. He agreed with Senator Recto that if the budget is extended, and since there was P9 billion left, P29 billion would be available for next year.

Senator Recto said that by practice, anything that is not a line item and anything that is contingent to something might as well be placed in the Unprogram-

med Funds. Asked whether the NDRRMF fund, which is a contingent fund, should be better placed under Unprogrammed Funds, Senator Angara said that what is lodged in the Unprogrammed Funds are those which are contingent on additional excess funds being available.

Senator Recto agreed, but he pointed out that excess funds are funds that could be used for savings or for additional borrowing. He noted that there has been liberal spending of Unprogrammed Funds and that, in fact, every year, the government is spending Unprogrammed Funds even if it fails to hit revenue targets. The same goes for the Contingent Fund, he said, wondering why it has to be placed under the programmed portion if it is contingent to something.

MANIFESTATION OF SENATOR TOLentino

At this juncture, Senator Tolentino reminded the economic cluster team led by DOF Secretary Dominguez and DBM Secretary Avisado, of the spirit of the new law passed by the Seventeenth Congress which is Republic Act No. 11293, entitled "An Act Adopting Innovation as Vital Component of the Country's Development Policies to Drive Inclusive Development, Promote the Growth and National Competitiveness of Micro, Small and Medium Enterprises, Appropriating Funds Therefor, and for Other Purposes." He said that he was looking to the day when the budgeting process, hopefully for the 2021 budget, would include measures and barometers that would indicate that government has complied with the law. He added that he was still perplexed as to why the Secretary of Finance was not a member of the National Innovation Council while the DBM Secretary is a member and the NEDA director general, the vice chairperson.

Adverting to Section 5 of R.A. 11293, he said that: "*The government shall adopt a broader view in developing its innovation goals and strategies, covering all types and sources of innovation.*" He noted that the law is very clear and even includes the procurement process as part of the areas where innovation and creativity must be developed, adding that the government must not be constricted to just talking about cash-based budgeting but that perhaps, next year, combinations of incremental budgeting, obligation-based budgeting, and others would be part of the national budget that would be deliberated on by the Chamber.

He then encouraged the Body to take advantage of R.A. 11293 as its implementing rules and regulations would probably be released within the month, as he also encouraged all government agencies to exercise creativity and to pursue innovation as the center of its goal in all areas of government policies — from education, training, health, energy, and even in the budgeting process.

Senator Angara thanked Senator Tolentino and he informed the Body that indeed that there was no funding in the GAB but the Committee put P300 million in the Innovation Fund as initial funding.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva asked for a list of important laws that the Congress passed, especially during last Congress, but were unfortunately left unfunded. Citing as an example R.A. 11230, or the *Tulong Trabaho* Act which was passed last Congress, he said that it is a good law that guarantees not only free tuition or free training programs for technical-vocational students but jobs and work for Filipinos as well.

Senator Villanueva hoped that next time, the Senate would be able to have a more orderly monitoring and listing of laws that are being funded and those that are still unfunded.

Senator Angara thanked Senator Villanueva, saying that almost all of the credit belongs to Senator Villanueva in working for the funding of R.A. 11230. He said that Senator Villanueva was the one who caused the funding of that law and he should be thanked for that.

MANIFESTATION OF SENATOR ZUBIRI

Anent the plans to liberalize the sugar industry, Senator Zubiri asked that the Finance team be given the opportunity to present some alternatives to what is currently being done to the sugar industry.

He said that the sugar industry uses the quedan system wherein the quedan is exported to the United States, with some for domestic use and some as reserve, and that in 2019 alone, the sugar industry shipped out to the United States about 120,000 tons of sugar at half the price of the local market. He said that he had appealed to Agriculture Secretary William

W. Villanueva

Dar that instead of exporting sugar which the country lacks domestically, the country could now allocate the "A sugar" to the end users or to industrial users, such as Coca Cola and Pepsi Cola, because it does not make sense to export when there is not enough for domestic consumption. He suggested making an appeal to the USDA for the country to be allowed to withhold the sending of sugar from their quota to the United States because of shortage in sugar locally. He said it has been done twice before, with the USDA in acquiescence. He said that with the grant of the appeal, there is no need to import sugar because there would be enough for local consumption, and if the lack of sugar persists, it would be very minimal.

Senator Zubiri said that Coca Cola and Pepsi Cola have agreed that if such setup could be done, it would drastically bring down the cost of prices of local sugar and everybody would be happy because there would be no flooding of imported sugar and there would be no disruption in the market.

In this regard, he cited Senate Resolution No. 213 which the Body unanimously adopted, urging the Executive department not to pursue the planned liberalization of the sugar industry. He feared that the planned liberalization may economically harm the sugar farmers and the industry as a whole, fueling insurgency in sugar producing provinces.

Senator Zubiri said that he would be providing the department secretaries with a copy of the adopted Senate resolution.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended for five minutes.

It was 4:29 p.m.

RESUMPTION OF SESSION

At 5:32 p.m., the session was resumed.

INTERPELLATION OF SENATOR GORDON

At the outset, Senator Gordon asked if the budget could be considered as a management plan, which includes planning the income to be generated, the expenditures and the various infrastructure,

social services, etc., for the country. Senator Angara agreed, as he also agreed with Senator Gordon that it would be beneficial for the country if employment rate rises by way of benefits provided by budget initiatives. He added that the Philippines has the highest unemployment rate of 5% in South East Asia.

Asked what unemployment rate means in the public and private sector, Senator Angara replied that it pertains to the number of people who are without jobs and looking for jobs, including people who do not pay taxes, living in hand-to-mouth condition, and are in odds-and-ends services.

Senator Gordon stated that of the 60% labor participation rate, the unemployment rate is 5.4%, the underemployment rate is about 14%, and the employment rate is 40%. Thus, he said that it is imperative for the country to create jobs and investments. However, for the last several years, he lamented that the Philippines has remained fifth among the ASEAN countries in terms of foreign direct investments. He asked how such a small country like Singapore which topped ASEAN countries in terms of FDI, could beat the Philippines. He believed that Singapore's strategy ought to be applied by the Philippines. Senator Angara replied that it is quite easy to set up a business in Singapore as it only takes a day to do so.

Senator Gordon pointed out that the Philippines is not performing well in terms of FDI, which would be a generator of jobs in the country, and considering the FDI by region, he noted that Manila is the top recipient of FDIs, followed by CALABARZON with P41.37 billion, and Central Luzon. Asked why CALABARZON has high foreign direct investments, Senator Angara said that the region has a lot of PEZA zones which are a magnet for investments, as well as good infrastructure, a skilled population, and access to ports. Senator Gordon agreed, stating that the investors are offered investment sites in the industrial estates in CALBARZON which make everything easier, a formula for attracting more investments, like what happened in Subic and Clark.

Senator Gordon lamented that agencies is the DOF like the BOC and the BIR are not very good at meeting targets. He then asked if taxes could be generated from a barren land where there is neither development nor employment, except collections from real estate taxes. Senator Angara agreed that without

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economic activity, collection would be minimal. Thus, Senator Gordon questioned the position of past secretaries of Finance not to have industrial parks nor incentives. He maintained that a better solution would be to establish industrial parks and give incentives, which would be taken away if the estates are not performing well. Senator Angara surmised that the DOF wanted to centralize the incentives in FIRB for that purpose in order to do away with perpetual incentives but keeping others.

Senator Gordon stated that employment cannot be generated by taking out incentives, as indicated in a report by the *Philippine Star*, on the lower FDI inflow for the first six months of 2019 compared to 2018. He reiterated that with properly organized industrial parks, development will happen. He said that many of the country's areas are not as developed as CALABARZON whose growth he credited to focused and fast development with less rigmarole and corruption and more flexibility.

Senator Gordon believed that the RIICH bill would have maximized the benefits of infrastructure already existing in Central Luzon, including the airports in Clark and Manila, the three seaports of Subic, Manila, Mariveles, the North Luzon Expressway (NLEX), the SCTEX, the Olongapo-Gapan Highway, and others. He then inquired on the status of the proposed Manila-Clark and Subic-Clark railway projects as he has yet to see much development in these undertakings. He believed that the combination of infrastructure, industrial parks, good development, and good atmosphere contributes to creating a friendly investment environment.

Regarding the Subic-Clark railway project, Senator Angara informed the Body that the bid documents on the arrangements have been approved by the government last October 9, 2019, and the BCDA has started undertaking activities for right-of-way acquisition.

Noting that even Vietnam has overtaken the Philippines as an investor magnet, Senator Gordon asked if the government has an alternative plan other than infrastructure to make the country attractive to foreign investments. He reiterated that the country has a lot of underdeveloped land and that it would be better to offer incentives to attract investors. He noted that many companies like H1 Corporation, camera maker Olympus, shoe brands Deckers and Steve Madden, had moved their manufacturing plants from

China to Vietnam or Cambodia. Obviously, he said that those countries would generate employment and have people and corporations to regularly pay taxes.

Senator Angara replied that the main program to attract investors is the "Build, Build, Build" program or infrastructure projects to make logistics cheaper and allow the country to be competitive.

Senator Gordon said that he knows that building infrastructure generates jobs and creates facility for travel. However, he said that even if railroads or highways are built but the land is not being used, speculators come in and buy the land cheap so that when investors come in they would find the land too expensive.

Senator Angara agreed that to a certain extent, it becomes negative in the sense that investors may be deterred from investing because the price has gone up, but he pointed out that for those who already own land in the place, it becomes a bonus or bonanza for them.

Senator Gordon pointed out that while it may be a bonanza for those who are engaged in land banking, it would not be for the little person who could not find new employment or jobs there. He wondered what could be given in lieu of incentives to make the industries competitive and since it would not be possible to give lower pay to workers.

Senator Angara said that there are a lot of things going for industries and labor, such as skilled and young workforce, presence of infrastructure such as power, telecoms, roads and ports, and the Ease of Doing Business Law.

Senator Gordon recalled that he once had a conversation with the owner of Commercial Bank of China who told him that when they were younger, their footprints would have to be taken every time they visit the Philippines; on the other hand, the Undersecretary of Trade of Taiwan who visited him when they were building Subic narrated that his kids could now choose any brand of expensive shoes they want while his parents could only afford to get him a pair of slippers when he was growing up.

Senator Angara said that in the case of Taiwan, there was lot of great field of investment and they were able to build early on Kaichung as a free trade zone, which enabled them to attract investors. He

said that the Taiwanese have done a lot in terms on innovation just like the Israelis who were able to provide for their food despite having relatively little arable land.

Senator Gordon said that they have to have livelihood so that their people could go to college. With all the benefits being given to the people now, he opined that the country has become a socialist country pretending to be a capitalist country. He said that Japan was able to grow very fast after World War II because of their high scientific knowledge; the same for Korea, which grew very fast after the Korean War. He wondered why it could not be the same for the Philippines, how it could incentivize business to come to the country. He said that it was not enough to say that the country would clean up corruption; it has to have a game plan to be followed by everyone in the Cabinet. He pointed out that government has to find something to generate economic activity out of the budget.

He recalled that when his committee investigated the Bureau of Customs earlier in the year, they were able to discover that billions are lost from uncollected VAT and beyond customs duties when the goods are passed on to the distributors and ultimately to the consumer. He said that it was necessary for BIR and Customs to be more adept at collecting taxes.

He said that he was recently asked by Senator Villanueva why despite the influx of Chinese POGO workers in the country, the government was not able to maximize their presence and earn profit from them. He surmised that the Department of Finance is apparently allergic to non-tax incentives.

On tourism, Senator Gordon cited the reported six million tourist arrival and he noted that the tourism department has a budget of over P3 billion which was only P800 million during his stint as Tourism Secretary. He opined that there should be more money for tourism, for infrastructure to be able to provide roads, and for incentives to teach Chinese or any other language in order to get more tourists to come into the country.

Agreeing with Senator Gordon's observation, Senator Angara said that tourism should start with the airports because if the tourists could not be brought to the country, then all the marketing skills in the world would amount to nothing.

Senator Gordon recalled the strategy he employed when he was Tourism Secretary in 2002, first the WOW Philippines, followed by the Intramuros Visit Philippines program which triggered domestic tourism boom. He underscored the need to make domestic tourism boom first before it could get international tourists to come in.

Senator Angara pointed out that domestic tourism was still booming as there are a lot of domestic airports being built in the country.

Asked by Senator Gordon how many domestic tourists travel in the country, Senator Angara they registered at about 100 million.

Senator Gordon said that he was happy to hear from Senator Drilon that the airport in Iloilo now has international capability and immigration. He said that Cagayan de Oro airport should also have immigration to make it ready for international tourism. He pointed out that a Filipino traveling to Boracay would spend the same amount of money as a foreign tourist. He lamented that apparently the government was undervaluing the income from tourism.

On a related matter, Senator Gordon asked whether there was a monitoring team tasked to oversee the infrastructure, in terms of whether certain buildings have been built, such as school buildings, and whether the construction was finished on time or was delayed.

Senator Gordon informed the Body that the Tourism Promotion Board was given P1 billion and that its disbursement rate was 17.6%, meaning P835 million was not spent. He said that the cash-driven budget was supposed to encourage heavy spending but here was an agency that did not spend its budget. He believed that the basic principles of budget are: to generate infrastructure, to generate income, to generate jobs, and to generate economic activity.

Senator Angara said that in the area of economics, infrastructure is as crucial as tourism.

Senator Gordon expressed hope that the Finance Secretary would pay attention to the infrastructure demands. He recalled that during the administration of President Arroyo, there were a lot of ferries, or roll on-roll offs (Roros), that would take passengers all over the islands. He reiterated the need for a

budget on infrastructure and to prioritize what was really needed.

Senator Angara said that the Clark Airport would help a lot but he stressed the need to improve the transport links to Manila and other areas including the need to build railroads and highways.

Senator Gordon opined that if infrastructure means highways, roads and railways, then that should be the priority so that by the end of the year the DPWH could account for what it has done and what their progress is. He said that he would not leave it all to the DPWH to decide and prioritize the needed infrastructure.

Regarding traffic congestion, Senator Gordon believed that what is important is to put heads together to prioritize and find out what could be done about the problem of congestion. He informed the Body that he had refiled a bill on Central Luzon development that could decongest Metro Manila, as he also believed that Region IV could decongest Metro Manila. He added that Cebu needs to be decongested, and Iloilo City could be connected to the Island of Panay and Negros where there is plenty of land. He said that whenever he goes to Iloilo, he is always impressed by what Senator Drilon has done to the province, setting infrastructure for business, energy and even a dam.

At this point, Senator Gordon inquired about what was being done about the water problem in Metro Manila and the state of the Kaliwa project. He recalled that when the water crisis hit Metro Manila a few months before, the Red Cross used its trucks to deliver water 24 hours to all the hospitals. He said that the trucks were also brought to earthquake-prone areas and Red Cross tents were set up in Iloilo, Aklan, Capiz and in Dasmariñas, Cavite for the dengue and anti-polio vaccination. He noted that the DOH budget of P90 billion is low considering that it is facing issues such as vaccination with polio making a comeback, and poorly paid health workers.

Senator Gordon also stated that government should give priority to education, defense and public works, and concentrate on developing the youth. He then questioned why P190 billion was being allotted to government corporations like the PhilHealth when it should be self-sustaining. Senator Angara replied that the PhilHealth would get P70 billion out of the P190-billion budget for government corporations. He

clarified that even if its members contribute to the fund, government still subsidizes it to a great degree.

Senator Gordon expressed concern that people would get used to subsidies just like the 4Ps. He stated that while insurance is a must in all countries, it is being debated on in America, Europe and Cuba, the latter country being a model of efficient health services. He then wondered why government could not focus on health issues.

Senator Angara clarified that Cuba has a very heavily subsidized health system. Senator Gordon stated that it would have to be heavily subsidized in the beginning. He revealed that he used to be a non-believer of insurance until his wife convinced him to get one. He said that one could see the value of insurance when one gets sick or someone dies. However, he believed that for as long as a person does not feel its benefits, he/she would not adhere to it.

Senator Gordon noted that the country has supplied nurses abroad, such as the Middle East, London and Germany. He said that while he does not mind people working abroad to have a better life, it is important that government refocus, reprioritize what it has. He then expressed hope that his manifestation would not fall on deaf ears.

In response, Senator Angara stated that the budgets of DepEd, DOH and DND have been enhanced.

Senator Gordon thanked Senator Angara for prioritizing the departments. However, he believed that tourism should also be highlighted because the country gets back its money from tourism.

Recalling his recent trip to Singapore, Senator Gordon narrated how that country had increased its capabilities by having a better air force with more C-130s; well promoted medical tourism, wherein tourists go to Singapore for medical procedure with hotels situated near the hospitals; and having think-tanks, which, he believed, the Philippines should invest in. He said that UP, Ateneo and other schools could have think-tanks that could be funded by both public and private funds so that government could have people working with it without being used as a political instrument to criticize the administration. He then inquired if an amendment to have a think-tank funded in the budget would be possible.

Senator Angara stated that he was open to the idea. He supposed that think-tanks could operate within an existing structure in order to enhance their ability.

As regards the number of Philippine Offshore Gaming Operators (POGOs) in the country, Senator Angara stated that officially, there are 138,000 POGOs. He said that the Department of Finance has been running after them for taxes.

Senator Gordon observed that there are quite a few Chinese of the same age coming into the country, and he supposed that some of them could be soldiers which is a cause for concern

He then thanked Senator Angara and the economic managers of the administration present for their patience. He expressed hope that everyone would see each other's worth and be able to come up with a better budget the following year.

Senator Angara also thanked Senator Gordon for his good ideas. He also expressed hope that on the same time next year, the Committee would be able to report to him the improvements on the implementation of the budget.

FURTHER INTERPELLATION OF SENATOR LACSON

As regards the National ID System, Senator Lacson inquired how much of the P2 billion appropriations in 2018 and another P2 billion in 2019 have been obligated.

Senator Angara replied that 97% of the P4 billion had been obligated, adding that the Philippines Statistics Authority (PSA) was on pilot mode and it would have 17 registration centers.

Senator Lacson stated that in order for the PSA to fully implement the national ID system, it would need P25 billion. He noted that if 97% had already been obligated and P5.565 billion would be funded for 2020, only 14 million Filipinos could be covered.

Senator Angara stated that it would be a continuing program. However, Senator Lacson lamented that under the GAA, only P2.4 billion was allotted, noting that there will be a gap of P3.2 billion which could only cover 6.3 million Filipinos. He then inquired if there was a way to complete the requirement of

P5.565 billion to cover the 14 million. He believed that the national ID system is a good investment because it is a service to the people by expediting many transactions even in revenue collection.

Senator Angara stated that the Committee would try its best to find additional funding for the national ID system.

Senator Lacson recalled that during the DBCC hearing, he inquired from the DBM about the recurring expenditures on the National Greening Program (NGP) for the past eight years. He stated that more than P33 billion have been appropriated to the program and that for 2020, an additional P5 billion will be added. He then asked on the whereabouts of the trees.

Senator Angara supposed that it would be alright with the DBM to realign the P5 billion for the NGP to the national ID system. He said that at the proper time, the Committee would be open to an amendment on the matter.

Senator Lacson stated that he would submit the corresponding amendment to Senator Villar, subcommittee chairperson, as he believed that it would be better and worthwhile to prioritize the national ID system rather than the NGP.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri stated that Senator Pangilinan would no longer interpellate on the General Principles. However, he said that Senator Pacquiao would pose queries about the general principles and, at the same time, inquire on the DBM.

Senator Angara stated that the Body could close the period interpellations on the General Principles and open the discussion on the DBM so that Senator Pacquiao could ask the agency and the discussions could move forward.

TERMINATION OF THE DEBATE ON GENERAL PRICIPLES

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the Body closed the period of debate on the General Principles.



Thereupon, Senator Zubiri asked that the Body proceed to consider the budget of the Department of Budget and Management and its attached agencies.

INQUIRY OF THE CHAIR

Senate President Sotto inquired why the DBM budget would be considered ahead of the budgets of the NEDA and DOF. Senator Zubiri explained that while the whole NEDA family was in the hall, it was unfortunate that Secretary Pernia was not, and that it has been a long standing tradition that the head of the agency should be present during budget deliberation. He said that the Body would wait for the Secretary's arrival and only then consider their budget, as a matter of courtesy to the Members of Senate.

Senator Angara informed the Body that Secretary Pernia would arrive on Saturday from his trip abroad. He stated that the NEDA family will be asked to come back on Monday.

MANIFESTATION OF SENATOR DRILON

Senator Drilon reminded the Body that the morning interpellation had to be suspended because the Members had asked about the list of projects in the Build, Build, Build program which were scrapped from the list, and the additional list of projects that were supposed to be submitted. He said that the NEDA had the complete list of projects but Secretary Pernia was not around.

Senator Zubiri reiterated that following the termination of the interpellations on the General Principles and since NEDA Secretary Pernia was not around, the budget of the NEDA was deferred to Monday.

INQUIRY OF THE CHAIR

Senate President Sotto inquired if the budget of the finance department was supposed to be considered in plenary. He said that his list of interpellators included Senators Lacson, Gordon and Go.

Senator Zubiri informed the Body that Senator Gordon would not pose any questions on the department.

Senator Drilon stated that he has a pending request with the DBM on the actual amount of funds

which were obligated but were not disbursed. He said that earlier, the discussion was about percentages but he wanted to be clarified on the definite amount. Senator Angara asked Senator Drilon to specify his request so that he could ask the DBM to comply.

Senator Drilon said that he would like to know how much funds were actually obligated but were not disbursed for the years 2018 and 2019 and up to a certain definite period, and asked if the data could be submitted the following day. Senator Angara assured Senator Drilon that the DBM would furnish the requested data.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri said that Senators Tolentino, Gordon, and Go would no longer interpellate on the budget of the DOF.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:32 p.m.

RESUMPTION OF SESSION

At 6:36 p.m., the session was resumed.

DEPARTMENT OF BUDGET AND MANAGEMENT

Upon motion of Senator Zubiri, there being no objection, the Body considered the budget of the Department of Budget and Management.

Thereupon, the Chair recognized Senator Pacquiao for his interpellation.

INTERPELLATION OF SENATOR PACQUIAO

Preliminarily, Senator Pacquiao asked on the purpose of the budget improvement project amounting to P5.833 million under the *Support of Operations* item. Senator Angara replied that the goal of the project is to earn an International Standardization for Organization (ISO) certification, the reason why the DBM was strengthening its internal audit mechanisms

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and control, and working towards productivity and quality improvement.

Senator Pacquiao asked Senator Angara to explain the purpose of the Public Financial Management Program costing about P278 million.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 6:41 p.m.

RESUMPTION OF SESSION

At 6:52 p.m., the session was resumed.

Replying to Senator Pacquiao's query, Senator Angara explained that the program aims to improve efficiency, accountability, and transparency in the use of public funds in order to ensure a direct, immediate, substantial, and economical delivery of public services especially to the poor. He cited its project components as follows: budget treasury and management system, budget reporting and performance standards and improved treasury cash management operations.

Asked what the purpose was of the Public Expenditure Management for LGUs which has an allocation of about P15 million, Senator Angara replied that the purpose is to capacitate the local governments, particularly with respect to their public financial management in order for them to efficiently use the funds as well as improve its use.

As to the reasons for the Unprogrammed Appropriations, Senator Angara explained that unprogrammed appropriations are usually standby appropriations where use would depend upon the occurrence of a contingency. He cited foreign-assisted programs and the Armed Forces Modernization Act as programs benefiting from the unprogrammed allocations.

As to how much was allotted to the Unprogrammed Appropriations, Senator Angara replied that it was P216 billion broken down as follows: Support for Infrastructure Projects, P10 billion; AFP modernization, P5 billion; Budgetary Support to GOCC, P61.8 billion; Support to Foreign-Assisted Projects, P90 billion; Risk Management Program, P30 billion; Payment of Arrears for LTO IT service, P2 billion,

development fee for the right to the Nampeidai Property in Tokyo, P210 million; Prior Years LGU Shares, P1.1 billion; Equity Infusion of Bangko Sentral ng Pilipinas, P2.7 billion; the National ID System, P2.4 billion; Normalization Pormalization program in the Bangsamoro with P5 billion; and Health Facilities Enhancement Program P5.4 billion.

Asked if a budget ceiling was followed for each department Senator Angara replied in the negative, as he clarified that the budget ceiling was set for the whole budget in the amount of P4.1 trillion which the DBM came to arrive at by computing revenues and the possible borrowings.

As to the value placed to the recommendations of the Local Development Councils and Regional Development Councils in the budget process, Senator Angara replied that 25% of the projects coming from the Regional Development Council are in the GAB.

Asked how to strengthen the bottom-up budgeting in such a way that attention is geared towards LGUs and their priorities, Senator Angara replied that there are agencies that are good in consulting the LGUs and the RDCs as regards projects endorsement like the DENR's Mines and Geoscience Bureau (MGB) which endorsed 65% worth of projects; Department of Trade and Industry with 72%; DSWD with 66%; DILG with 64%; and DOLE with 68%. However, he admitted that there are agencies with lesser percentage as regards endorsement of programs coming from the RDCs, and he suggested that such agencies should have provincial staff who are diligent in coordinating with the regional offices and the local government units so that the wishes of the LGUs would be reflected in the national budget.

Senator Pacquiao stated that the 2020 vision of DBM is to empower the poor and marginalized by championing results-oriented budget. Asked what are the key mechanisms of DBM in choosing or assessing priority areas for funding, Senator Angara replied that the DBM would be looking at the operations requirements of the region in terms of personal services.

Asked whether the poorest provinces or the dependent LGUs are considered priority areas, Senator Angara agreed with Senator Pacquiao that poor provinces could be prioritized.

Senator Zubiri surmised that Senator Pacquiao might want to ask the DBM to help provinces like

Sarangani which belong to the Top 10 poorest provinces in terms of poverty.

Senator Angara agreed that Sarangani should be helped. Since an airport could not be built in the province, Senator Pacquiao requested that the province undergo beautification and the port in Glan be developed, as the port once serviced vessels coming from Indonesia.

Senator Angara assured Senator Pacquiao that he would ask the DOTr to develop the Sarangani Port.

Senator Pacquiao cited reports from the Department of Finance that GOCCs posted the highest collection ever in 2018. Asked how much was the accumulated revenue generated by GOCCs for the last five years, Senator Angara replied that in 2013 it was P18.5 billion; 2014 was P23.9 billion; 2015 was P33.4 billion; 2016 was P27.7 billion; 2017 was P30.4 billion and 2018 P40.178 billion.

Asked on the total number of GOCCs, Senator Angara replied that there are 123.

But Senator Pacquiao noted that in the Budget of Expenditures and Sources of Financing (BESF) tables, specifically in the statement of financial positions of selected government corporations, only 82 were listed.

Senator Angara explained that the 82 corporations listed in the BESF are those that received subsidies from the national government which would amount to P188 billion for 2020.

Asked whether all the GOCCs are required to pass yearly financial reports, Senator Angara replied that they are supposed to submit their report to the Commission for Government Corporations or to the DBM. He assured Senator Pacquiao that the GOCCs would be asked if they comply with the requirement.

Asked how much was allotted to the Local Government Support Fund in 2018, Senator Angara replied that P31.4 billion was for LGSF. Senator Pacquiao said that the reason he asked for the said figure was that per COA report, there was low release rate of LGSF. He then asked for the reason behind this low rate, Senator Angara replied that according to the DBM secretary, other LGUs had difficulty in complying with the documentary requirements; hence, they are not qualified for the release. As to the status of LGSF for 2019, he said that the

budgetary appropriation was P32.7 billion, of which only P5.73 billion was released, leaving a balance of P26.99 billion as of August 21, 2019.

Asked how many cities, municipalities and provinces benefited from the LGSF, Senator Angara replied that 81 provinces, 145 cities and 1,489 municipalities benefited from it and in terms of programs or projects that can be accessed through the LGSF, he said that in municipalities, the menu limits it to infrastructure projects, excluding school buildings and other facilities for public elementary and secondary schools, clinics, health centers, and other health facilities necessary to carry out health services. He posited that anything outside of this menu, such as concreting and road opening, are included in the Other Financial Assistance to LGUs.

On another matter, Senator Pacquiao noted that the proposed budget for BARMM is P706 billion for 2020. He then asked how they could establish accountability in the disbursement of the funds. Senator Angara replied that BARMM is covered by COA rules; thus, they must liquidate all that they spent.

Senator Zubiri opined that BARMM operates similar to an LGU because the block grant is like an IRA. He added that the BARMM will have to pass a budget for infrastructure, for PS and for MOOE which will have to be approved by the BARMM parliament.

On the required number of members of the BARMM who are required to approve the budget, Senator Zubiri replied that since they are still in transition, it is the members of the Bangsamoro Transition Authority who will approve it. He said that while there are 80 seats, only 79 have been appointed so far by the President.

To Senator Pacquiao's concern on accountability, Senator Zubiri gave the assurance that funds that are not obligated are returned to the DBM. He also expressed his confidence in the present chief minister who has been very careful in making sure that the funds were not wasted. He also cited the newly appointed Minister of Finance, a finance person who is accountable to the national COA. He also mentioned a provision in the law allowing the COA to do pre-audit apart from the mandatory post-audit.

Saying that he just wanted to make sure that what happened in the past will not happen again,

Senator Pacquiao underscored the need to monitor BARRM often through the national COA.

Senator Zubiri assured Senator Pacquiao of his support. He recalled that when he started in 2016, his and Senator Pacquiao's areas were in the top 10 in terms of poverty incidence in Mindanao: Bukidnon was No. 5 and Sarangani was No. 6. For instance he said that after his interventions which included establishment of campus extensions of SUCs such as training centers and livelihood programs, Bukidnon fortunately reduced its poverty incidence by 21% and its ranking consequently dropped to No. 19. Senator Angara believed that it would even drop further when there is already an airport built to encourage tourism. However, since Sarangani is still in the top 10 in terms of poverty incidence, he asked for the Body's support to Senator Pacquiao's programs, believing that Sarangani should also be given the same support given to Bukidnon.

INTERPELLATION OF SENATOR DRILON

On the issue of underspending, Senator Drilon said that the record given to him confirmed that there has been chronic underspending in the past years up to the present year. He then asked if indeed cash budgeting is the response and if there are other measures being taken to address the issue of underspending since it was earlier established that almost 20% of the GDP is based on public spending and being unable to disburse on time due to underspending means that the desired growth could not be achieved.

Senator Angara said that there were other measures which were agency-specific as in the case of DPWH which undertook to hire more engineers, while the DBM created more engineer positions; for those that crosscut the agencies, the DBM capacitated them in terms of conducting biddings resulting in early procurement activities and earlier release of allotments through the GAA.

Noting that the two infrastructure agencies would influence the country's growth and targets, Senator Drilon asked what specific measures these agencies should undertake as well as what their targets are that could improve the situation.

Senator Angara replied that according to the budget secretary, there is a part in every Cabinet

meeting where he enumerates for each agency how much has been released to them and the agency has to report on the spot how much have been obligated and disbursed.

On whether the DPWH and the DOTr have targets to reduce their underspending, Senator Angara said that there are numerical targets in the percentages of the underspending for the expenditure that they are authorized with. He said that with regard to the DPWH, it was mentioned that the agency lacks engineers so the DBM gave them items as one of the interventions made.

Stressing that the underspending of the two agencies affects the expenditure program, especially capital outlay expenses, Senator Drilon asked if it is fair to ask the DPWH and the DOTr to set targets for a certain period, for instance in the subsequent year, so that they could see whether these two agencies have improved their capacity to spend the money authorized them. Senator Angara asked Senator Drilon if he was referring to numerical targets such as to set it at 50%, 60%, or 70% given that the finding of COA earlier cited showed that the underspending for both the DPWH and the DOTr was around 40%, to which Senator Drilon replied in the affirmative.

Asked by Senator Drilon if the spending capacity could be improved, Senator Angara said that it is up to the DPWH to determine a feasible and achievable target as the DBM had already provided the agency with all the support and the needed funds. He believed that it is an internal matter for the DPWH to work on how it could improve its spending. In fact, he noted that the DBM even created 2,088 positions to speed up the obligation and disbursement rates in the DPWH.

Senator Drilon asked what the government could expect insofar as the ability of the DPWH to improve its disbursement rate is concerned, for instance, by setting targets to improve on their spending capacity. Senator Angara remarked that while setting targets is a good idea, the DBM has no coercive powers to force the DPWH to meet a certain level, but he nevertheless assured that the DBM would endeavor to set targets on a quarterly basis through the intervention and aid of the President.

To emphasize the validity of the point that he was raising, Senator Drilon quoted a text from an

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article written by former DBM Secretary Diokno sometime in 2016 entitled, "Underspending: A Bad Habit That's Hard to Break," to wit: "In the face of huge public needs for better public infrastructure and heftier investment in human resources, such monumental underspending is not a badge of honor; rather, it is and a badge of apathy and incompetence." He admitted that he was quite insistent on addressing the problem of underspending because even the former DBM secretary recognizes the huge problem. He said that even though he might not be technically equipped on the issue, from the management standpoint, it is always good to set targets.

Senator Drilon asked if the very dismal disbursement rate of the DPWH could be improved as he recalled having earlier quoted from former NEDA Secretary Cielito Habito who wrote that "The Commission on Audit reported budget disbursement rates of the Department of Public Works and Highways of only 34.1% and 39.7% in 2017 and 2018 respectively." In reply, Senator Angara assured that the DBM secretary would ask the DPWH and the DOTr to submit a timetable for 2020 and hold them accountable to it.

To Senator Drilon's suggestion that the timetable on targeted disbursement rate be set the soonest time, Senator Angara said that he would ask the DPWH to come up with a timetable on their budget since they would be on deck the following day. Senator Drilon commented that he has no problem whichever agency these targets would come from as long as it is set so that these agencies could be held responsible for meeting those targets. Senator Angara clarified that the DBM requires the agencies to submit monthly reports regarding their disbursement. However, Senator Drilon noted that the scheme was not working because the dismal performance of the agency showed that it had not given any importance to the monitoring requirement.

Senator Angara committed that the DBM which manages the release of the funds of the DPWH and the DOTr, would come up with a plan next week to hold the two agencies accountable. Senator Drilon hoped that the disbursement targets of the DPWH and DOTr would be submitted before the budgets of the two agencies are approved. He noted that the bane of the country's public expenditure program is when the government keeps granting authority to spend but little to no amount is utilized. He said that while the agency should set a parameter for growth

given its allotted budget, such would not be achieved when it underspends, thus making valid his proposition to have a standard and hold these agencies responsible for their targets.

Senator Drilon recalled that when he attended a committee hearing of the DOTr, Senator Angara himself was a witness to the fact that the senators could not even get a correct data from the DOTr representative, or that they do not realize that they needed to have targets in the execution of certain functions. He admitted that he was disappointed at the agency's performance which translates in their inability to spend authorized funds which at bottom, affects the country's growth rate.

Senator Angara reiterated the DBM Secretary's plan to have complete steps to improve the disbursement.

Senator Drilon stated that he would expect the DBM's plan to address the very dismal record that affects the country's economic growth, noting the fact that senators even stay up late just to figure out how much spending authority should be given to these agencies yet they stumble to do it when the targeted expense or disbursements are not met.

INTERPELLATION OF SENATOR REVILLA

Asked by Senator Revilla regarding the status of the Salary Standardization Law (SSL) V, Senator Angara replied that there was a P31 billion budget for the pay hike.

To the remark that per Senator Go's proposal, the cost would be more than P40 billion while Senator Recto proposed a cost of P64 billion, Senator Angara assured that the DBM would find the fund for SSL V; in fact, the MPBF amounting to P63 billion would be adequate to cover either of the proposed amounts.

Asked if SSL V is doable for next year, Senator Angara replied in the affirmative.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF BUDGET AND MANAGEMENT AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation,

upon motion of Senator Zubiri, there being no objection, the budgets of the Department of Budget and Management, the Office of the Secretary, and the Government Procurement Policy Board-Technical Support Office were deemed submitted for the Body's consideration.

SUBMISSION OF THE BUDGET OF THE BUDGETARY SUPPORT TO GOVERNMENT CORPORATIONS

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Budgetary Support to Government Corporations, Others was deemed submitted for the Body's consideration.

SUBMISSION OF THE BUDGET OF THE ALLOCATIONS TO LOCAL GOVERNMENT UNITS

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Allocations to Local Government Units, namely: Special Shares of LGUs in the Proceeds of National Taxes, Local Government Support Fund, Special Shares of LGUs in the Proceeds of Fire Code Fees, Barangay Officials Death Benefits Fund, and Bangsamoro Autonomous Region in Muslim Mindanao were deemed submitted for the Body's consideration.

Meanwhile, Senator Zubiri stated that the budgets of the MMDA and NDRRMC would be tackled in the next session day because Senator Tolentino had questions regarding their allocations.

SUBMISSION OF THE BUDGET OF THE UNPROGRAMMED APPROPRIATIONS

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Unprogrammed Appropriations was deemed submitted for the Body's consideration.

SUBMISSION OF THE BUDGET OF THE CONTINGENT FUND

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Contingent Fund was deemed submitted for the Body's consideration.

SUBMISSION OF THE BUDGET OF THE MISCELLANEOUS PERSONNEL BENEFITS FUND

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Miscellaneous Personnel Benefits Fund was deemed submitted for the Body's consideration.

PENSION AND GRATUITY FUND

Therupon, the Body proceeded to consider the Pension and Gratuity Fund.

INTERPELLATION OF SENATOR GORDON

Prefatorily, Senator Gordon said that his questions on the budget of the Pension and Gratuity Fund are for assurance purposes.

Noting that the issue on unpaid military pensions has been a recurring problem year in and year out, Senator Gordon hoped that the pensions of the veterans and retired military personnel would not be derailed nor grow any bigger.

Senator Angara noted that there was a huge increase in the Pension and Gratuity Fund from P117 billion in 2019 to P190 billion in 2020, or an increase of P73 billion as the government was trying to provide for the Military and Uniformed Personnel (MUP) retirees. However, he lamented that the pension expenditure has become unsustainable and difficult due to the price indexation which translates a growing gap between pensions and current salary. Nonetheless, he disclosed that a bill had been filed in the House of Representatives which would cut the indexation, require mandatory contributions, or even change the retirement age, among others, lest the current situation becomes a huge burden on the government in the coming years.

At this juncture, Senator Drilon recalled that he indeed pointed out a difficult situation the government was in insofar as the pension of the uniformed personnel was concerned. He said that 61.5% or P114.7 billion of the proposed 2020 national budget would be allocated for the pension of veterans, while the remaining P71.8 billion or about 38% would be for the regular pay, putting the government spending more for the pension than the regular salary, a situation that is expected to worsen because of the indexation. He stressed that it is a serious and complicated

problem that has to be addressed immediately. He mentioned his proposal to privatize PAGCOR so that the proceeds could be used to form a seed money for a funded pension through the GSIS. One more complication, he noted, is that the item is lodged in the Department of National Defense.

Asked how the problem could be solved, Senator Angara suggested that one of the senators file a counterpart measure of the pension reform bill that is pending in the House of Representative. He explained that the pension reform bill will cut the indexation because the government is paying people who retired a long time ago at current rates. He said that 2020 would be the first year that the government would be paying bigger pensions than the actual salaries.

Senator Gordon added other problems, including monitoring those who have died. He recalled his earlier suggestion to automate the PSA so that death notices would be immediately sent to the military, GSIS, SSS, and all the agencies that provide resources.

Senator Angara stated that it is no longer the case since the DBM had already cleansed the list.

Asked if he was confident that there would be a solution based on the bill, Senator Angara answered in the affirmative.

SUBMISSION OF THE BUDGET OF THE PENSION AND GRATUITY FUND

Upon motion of Senator Zubiri, the being no objection, the budget of the Pension and Gratuity Fund was deemed submitted for the Body's consideration.

DEPARTMENT OF FINANCE

Senator Angara presented the budget of the Department of Finance and its attached agencies.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri stated that Senators Lacson, Tolentino, Gordon, Go, Pangilinan and Drilon were scheduled for the interpellations; however, Senator Lacson would no longer interpellate since his questions had been answered during the period of interpellations on the General Principles. Likewise, he said that Senators Tolentino, Go and Drilon would no longer interpellate on the budget of DOF.

Senator Zubiri also mentioned the request of Senator Drilon for the secretary of DOF to be present the following day since Senator Revilla wanted to make some inquiries.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 7:58 p.m.

RESUMPTION OF SESSION

At 8:03 p.m., the session was resumed with Senator Zubiri presiding.

INTERPELLATION OF SENATOR GORDON

Senator Gordon stated that the Attrition Law entitles the Bureau of Customs to avail of some incentives after exceeding its target last year. He asked where the funds for such incentive would be sourced. Senator Angara replied that the Bureau of Customs proposed the rewards and incentives fund in the amount of approximately P460 million but the DBM did not include it in the National Expenditure Program (NEP).

But Senator Gordon emphasized that the law ought to be implemented.

Senator Angara cited a special provision that the Committee inserted in the committee report which reads as follows:

"Rewards and Incentives Fund. - In addition to the amount appropriated therein, P460,650,000 shall be used for the grant of rewards and incentives to the officials and employees of Bureau of Customs (BOC), sourced from 15% of the collection of BOC in excess of its revenue targets pursuant to Section 4 of Republic Act No. 9335 or the Attrition Act of 2005.

The grant of rewards and incentives shall be subject to the provision of the said law, its implementing rules and regulations, and other related guidelines.

Release of funds shall be subject for the submission of special budget pursuant to Section 35, Chapter V, Book VI of EO 292, Series of 1997."

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Thus, he explained that if the BOC meets or exceeds its target, its employees can avail of that reward which would be sourced from the current year's collection.

As the Bureau of Customs exceeded their target last year, Senator Gordon surmised that they should get the incentive this year and he asked about the claiming process. Senator Angara reiterated that the DBM did not fund the incentives for 2019.

Responding to the remark that there should be an automatic funding since it is contained in the law and could be sourced immediately. Senator Angara noted that the appropriate provision was already included in the 2020 budget because it was requested. He said that the incentive would be chargeable to their collections for the year because the law provides that it is automatically appropriated.

Asked by Senator Gordon to confirm if the Customs Commissioner indeed said that a target was made the previous year which could be drawn from collections for the current year, Senator Angara said that there must be a factual circumstance that has to be met, and if such is established, then the law grants the incentive which could be charged from the current year's collections.

On the matter of the fire-ridden establishment of the Bureau of Customs, Senator Gordon asked whether the need for refitting and rehabilitation of the building has been addressed. Senator Angara said that there was no provision in the 2020 budget but could be included in the 2021 budget.

Senator Gordon pointed out that it is difficult to work in an environment that is hard to access and that he would not want the problem to be used as an opportunity for corruption because they could not meet people or work comfortably in an office. Senator Angara assured Senator Gordon that the BOC personnel are able to work in their temporary offices.

As regards the automation and computerization of Bureau of Customs and whether it would be properly funded, Senator Angara said that he was assured that it would go forward and that the Committee actually added P41 million for virtual automation.

Senator Gordon informed the Body that based on a letter from BOC to Senator Angara, it has a

request for virtual desktop infrastructure in the amount of another P41 million. Asked what "virtual desktop infrastructure" meant, Senator Angara said that the letter request states that "the lifespan of obsolete endpoint devices (PCs, TIN clients, mobile remote devices) will be extended by repurposing them as virtual desktop infrastructure (VDI) client. If new devices will be provided, more powerful and cheaper units could be deployed, devices are better managed, and data and the device is more secure." He explained that it is a system where each one has a screen, but not necessarily a computer, but that screen is connected to a computer.

Senator Gordon pointed out that if it is so provided next year, people can see the miracle of the Bureau of Customs being able to generate the necessary revenues that the country needs.

On a related matter, Senator Gordon asked whether there is a Customs Border Protection Service in the BOC as he maintained that the office is necessary since the country has very porous borders and without Customs people there, the country would continually be invaded by smuggled goods.

Senator Angara said that he was only aware of the Customs police. He likewise clarified that the creation of the positions is not the job of Congress but of the DBM.

Asked whether such an office with the BOC has been provided for by law, Senator Angara replied in the negative. He said that there is no need for a bill to create the positions because it only needs the DBM to act on the request.

As to how much the creation of the positions would entail and how many people are needed, Senator Angara said that the amount needed is P2,095,026,251 for 1,200 people. However, he admitted that this was not included in the prioritization list of the DOF and the DBM.

Senator Gordon assumed that if there is indeed a need, then the DBM would provide for it, ideally on a staggered basis at 400 people per year until it reaches 1,200.

Senator Gordon recalled that during the debates on General Principles, a lot of businessmen have been asking him about the incentives. In reply, Senator Angara said the DOF would want to

rationalize the incentives given to PEZA so that they would be time-bound and not perpetual and that there must be a periodic review of the incentives which also should be targeted and transparent. Senator Gordon agreed that there should be a sunset provision and that acceptance to the PEZA must be bound by performance.

Senator Gordon then inquired if the DOF would still continue with PEZA except for those non-performing, saying that those who continue to operate should be warned that in case of non-performance, their status as PEZA would be removed, those in outlying areas where PEZAs are needed would still be allowed to operate. He stated that the Central Luzon PEZA has become available and that as discussed with the Finance Secretary, investors have been going to Clark. He acknowledged that one of the failures of Subic was that everything became topsy-turvy and the masterplan was totally rendered inutile when they left.

On another matter, Senator Gordon said that he would like to see the decongestion of Manila since everybody is complaining about the traffic, "carnagedon," and the like. He recalled that he and the late former senator Joker Arroyo passed a law encouraging the policy of holiday economics which makes all holidays fall on a Monday or a Friday so that people could have more time to spend with their families and friends or to take a rest. In the same manner, he said that he would also like to see Central Luzon easily attracting new investments in the country because of its proximity to the infrastructure of Subic-Clark-Manila. He believed that it would be a step in the right direction if incentives could be provided for the investors, especially to those who would be building factories with housing which was included in the Subic masterplan.

Senator Gordon said that he would be refiling the bill on "RICH" as he recalled discussing it with the Finance Secretary and Undersecretary Chua during the recess. He said that he just wanted to make sure that once the bill is passed, it would not be among the bills that would be vetoed because of some forms of incentives that had been introduced; otherwise, it would be very difficult to attract new investors to the area.

Senator Angara said that he was informed by the Finance Secretary that they are engaging JICA to update the Subic masterplan. He also informed Senator

Gordon that the Finance Secretary is favorable to the RICH measure as long as it is within the framework of a general incentives plan, meaning, it is not treated in isolation.

Senator Gordon said that he had already requested Secretary Dominguez and his staff to inform Congress what is acceptable to them in the crafting of measures so that the legislators would not have to work very hard sacrificing and lobbying for a bill that would only be vetoed. He disclosed that as a result of the veto of the RICH bill, the governors of Central Luzon have instead worked on their own.

At this point, Senator Gordon stated that the senators should be reminded that they were elected at large and are not in the Senate for themselves. He said that while everyone has an agenda, there is a need to add investment opportunities in the country, whether local or foreign, as he had done during his time as SBMA chairperson.

He believed that the regions have their own destinies if they put in some work, the best part of which is making people a part of the process of change by selling themselves to the whole world with the ideas they create without government dictating to them what to do. He said that it is unimaginable what Mindanao would have become had Secretary Dominguez's parents not become pioneers in Davao City. He believed that many people succeeded in Mindanao because they were not afraid; they made fear their friend; they created their own future.

He again cautioned the Executive department to refrain from dictating and imposing conditions upon the Senate. He stated that because of the decentralization law, efforts are done on a national, regional and local scale, and that every province must be able to draw its own sunshine. If the DOF is willing to work with the senators, he said that they would sit down with them right away to work on a measure that would be approved by both Houses.

Senator Angara assured the Body that the DOF is willing to sit down with the members before a bill is filed so that the bill becomes a product of both the Legislative and the Executive departments.

Senator Gordon stated that he would sit down with the Secretary Dominguez as soon as the budget is approved and then immediately file a bill.

Senator Angara stated that the DOF is amenable to the suggestions of Senator Gordon.

Senator Gordon said that the meeting is not going to be a negotiation but the start of solving problems.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri observed that the RICH map shown on the screen included the Province of Aurora as part of Central Luzon. He then inquired if RICH could also be done in Iloilo.

Senator Angara believed that Iloilo is already doing well and does not need more incentives. Senator Gordon stated that other regions/provinces like Iloilo are welcome to create a RICH in their area. Senator Zubiri stated that Bukidnon and Cagayan de Oro should also be included in the RICH.

Senator Gordon stated that he, together with the late Senator Angara, worked on having the Quezon Canal made, one that would pass from Atimonan to the Pacific, then out to the South China Sea so that ships would not have to go around, just like Panama Canal.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri announced that the Department of Finance would return the following day for a few questions from Senator Pangilinan. He said that Secretary Dominguez would be excused and that Undersecretary Gil Beltran and National Treasurer Leah De Leon would represent him.

SUBMISSION OF THE BUDGETS OF THE ATTACHED AGENCIES OF THE DEPARTMENT OF FINANCE

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the attached agencies of the Department of Finance—the Bureau of Customs, Bureau of Internal Revenue, Bureau of Local Government Finance, Central Board of Assessment Appeals, National Tax Research Center, Privatization and Management Office, Securities and Exchange Commission, Land Bank, Philippine Tax Academy, and Trade Investment Development Corporation—were deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri stated that the Department of Finance-Office of the Secretary, the Bureau of Treasury, and the Insurance Commission would be back the following day.

With regard to the Land Bank, Senator Zubiri requested that the *Gawad Pitak* award for cooperatives be reinstated. He stated that in continuing the grant of the award, no cash incentive would be given and the winning cooperatives would just be recognized for the distinction of their work.

At this juncture, Senate President Sotto relinquished the chair to Senator Zubiri.

INSURANCE COMMISSION

At this juncture, the Body considered the budget of the Insurance Commission.

INTERPELLATION OF SENATE PRESIDENT SOTTO

At the outset, Senate President Sotto stated that he was taking advantage of the presence of Secretary Dominguez to ask questions concerning the Insurance Commission.

Senate President Sotto recalled that during the previous year's budget hearing, he asked the Insurance Commission to upgrade the way insurance companies handle motor vehicle insurance. He stated that one of the major causes of traffic, not only in Metro Manila but also in other key cities like Metro Cebu, is car accidents because the parties involved would have to wait for a police officer to investigate and document the incident. He believed that the mobile phones documentation process should be enough proof of the incident for the insurance companies to consider, so that after documenting the incident via mobile phones, the involved vehicles could be removed from the scene and the drivers would move on, and it would be up to their respective insurance companies to settle the matter or the courts to decide on the matter.

At this juncture, Senator Drilon stated that he shares the concern of Senate President Sotto. He believed that the reason why insurance companies do not automatically pay the claims is that they

would rather litigate until the claimant gives up. He said that insurance companies are very good in collecting premiums but when it comes to paying claims, they would do everything in order that the insured would not get the proceeds of what was paid for. He then stressed the need for insurance companies to pay an automatic liability since premiums are being paid by default.

Senator Drilon admitted that he was not sure if the matter needed to be legislated, but surmised that it could be regulated so that there would be an automatic assumption of damages.

Agreeing with Senator Drilon, Senate President Sotto believed that the Insurance Commission should be more strict. He suggested the suspension of insurance companies that take so much time in paying their clients which causes a domino effect on people. He said that in other countries, parties to an accident would exchange information and insurance details, take pictures, then take off.

Asked by Senator Drilon if such an easy setup of having a policy clause on the claims as suggested by Senate President Sotto, could be achieved through regulation by the Insurance Commission, Senator Angara believed that it could be feasible. He said that the Insurance Commission would study the proposal and would hold a dialogue with non-life insurers the next day for the purpose. He added that the matter could be done through a circular and without amending the law.

Senate President Sotto stated that the Body would expect an update from the Insurance Commission the following day after their meeting. He said that he would not pose any question on the agency's budget provided that an update on how the regulation could be done would be presented to the Members so that an investigation by the Blue Ribbon Committee would be prevented.

INQUIRY OF THE CHAIR

At this juncture, the Chair asked for the names of the representatives of the Insurance Commission in the hall. Senator Angara stated that present in the Session Hall were Deputy Commissioner Erickson Balmes, who used to be with the DOJ, Atty. John Apatan, and Commissioner Dennis Funa who was present earlier.

Thereafter, the Chair asked for the presence of the Commissioner of the Insurance Commission the next day to answer the questions. Senator Angara said that the Committee would request his presence to report on the meeting.

Senate President Sotto stated that he would not pose any objections to the submission of the budget of Insurance Commission without prejudice to any of the Members calling on their budget again before the GAB is passed on second reading if the Body is not satisfied with the report. The Chair asked that the Insurance Commission officials to come back to the Senate the following day together with Secretary Beltran.

Senator Angara asked that the budget of the Insurance Commission be suspended in the meantime.

At this juncture, Senator Zubiri relinquished the Chair to Senate President Sotto.

SUSPENSION OF CONSIDERATION OF THE BUDGET OF THE DOF-OFFICE OF THE SECRETARY, BUREAU OF TREASURY AND INSURANCE COMMISSION

Upon motion of Senator Zubirim, there being no objection, consideration of the budgets of the DOF-Office of the Secretary, Bureau of Treasury and Insurance Commission was considered.

SUSPENSION OF SESSION

Upon motion of Senator Zubiru, there being no objection, the Chair declared the session suspend until ten o'clock in the morning of the following day.


It was 8:52 p.m.

RESUMPTION OF SESSION

At 10:00 a.m., Wednesday, November 13, 2019, the session was resumed with Senate President Sotto, presiding.

DEPARTMENT OF NATIONAL DEFENSE

Senator Lacson presented the proposed new appropriations for the Department of National Defense (DND) and its attached agencies amounting to P191,340,253,000 which is 4% of the GDP, broken down as follows:

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- Office of the Secretary, P625,091,000;
- General Arsenal, P1,302,801,000;
- National Defense College of the Philippines (NDCP), P118, 804,000;
- Office of Civil Defense, P1,236,366,000;
- Philippines Veterans Affairs Office (PVAO), P592,454,000;
- Veterans Memorial Medical Center, P1,754,818,000; and
- Armed Forces of the Philippines (AFP), P185,709,919,000 broken down as follows:
 - P92,413,006,000 for the Philippine Army;
 - P26,236,267,000 for the Philippine Air Force,
 - P29,029,943,000 for the Philippine Navy, and
 - P38,030,703,000 for the General Headquarters, AFP and AFP Wide Service Support Units).

He said that the Committee was also proposing to amend the appropriations language to reflect the Philippine Marine Corps (PMC) as a key budgeting unit. He said that even though the PMC budget was still lodged with the Philippine Navy, the language specified the amount earmarked for the Marines.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:04 a.m.

RESUMPTION OF SESSION

At 10:07 a.m., the session was resumed.

INTERPELLATION OF SENATOR TOLENTINO

At the outset, Senator Tolentino expressed support for the DND budget and would only be asking some clarificatory questions.

Asked on the percentage of the GDP that would be appropriated for the DND, Senator Lacson said that as per the DND's National Security Strategy of 2018, a minimum of 2% of GDP ought to be allocated for this purpose but the Senate recommended that it be raised to 4% for 2020.

Senator Tolentino observed that the doubling of the budget could be equated to the massive capital investment being done by the AFP, specifically the Philippine Navy's acquisition of several ships which would be arriving in the first quarter of 2020.

Senator Lacson agreed, even as he pointed out that it was being carried under the Unprogrammed Appropriations. He explained that P5 billion was being set aside for the modernization program and that 63% or the bulk of the budget of the DND and its attached agencies would go to PS for personnel recruitment to address security needs.

Senator Tolentino opined that the security requirement was indeed relevant, considering the country's present conditions, such as the recent news report on the death of six army personnel and the wounding of 20 others in an encounter in Samar. He also noted that according to a study done by the Stockholm International Peace Research Institute, for 2018, the Philippines ranked fifth in terms of defense budget, with Singapore ranked first among the ASEAN countries with more than US\$10 billion, followed by Indonesia with US\$7 billion, then Thailand coming in third with more than US\$6 billion, Vietnam ranked fourth, and Malaysia at sixth place.

On whether the Philippine ranking vis-à-vis other ASEAN countries was accurate, Senator Lacson replied that it was not accurate considering the situation currently obtaining in the West Philippine sea as well as the internal conflict and the problem of terrorism in the south and in other areas in the country.

On whether there was available data on the Philippine ranking in terms of defense expenditures for 2020 vis-à-vis its ASEAN neighbors, Senator Lacson replied in the negative, as he confirmed that he indeed mentioned that the budget for the defense department has doubled, a necessary increase, according to Defense Secretary Lorenzana, for the Philippines to be able to catch up on capital asset procurement. He added that the DND expects to achieve about 80% of its target of having a credible defense posture by the end of 2022.

Senator Tolentino said that a catch-up plan for the government's defense expenditure should be implemented and that the proposed allocation of 4%

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or 2% of GDP could be increased to 6%. He noted that the People's Republic of China has the highest defense outlay, even surpassing the United States and Russia.

On whether there were comparative figures on the defense spending of China versus the proposed outlay for the DND, Senator Lacson replied in the negative, but he disclosed that in his conversation with Secretary Lorenzana, they discussed the possibility of revisiting the Revised AFP Modernization Plan and making the necessary adjustments.

Senator Tolentino said that China's defense budget of US\$177.49 billion is bigger than even the combined budgets of all the ASEAN member nations, a clear indication that China has indeed put its defense budget as its top priority. In this regard, he recalled the pronouncement of Admiral Liu Huaqing, the mastermind of China's modern naval strategy, that his country would control the First Island Chain (Kuril island up to Borneo and the northern part of the Philippines, taking over the whole Spratly islands and Taiwan) and the Second Chain (the east of Luzon which includes the Benham Rise or Ogasawara islands and the volcano islands of Japan to the Mariana Islands and Guam) by 2010 and 2020, respectively. Relative thereto, he informed the Body that he recently filed a bill that would establish a naval chain that would protect the main archipelago of the Philippines. He also noted that DND's new policy of having small, forward operating bases, was not reflected in its 2020 budget, and he believed that having a small forward operating base in remote areas was a good strategy.

Senator Lacson conveyed the DND's agreement with Senator Tolentino that there should be a small unit forward base especially in Mavulis Island in Batanes and Panguan Island in Tawi-Tawi, the budget for which, he hoped, could be considered and included in the 2021 budget.

Senator Tolentino narrated that several months before, two naval ships of the People's Republic of China passed by the area of Tawi-Tawi unannounced and undetected for several days, and that the Philippine Marines has put up a detachment since then. He feared that if the DND would have to wait for the next budget call, foreign military vessels might pass in that area again without being detected. He then inquired how the department

would run the two detachment-islands if there is no budgetary support in 2020.

Senator Lacson stated that the Committee would try to scout for some amount from other agencies and see if it is possible to realign whatever appropriation is needed to sustain the manning of the two islands.

Likewise, Senator Tolentino disclosed that a source had told him, as confirmed by Secretary Lorenzana, that the Philippine Navy was also looking into the possibility of having a similar naval base somewhere in Aurora and in Polilio Island which would include an airstrip and Air Force personnel. He hope such plans should be funded under the capital investment plan of the DND.

Senator Lacson stated that even as the budget was being discussed, the DND was already looking into the capital needed to put up a small facility in the islands of Batanes and in Tawi-Tawi.

Senator Tolentino surmised that such a facility would not entail a big budget, although he acknowledged that the capital expenditure could be higher if desalination machines for drinking water would be put up. Saying that indeed there was a need to augment the capability of the AFP, especially the Navy, he stated that the goal really is to build a respectable and credible armed forces.

Thereafter, Senator Tolentino expressed his full support to the budget of the Department of National Defense.

Senator Lacson informed the Body that the AFP has estimated that P20 million would be needed to put up each facility, and P50 million to maintain each every year. He stated that the AFP would seriously look into the MOOE to realize the proposal of Senator Tolentino; and that the AFP expresses its gratitude to Senator Tolentino for his sound proposal.

INTERPELLATION OF SENATOR PANGILINAN

At the onset, Senator Pangilinan expressed his support for the budget of the Armed Forces of the Philippines and the Department of National Defense and would not object to its swift passage.

Senator Pangilinan recalled that during the September 30 subcommittee hearing on the budget of the Department of National Defense, he posed some questions regarding the memorandum of agreement between the AFP and Dito Telecommunity Corporation. He then expressed his gratitude to Secretary Lorenzana for providing the Senate a copy of the MOA and the Risk Analysis which he was able to review. Without divulging confidential information, he then inquired if the DND and AFP were familiar about the alliance called "Five Eyes," an intelligence alliance comprising Australia, Canada, New Zealand, United Kingdom and the United States that are parties to the Treaty for Joint Cooperation in Signals Intelligence, an intelligence gathering by interception of signals, whether communications between people or from electronic signals not directly used in communications. And he noted that the US, Australia and New Zealand have banned the use of Huawei Technology, a multinational corporation based in Shenzhen, China and their fifth generation or 5G networks due to national security concerns; UK has limited Huawei to contribute to non-core 5G infrastructures such as antennas; and Canada has postponed its decision to ban or limit Huawei operations until after its federal election. He posited that while Huawei is not directly involved in the MOA, state-run China Telecommunication Corporation (China Telecom) is somehow involved because it is a partner of Dito Telecommunity Corporation, formerly Mislattel. Thus, despite the risk analysis undertaken by the AFP, he expressed concern over the involvement of China Telecom in building telecommunications facilities within military camps.

Senator Lacson stated that Secretary Lorenzana has not yet finally decided on the concerns raised by Senators Pangilinan and Drilon. As regards Huawei, he reminded the Body that the company is already in partnership with Globe Telecoms and Smart Communications. He agreed that there could be valid security concerns on the partnership of Mislattel and China Telco, and he asked his colleagues that if they have inputs on knowledge on security matters that would compromise the security of the State, they could submit directly their inputs on information to the DND through Secretary Lorenzana himself so that they could act accordingly.

Senator Pangilinan then thanked Senator Lacson and the Secretary for giving the Body an opportunity to give their inputs and concerns on the possible breach of national security. He pointed out that apart

from the Five Eyes, the US telecom networks Verizon and AT&T have banned Huawei phones after being labeled as a security threat; and that Langley Intelligence Group Network (LIGNET), a US-based service provider of global intelligence and forecasting firm consisting of former CIA, US intelligence and national security officers, in an article released in February 2019, has reported that Huawei and ZTE could remotely access communications technology that could disable a country's telecommunications infrastructure before a military engagement or steal technology and trade secrets. He said that if Huawei is viewed as such by the US-based telecommunication companies and US intelligence information network, the Philippine government should pause and evaluate the security considerations of the MOA. He clarified that he was not objecting to the government entering into a MOA as long as such agreement would have clear-cut safeguards to be able to protect the nation's interest and security.

Asked about China's Counter Espionage Law of 2014 and the Chinese Intelligence Law of 2017, Senator Lacson opined that both laws require private companies to spy and report to the Chinese government.

Senator Pangilinan placed on record that the Chinese National Intelligence Law (CNIL) of 2017 "gives authorities sweeping powers to monitor and investigate foreign and domestic individuals and institutions and allows the Chinese intelligence agencies to search premises, seize property and mobilize individuals or organizations to carryout espionage." He stressed that China Telco is a state-owned company and as such, pursuant to that law, authorities can mobilize individuals or organizations to carry out espionage. Thus, he emphasized the need to ensure that the country has the highest security measures in place with respect to such MOA.

Senator Pangilinan also cited some provisions of that CNIL, particularly Article 7 thereof, which reads in part: "...requires any organization or citizen to support, assist, and cooperate with state intelligence work..."; and Article 14 which authorizes the state intelligence work organs to require relevant "organs, organizations, and citizens to provide necessary support, assistance, and cooperation." Both provisions, he said, amplify the concern about organizations, like the China Telco, for being mandated by the authorities to carry out espionage or provide support assistance and cooperation.

He also placed on record the other law of China, the 2014 Counter Espionage Law (CEL), Article 22 thereof which states: "When state security organs investigate to learn of espionage conduct or gather relevant evidence, relevant organizations and individuals shall truthfully provide and must not refuse." He said that this provision is another concern because if China Telco, a state-owned telecommunications company, is mandated theoretically by the state security organs to investigate, they shall truthfully provide information and must not refuse to do so.

Senator Pangilinan believed that the experience and long stint of Secretary Lorenzana in Washington, D.C. could give him access to contacts there who could provide information on such matter. He stressed that he had no objection to the MOA, but that he was just raising his concerns because he would like the Armed Forces of the Philippines and the Department of National Defense to take into consideration such serious concerns as they consider the agreement.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 10:43 a.m.

RESUMPTION OF SESSION

At 10:43 a.m., the session was resumed.

Senator Pangilinan said that as manifested earlier by Senator Lacson, the Secretary of the DND has yet to act on the MOA. Senator Lacson said that the agency was still awaiting Senator Pangilinan's inputs on the agreement. Senator Pangilinan clarified that he wanted an assurance that the government's concerns on national security are addressed.

On whether the MOA had been reviewed by IT experts commissioned by the AFP, Senator Lacson replied in the affirmative.

Senator Pangilinan believed that towers were installed within military camps because of the following reasons: the need to have a strong telecommunications system; the need to have better services from the telcos; and an assurance of continuous service. He noted that part of the MOA had been stretched precisely because co-locators

may not use classified information which, he believed, was not in the Smart and Globe agreement. Thus, he assumed that it is a tacit recognition of the need to ensure that security concerns are addressed. Senator Lacson agreed.

Asked if there was any simulation of towers being used for breaches of security, Senator Lacson replied that there was still none since they were not yet installed.

Senator Pangilinan hoped that before approving the MOA, serious assessments are undertaken in order to ensure that personal information of telco users would be protected and there would be no breach. Senator Lacson said that such concern would be taken into consideration.

On whether the department has personnel and IT experts who are proficient with the Chinese language, Senator Lacson replied in the affirmative. Senator Pangilinan said that there is a need to know the computer language used by foreign nationals for clear understanding of what is going on.

Senator Pangilinan asked why the MOA is open-ended, noting the provision which states that "it shall remain in force, subject to termination by either or both parties," completely different from that of Globe which is renewable for one year, and from Smart which is renewable for five years. He supposed that it could be part of ensuring that if the country's national security is compromised, it could be terminated at any time.

Senator Lacson explained that one of the reasons why there is a discrepancy in the wordings and intent of the MOA was that in 1991, the parties to the agreement were able to study and scrutinize the provisions of the agreement and took the necessary precautionary measures in the aspect of security by putting a clause that either party could terminate it. He opined that it is the ideal language of the MOA and, with such clause, the agreement could unilaterally be terminated once there are some infractions.

Senator Pangilinan then asked whether there are existing security regulations that have to be complied with, noting that the AFP-Dito Telecommunity MOA requires the AFP, as host, to provide and make available facilities in accordance with existing security regulations and to maintain these

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facilities in operating conditions during the lease period, Senator Lacson replied in the affirmative.

Asked if additional technology or equipment would be required, given that technology changes quickly, Senator Lacson replied that security, communications and services are part of the deal.

Senator Pangilinan said that he raised all those concerns because in entering into any agreement with any country, they must consider that country has espionage technology that they should guard against to promote and uphold national security concerns.

Senator Pangilinan acknowledged that a third telco is important and critical for better services but he reminded the proper authorities that they should be aware of what they are getting into, even as he expressed his full trust and confidence in the capacity of DND Secretary Lorenzana.

INTERPELLATION OF SENATOR RECTO

Saying that he wanted to put into proper perspective the budget of the DND with regard to the country's ASEAN neighbors and security, Senator Recto asked if a nation's defense is dependent on the size of its economy and of its population, Senator Lacson affirmed, saying that a yardstick being used in the computation of the budget for the defense establishment is a minimum of 2% of the Gross Domestic Product (GDP).

Senator Recto noted that even US President Trump has appealed to NATO allies to spend at least 2% of their GDP because some of them are spending less. He added that the U.S. spends 3% of their GDP for their armed forces which is equivalent to \$600 billion, while China spends \$170 billion.

On whether the total spending for defense of the entire ASEAN region, including Australia, Japan and Korea, could equate that of China's defense spending, Senator Lacson replied that it could be possible, thus agreeing with Senator Recto that bonding with other ASEAN neighbors was a very good suggestion. And, Senator Recto noted that China is also landlocked with other 21 countries, including India which is one of the biggest.

Senator Recto admitted that he was surprised to learn that the DND was given only a 4.6% share of

the total budget because it was equivalent to only 1% of the current GDP which is P20 trillion. He stated that the estimated P200 billion being spent for the Armed Forces was still 1% of the economy, and he maintained that the AFP should be spending double their current allocation.

Senator Lacson clarified that the budget was equivalent to 1.2% of the GDP, which also includes the pension of the retired personnel. But Senator Recto stressed that it was still short of the ideal 2% of the GDP.

Senator Recto stated that so far P200 billion in capital outlay had been spent for the AFP modernization and with that amount, he assumed that the AFP would have acquired naval, army and air assets. He then asked whether the AFP followed the local content requirement by acquiring equipment made in the Philippines, Senator Lacson answered in the affirmative, as he clarified that the problem was in the national government policy of limiting spending for research and development (R&D) to only 3.9% of the budget. He wondered how the AFP could enhance its capabilities with such a small appropriation.

Senator Recto believed that the navy should have benefitted from the local shipbuilding industry in the country, considered the fourth biggest in the world.

Senator Lacson added that one missed opportunity was Han-Jin, another shipbuilding company, which could have been taken over and operated by the government.

Senator Recto said that the country could have been building its own navy or coast guard. He also raised that idea of forging partnerships with other countries like the United States and some European allies to produce navy ships in the Philippines which, in turn, would generate employment.

Asked whether the country was buying Black Hawks from Poland, Senator Lacson replied that 16 would be purchased from an American company based in Poland.

Asked whether the Mutual Defense Treaty with the US was still operational, Senator Lacson answered in the affirmative.

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Senator Recto posited that since the treaty was still existing, the American company making Black Hawk could be invited to invest in the Philippines. He pointed out that the matter on defense is dependent on the size of a country's population and economy, and he posited that manufacturing half of the local content requirement for the AFP in the Philippines, would create more jobs, and grow the economy, thus improving the sustainability for spending more on the military.

Senator Lacson added that the government would be spending less because it would be producing its own equipment.

At this juncture, Senator Tolentino agreed with Senator Recto as regards having more local content as he pointed out the existing projects of DOST called Diwata-1 and Diwata-2 which were launched by the University of the Philippines in 2016 and 2018. He explained that Diwata-1 and Diwata-2 are microsatellites weighing about 50 kilograms with low earth orbit at 400 to 420 kilometers from the ground which pass by the West Philippine Sea every 24 hours. He believed that the satellite could be utilized by the Department of National Defense through a tie-up with the Department of Science and Technology at no additional cost, and possibly even activating their own cyber warfare command.

Asked by Senator Recto about the mandate of the Government Arsenal, Senator Lacson replied that it manufactures the small arms ammunition requirement of the AFP.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 11:08 a.m.

RESUMPTION OF SESSION

At 11:08 a.m., the session was resumed.

Upon resumption, Senator Recto asked whether formulating plans and programs geared towards self-sufficiency in small arms and other weapons ammunitions is also part of the mandate of the Armed Forces. Senator Lacson said that it is the second mandate of the Government Arsenal.

Senator Recto underscored the importance of the second mandate as he recalled that it was during the Marcos era that a company called ElizCo manufactured M-16 rifles. However, Senator Lacson said that these companies no longer exist, and he pointed out that Armscor, a private local manufacturer, cannot compete with foreign suppliers because the latter are VAT-exempt.

Senator Recto pointed out the anomaly of local manufacturers paying the VAT while foreign supplies are VAT-free.

To the suggestion of locating the Government Arsenals in a special economic zone which can also accommodate possible foreign suppliers, and generate employment as a result, Senator Lacson replied that a bill to that effect had been filed as he conveyed the information he received that only 10 hectares of the 300-hectare area where the Government Arsenal is located was being utilized.

Senator Recto said that the 300-hectare area could be used to produce arms for the regions and possibly for export. He then asked the AFP to develop a plan as he expressed hope that next year's budget deliberation would include a presentation on investments in the Government Arsenal because it is needed by the Armed Forces.

Lastly, Senator Recto commended Senator Pangilinan for raising the issue on the China telecommunications in the AFP which, he said, was also a security concern. He recalled that before the issue even came out a year ago, there was a China loan agreement for a surveillance system project called Safe Philippines that he himself raised during the budget deliberations in the previous year and that he was successful in removing the P25 billion item.

Also, Senator Recto raised his concern over reports of China co-owning the National Grid Corporation of the Philippines (NGCP).

Senator Lacson added that there were also reports about equipment arriving with Chinese characters that were manned by Chinese personnel.

Senator Recto explained that his concern was over the fact that the power supply of the whole country was being run by the State Grid Corporation of China, and that in the current era of cyber wars,

he feared that the Chinese could just turn off power supply via remote control. He also expressed alarm over the presence of China in the NGCP since China Telecom would be utilizing the wires of NGCP for its mid-mile telecommunications.

Senator Recto urged the Department of National Defense officials to look at the situation holistically, and he stated that he would be waiting for reports on what actions were being taken regarding the matters raised during the discussion, particularly how China Telecom would be allowed to enter the AFP for the CCTV project along with the clearances and the regulations that have been made as well as a comparison with other countries or allies in the region using such regulations.

MANIFESTATION OF SENATOR PANGILINAN

Preliminarily, Senator Pangilinan said that he remembered some issues after Senator Recto raised his concern about security and the DILG-China Telecom-Huawei arrangement. He warned that the country should be concerned about how these companies may have a bearing on national security. He recalled the controversies and the unrest in Hong Kong, when employees of Hong Kong-based Cathay Pacific, which is not even a China company, joined protests, and that there had been reports that Cathay Pacific had been asked to submit the names of employees who participated in the protests and those in the list were prevented from entering China.

Senator Pangilinan said that the question is whether China Telecom and Huawei, which are both state-owned and China-based companies, could reject or refuse to follow certain policies in the context of the current Nine-Dash Line assertion of China and in upholding and defending the country's sovereignty in the Philippine Sea. He then urged the Armed Forces of the Philippines and the Department of National Defense to take heed and to seriously consider it.

INTERPELLATION OF SENATOR REVILLA

At the outset, Senator Revilla expressed support for the budget of the DND and its attached units. However, he said that he also had questions regarding the budget of the AFP particularly on the revenues

that have been realized from certain operations in the implementation of its statutory and regulatory functions including the lease of AFP's equipment, facilities and real properties.

Asked how much revenue had been realized by AFP for 2017, Senator Lacson replied that it had collected almost P13.8 billion from the BCDA and around P79 million from the Government Arsenal. He added that the BCDA remittance to the Bureau of Treasury was P32,988,047,031.81 from 1995 up to 2019, of which only P19 billion was released as of 2019, or a balance of P13.78 billion, yet to be released.

Asked how the revenues, which are supposed to augment the AFP's budget for territorial defense and security, would be utilized, Senator Lacson replied that the revenues would be used for the AFP modernization, particularly for the purchase of modern equipment.

Senator Revilla noted that the Memorandum of Agreement (MOA) signed by the AFP and Mislattel and which was being reviewed by the DND secretary, would allow Mislattel to colocate some of its microwave relay and basic transceiver stations for mobile communication and tower facilities and its corresponding tower load within AFP camps and facilities nationwide. He then asked on the number of colocation sites and whether there was a list included in the MOA. He also asked on the cost for renting one site and if it would be located in prime areas such as in Villamor Airbase in Pasay City or in Camp Aguinaldo in Quezon City.

In reply, Senator Lacson clarified that there was no money involved and that they were only provided with equipment and services that would be commensurate with the space being occupied.

On whether a contract lease would be executed for a particular term aside from the MOA, Senator Lacson replied in the negative. He explained that unlike Globe and Smart that have definite period, Mislattel has none since the MOA stipulates that the AFP could unilaterally terminate the agreement at anytime.

Asked when AFP's MOA with Globe started, Senator Lacson replied that it began in 1991. He clarified that the AFP was not financially compensated by Globe and Smart and only received services and

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equipment in return. Senator Revilla suggested that more options be explored on how the government could generate revenue from these prime properties. Senator Lacson said that he had asked the AFP during the subcommittee hearing why it did not charge a rental fee for these properties.

INTERPELLATION OF SENATOR DRILON

Preliminarily, Senator Drilon said that there were only two issues that he wanted to bring up: the rising pension cost for the military and uniform personnel (MUP) and the issue of modernization, adding that he would be using the technical notes on the 2020 Proposed National Budget prepared by the Department of Budget of Management as reference.

He noted that page 8 of the report (*Fiscal Risks and Other Sources of Risks to Growth*), pointed out: "Rising pension cost for military and uniformed personnel. The rapidly rising cost of pension payments and retirement benefits for military and uniformed personnel (MUP) poses a threat to the national government fiscal position in the medium to long term." He added that as part of the report, it was indicated that the total pension requirement for MUP is 61.5% or P114.7 billion out of P186.5 billion, while the salary for PS is 38.5% or P71.8 billion. He asked whether the AFP could confirm the DBM presentation. Senator Lacson replied that the AFP only had information on the AFP pension.

Asked how much is the PS and the AFP pension, Senator Lacson replied that in 2017, the appropriations for personal services was P70.9 billion, while the AFP pension was at P34,033,000,000; in 2019, PS increased to P114,037,685,000, while AFP pension also increased to P57,935,983,000; and under the proposed 2020 budget, PS appropriation was P117,206,093,000, while the AFP pension was P58,846,062,830.

To the observation that there was a wide discrepancy between the report of the DBM and the figures provided by the AFP, Senator Lacson clarified that the report of the DBM covered all military and uniformed personnel.

Senator Drilon opined that even assuming that the DBM report involved all uniformed personnel, there was still a big gap between the two reports in terms of figures. He then asked if the P117.2 billion

entry in the 2020 budget was just for salary of those in the active service or it was the total PS for the AFP, P58 billion of which was set aside for retirement. Senator Lacson clarified that it covers the military and civilian personnel of the entire AFP. He affirmed that the retirement appropriation was P58 billion.

Senator Drilon stated that the DBM report appeared to be inconsistent because it was just more or less 50% (P117 billion to P58 billion) while the report of Senator Lacson, which included the PNP, showed that 61.5% of the total PS was on pension. Senator Lacson agreed that his figures and the report of the DBM did not jibe, and he surmised that the discrepancy between the DBM report which indicated P71.8 billion for PS and P114 billion for pension, and the AFP's figures of P117 billion for PS and P58 billion for pension was due to the fact that there are more police retirees that include the BJMP, Bureau of Fire and Protection and the Coast Guard. Though the AFP is entirely different, he reiterated that there is a big discrepancy in the ratio which should be sorted out.

Senator Drilon expressed the need to sort out the discrepancy because it is a fiscal risk as pointed out by the Department of Budget and Management and that the crossing between the pension and the entire MUP simply requires an explanation. He then asked for an update of the DND's plan to submit a proposed bill that would put up a self-sustaining pension fund as promised during the committee hearing on the DND budget. Senator Lacson replied that it was still being finalized and that the DND would submit it as soon as possible. He said that the pension plan also entails participation from the DOF because other options had earlier been discussed such as the sale of assets to form the seed money for the pension plan.

Senator Drilon recalled that he had actually already pointed out the privatization of the gaming industry, the proceeds of which would fund past service liabilities of soldiers. Senator Lacson believed that it does not take legislation for such plan to be accomplished because it was already incorporated in the GCG Law and that it would only take an executive order from the Executive department for it to be accomplished. Senator Drilon agreed, saying that it was a doable activity.

Senator Drilon noted that the AFP modernization program is continuously funded under Republic Act

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No. 10349, the Revised AFP Modernization Act, which extended for another 15 years the modernization program. Asked how much has already been allocated for the modernization program. Senator Lacson explained that funds released under the Revised AFP Modernization Program (R.A. No. 10349) which was passed in 2014, amounted to P133,862,417,909, while the funding of the original AFP Modernization Program (Republic Act No. 7898) was P63.4 billion, or a total of P197.3 billion.

Asked if the statement of the DBM in its technical notes that "For 2020, some P25 billion is allotted to the program, bringing the total appropriated budget since 2014 to P154.7 billion" was correct, Senator Lacson replied in the affirmative. He said that under the General Appropriations Act, the total fund released since 2002 was P188 billion, P28.6 billion of which were unreleased funds.

Regarding the proposed transfer of AFP from Camp Aguinaldo in order to use the present site to generate funds for the AFP particularly for its modernization program, Senator Lacson said that the idea then was to transfer to Fort Magsaysay.

Asked if the original plan would be pursued, Senator Lacson said that the plan was abandoned as it was found out that Camp Aguinaldo, once vacated as a military facility, would revert to the Ortigas family.

Senator Drilon recalled a similar setup with the former Rizal Provincial Capitol which transferred to Antipolo, noting that presently, on the vacated grounds, stands a mall owned and operated by the Ortigas family although they did not get back their land for free—they had to fund the transfer of the capitol including the building in Antipolo. He pointed out that the reversion provision in the deed of donation is not a hindrance in generating funds out of a location which, he believed, was not really critical to the AFP especially if it is an opportunity to obtain funds that would benefit them.

At this juncture, Senate President Sotto said that he received a request from the members of the CA to ask Senator Lacson to excuse General Noel Clement and General Allan Cusi so they could attend the CA hearing. Senator Lacson dismissed the two generals but requested them to return after the confirmation of their appointments. Senator Drilon congratulated General Clement and General Cusi for their confirmation.

Similar to what happened to the Rizal Provincial Capitol, Senator Drilon said that the condition in the deed of donation to revert the property to the Ortigas family should not be a hindrance to transfer because the AFP could stay on the land forever and the Ortigas family would not be able to do anything about it. He disclosed that the lot where Camp Aguinaldo is located is a very valuable property, noting the Ortigas family's willingness to pay whatever amount aside from donating free space to the government for the AFP's use.

Senator Lacson concurred with Senator Drilon's suggestion, as he disclosed that Camp Aguinaldo's total land area is 177 hectares, 25 hectares of which, including the General Headquarters Building, is titled to the Ortigas family, while the rest belongs to the Laperal family and other landowners. He said that if the other owners of the entire complex would agree to the plan, the lot would generate billions or even trillions of pesos which is enough to cover the expenses for the AFP Modernization Plan.

Senator Drilon said that he does not see any disadvantage to the AFP if they transfer to another location, and that the proposition about the Camp Aguinaldo lot requires serious study which the Body should consider to help generate the much needed funds for the AFP instead of asking from Congress every year to modernize the Armed Forces.

Senator Lacson assured that the AFP would study the proposal to make a proper recommendation, and thanked Senator Drilon for his suggestion.

At this juncture, Senate President Sotto said that to complete the study, the Body should also consider the contention of the Quezon City government regarding the transfer of Camp Aguinaldo. He disclosed that when he was still vice mayor of Quezon City, the Quezon City government wanted to remove Camp Aguinaldo from its territorial jurisdiction due to the series of *coups d'etat* until they realized that disposing the lot would revert it to the Ortigas family. He advised on the need to ensure that the proposal would not contend with the stand not only of the national government but also of the Quezon City government.

Senator Drilon remarked that having been part of the bureaucracy for quite a while, he knew that programs and projects remain as study unless there is a deadline. Thus, he requested the DND to

provide a timeline that would serve as roadmap to a self-sustaining pension fund and the possible sources of revenue for the AFP Modernization Program. Relative thereto, he relayed that in 2007, an airport in Iloilo was transferred from Mandurriao to Cabatuan, freeing, in the process, 52 hectares of land in the city that was subsequently sold to Megaworld through bidding. He said that the sale generated funds for the Province of Iloilo which was enough to pay the present value of the loan amounting to P6 billion which the provincial government secured from Japan to build an airport and terminal.

Senator Drilon noted that there are experts all over the bureaucracy, particularly the successor agency of the Asset Privatization Trust (APT) which is the Privatization Management Office (PMO) in the Department of Finance, in the privatization of government assets. He believed that the proposal would be a perfect opportunity for the AFP so they would not have to wait until the next budget to move forward with their plan.

Senator Lacson committed to instruct the DND to comply with Senator Drilon's suggestion even if it meant creating a task force to finish the job. Thereafter, he said that the DND would submit a timeline and copy of the study proposal by November 30.

MANIFESTATION OF SENATOR LACSON

At this juncture, Senator Lacson stated that he was in receipt of a note from Senator Gordon requesting the suspension of the DND budget so he could ask questions after his meeting with the Commission on Appointments.

Senator Zubiri said that Senator Gordon feels very strongly about the issues on internal and external defense to the point that he did consistent follow-ups with him whether it is possible to suspend the budget of the DND.

Senator Lacson hoped that the DND budget would be tackled again right after the CA meeting to avoid a delay in the deliberation of the budgets of other agencies.

Senator Zubiri said that he would ask the staff of Senator Gordon to remind him to be present at the session hall by two o'clock in the afternoon.

At this juncture, Senate President Sotto reminded the Body to strictly follow their standing agreement that those who wish to interpellate on the budget of a certain agency/department must be present in the Chamber; otherwise, they could no longer ask questions especially when the budget is deemed submitted and approved unless there is an emergency.

SUSPENSION OF CONSIDERATION OF THE BUDGET OF THE DEPARTMENT OF NATIONAL DEFENSE

Upon motion of Senator Zubiri, there being no objection, the Body suspended consideration of the budget of the Department of National Defense.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 11:59 a.m.

RESUMPTION OF SESSION

At 2:07 p.m., the session was resumed.

DEPARTMENT OF NATIONAL DEFENSE (Continuation)

Upon resumption, the Body resumed consideration of the budget of the Department of National Defense.

INTERPELLATION OF SENATOR MARCOS

At the outset, Senator Marcos said her interpellation was more of a request for information and a manifestation.

Senator Marcos stated that Republic Act No. 7898, the original AFP Modernization Program, which was enacted into law in 1995, has five components: force restructuring and organizational development; bases and support system development; doctrines development; human resources development; and material and technology development. Asked to submit a breakdown of the different amounts appropriated, released, and implemented for each of the five components, Senator Lacson obliged, saying he would directly submit a copy of the documents to Senator Marcos since these are classified.

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Senator Marcos said that she would be grateful if the submission would be in outline form, saying that given the glacial phase of modernization in the Armed Forces, it is of interest to the Body to get a grasp of what has been going on.

Regarding the issues surrounding the indexation of pension for the uniformed services, Senator Marcos said that clearly, the government was spending twice as much for the existing standing armies as well as navies.

Asked if there has been a study or a projection of the actual amounts required, Senator Lacson said there is a projection up to 2029, a copy of which he would provide Senator Marcos.

Senator Marcos remarked that there seemed to be a level of fear factor on the part of the soldiers as they still might have not seen an actual projection of amounts as well as the possible scheduling for it. She said that she was convinced that there was more than enough fiscal space to accommodate at least the beginning of the indexation, and that it should be done as soon as possible.

As regards the Kalayaan Group of Islands, Senator Marcos recalled the Secretary of Defense mentioning during the launching of new material that they should be improving infrastructure and basic services for both the military and civilian groups already posted there. She added that one percent of the GNP is given to the DND which, she lamented, is clearly the lowest percentage compared to all other members of the Association of Southeast Asian Nations (ASEAN).

Senator Lacson said that there is a continuing effort on the part of the AFP to construct and improve infrastructure.

Senator Marcos also inquired on the cyber capacity of the AFP, noting that the Anti-Terrorism Act would be up for discussion and debate. She said that the impact of the UNCLOS and the opening of the country's water wastes and inter-island water wastes has been repeatedly discussed. She noted the absence of a capital component in the budget for the AFP Cyber Group and that what she was seeing was the MOOE deriving from 2019, a faulty P4 million, and then P40 million recommended for the 2020 budget with capital outlay at zero. She disclosed that the AFP Cyber

Group is housed in a vacant building without any equipment.

Asked on the AFP Cyber Group's actual cyber capacity and how it could be improved given the lack of resources and budget, Senator Lacson said that there is an ongoing four-year development plan that was started the previous year, and that the improvement of the cybersecurity capability of the AFP has already been incorporated in the P25-billion AFP modernization plan.

Saying that she only saw the MOOE, Senator Marcos asked if they should not be alarmed that there was no amount for equipment and other capital expenses. Senator Lacson said that for 2019, the amount was P2.19 billion.

Asked if the P2.19 billion was only for the purchase of cybersecurity equipment, Senator Lacson affirmed that it was only for 2019 under the AFP Modernization Program.

Asked to confirm if the only secure amounts that have been programmed are the capital outlays of P900 million and MOOE of P14 million, Senator Lacson replied in the affirmative.

Senator Marcos stated that the Body could review the great deal of fiscal space available and to move the P14 million that was in the MOOE from unprogrammed to programmed expenses since it is clearly essential to national security.

Senator Marcos also noted in the 2020 budget of the Veterans Memorial Medical Center (VMMC) an alarming decrease in the budget by 11%, or P211 million, given the observation of the AFP that there would be no doubt a significant increase in the patients' census. Asked how the Body could provide for the increase given that the DBM and the other authorities have reduced the amount, Senator Lacson clarified that the appropriation was not a recurring appropriation, and he recalled that the budget of VMMC for 2019 was actually increased upon the request of VMMC itself.

Calling it a one-off decision to allocate, Senator Marcos said that in any case, the decrease would again probably fail to address the increase in the forthcoming patients. Senator Lacson expressed willingness to accommodate if Senator Marcos would introduce an amendment to fill up the negative 11%.

Senator Marcos thanked Senator Lacson for his support as she lamented how little the government has been investing in national defense. She reiterated the need to augment the budget of the DND, whether for cybersecurity, hospitals or for the modernization and transformation road map of the AFP.

Senator Lacson clarified that Subcommittee C already recommended another P100 million for VMMC, which has been adopted by the mother committee and which he hoped it would not be scrapped during the bicameral conference committee hearing.

Senator Marcos said that the additional P100 million might hopefully be a good start given that Senators Lacson, Recto, and Drilon have carved out many fiscal possibilities in the budget.

At this juncture, Senator Sotto asked if the Veterans golf course is earning money. Senator Lacson replied in the affirmative, saying that anything earned by the golf course goes to the hospital which is merely P2 million a year.

INTERPELLATION OF SENATOR GORDON

Preliminarily, Senator Gordon said that he has always look forward to the yearly budget of DND to ask pertinent questions as he has high hopes that the military would one day acquire the effectiveness and reliability in protecting the country which is, after all, in the declaration of principles and state policies of the Constitution.

As to what are considered external threats to the country, Senator Lacson cited external threats arising from the West Philippines Sea, and the influx of some foreign terrorists that would train the Abu Sayyaf Group in Sulu and Tawi-Tawi area.

Senator Gordon shared that he was just in Singapore and that he asked the same question. He said that at first, they tried to avoid mentioning the big neighbor, referring to China, but later on admitted that China is a threat. He said that Singapore, which broke up from its federation, also cited Indonesia and even Malaysia as possible threats. He said that the Philippines, even if it has a modicum of defense, need not go to war, and that it is important that there is enough time to be able to acquit in the initial conflict so that other countries

can assist later on. He then raised the need to revive the Reserve Officers' Training Corps (ROTC), saying that reservists are still poorly trained and with unfelt presence. He added that the Executive department should be encouraged to build up the military.

Asked to confirm if the current unreleased fund for modernization was at P285 billion, Senator Lacson replied that it is actually P197 billion. He also confirmed that the Philippines indeed got a Pohang-class corvette with missiles from the Republic of Korea recently.

Asked if the country needs to retire the other frigates of the Philippine Navy, Senator Lacson said there was no need to actually retire them as long as they can still be utilized and there is still a lack in vessels.

Senator Gordon then asked if the government was building its own military industrial complex since the Philippines should be making munitions like M16s. Senator Lacson answered that there are small arms such as the 9 millimeter, M16, M14, and Caliber .45.

Senator Gordon asked if there was any vision to strengthen the military because various countries have started innovating. He said that the engine of the Chinese-built Chengdu J-20 plane came from Russia, while the Japanese built their own M15s and M16s. Senator Lacson replied that it has always been a question of money, noting that only 1.5% of the minimum 2% requirement of the GDP for funding the security strategy has been allocated.

Senator Gordon stated that the Philippines should adopt the Japanese philosophy of enriching the country and strengthening the military. He cautioned that the Philippines will be the "poor cousin" of every ASEAN nation unless it takes action. He pointed out that Vietnam has a fairly large military, Singapore has more C-130s than the Philippines, Malaysia has Soviet aircraft, and Indonesia builds its own ships and vessels. He reiterated the importance of developing a philosophy to aid the military and believing that change is possible, or else the country would continue to lag behind. He even noted Israel's fighting spirit that enabled it to beat the countries surrounding it, even accumulating territory in the process. He also mentioned the Yom Kippur War to emphasize the importance of alliances.

Senator Gordon asked where the Philippines stands in terms of alliances and whether the USA, Britain, Australia or Russia would aid the country in the event of an attack. He also inquired on the possibility of China being hegemonic, as well as the possibility that it would attack Taiwan. Senator Lacson replied that the Philippines would definitely be involved if the Americans are threatened in the Asia Pacific region because of the Mutual Defense Treaty. He stated that any attack on any American warship, or any vessel like the Seventh Fleet, would definitely involve the Philippines.

Senator Gordon surmised that China would never accept the independence of Taiwan, especially in light of the recent events in Hong Kong. He added that Singapore was also nervous about the situation. However, Senator Lacson believed that the US will not abandon the Taiwan Strait.

Senator Gordon hoped that the budget of the military would eventually be increased. Senator Lacson believed that the government ought to take a hard look on its priorities, citing research and development which was not given importance since only 0.39% of the budget was allocated for it.

Senator Gordon agreed that there has to be a reassessment of capabilities, especially in research and development, as well as where to source funds to increase the allocation for the military. He expressed concern about the situation in Asia, stressing that countries should respect maritime rules and conduct. He believed that the government ought to speak up in the event that a vessel is attacked and a Filipino is part of the crew. He reiterated the importance of having a positive mindset as well as being resolute and taking action. He recalled that Indonesia sank fishing vessels interloping in their territory — 125 vessels, including 86 Vietnamese, 20 Malaysian, and 14 Filipino vessels in 2018; 51 foreign ships — 38 Vietnamese, six Malaysian, two Chinese, and one Filipino vessel in 2019. He recalled that Argentina also did the same when it fired a salvo at Chinese vessels which were intruding into their waters.

Senator Gordon hoped that the Philippine would have the capability to fight and walk its talk since every country has a right to defend itself, and doing so would make other countries such as China, respect the Philippines more. He also encouraged Senator Lacson to engage the Committee on National Defense

and Security, Peace, Unification and Reconciliation with the National Task Force in the West Philippine Sea so that the Senate would know how to provide support.

Senator Gordon believed that the budget for the military be increased, in the manner the budgets for agriculture, health and education were increased. He also proposed that incentives should not be given to the underperforming government agencies but to those agencies that can actually perform.

Asked if the Philippines could emulate Indonesia's example, Senator Lacson pointed out that Indonesia's case was different from that of the country in the sense that there is territorial dispute in the area, whereas in Indonesia, the sinking was definitely done within their territorial waters.

As regards the Chinese poachers in Palawan and their occupation of some disputed islands, Senator Lacson confirmed that the country is threatened by the Chinese occupying those islands and creating islands and airfields in the area.

Asked by Senator Gordon whether the jets that the country would be acquiring from Korea would be sufficient enough to deter enemies, Senator Lacson said that they are not equipped with missiles.

Senator Gordon expressed the need to communicate to the people that the country needs to invest in its military.

Senator Lacson said that his staff gave him a book entitled "*An Army of None*," where it is written that in modern warfare, foot soldiers are no longer necessary and that one could win a war even without a soldier.

On whether he was suggesting the abolition of the army when he said that ground troops might no longer be necessary, Senator Lacson replied in the negative, saying that the country is not yet ready for such scenario.

Senator Gordon said that he would be the first to say that ground troops are still needed. Relative thereto, he lamented the recent encounter in Maguindanao between the BIFF and the members of the Army where three soldiers died. He expressed concern that even with the reforms put in the Bangsamoro law, there might still be some terrorists

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lurking in the area. He said that he would like to be the first one to open up a beach resort in Sulu as he manifested when he was tourism secretary, believing that the best way to attract and as a way of earning the trust of the locals is to show that resources are going to be brought there.

He said that unless the insurgents such as the NPA's are finished off, the military has to help ensure that government could generate more investment activities in the areas of conflict. He said that he has gone through the philosophical arguments, such as stressing the need to have resources, the need to prepare the military, and the need to make peace in the countryside so that the assets to be used for war would otherwise be used to modernize the military. He said that he does not want to engage Senator Lacson in debate who, he believed, was quite capable of finding the money needed for the budget of the AFP.

Moving on to another matter, Senator Gordon inquired as to what has become of the captain of the Green Aura vessel which passed the vicinity of the Scarborough Shoal en route to China from Thailand. He believed that it was a reckless move on the part of the captain and he wondered if there was someone who was trying to create an incident. Senator Lacson agreed that there was recklessness, as he enjoined Senator Gordon in urging the AFP to take a look at the motive of the ship captain, or to at least find out what he was doing there.

Asked whether the frigate *Conrado Yap* was already the country's most modern vessel to date, Senator Lacson replied in the affirmative, saying that the Navy has 11 patrol vessels, namely, *Del Pilar*, *Alcaraz*, *Bonifacio*, *Rizal*, *Quezon*, *Jacinto*, *Mabini*, *Ricarte*, *Malvar*, *Salamat*, and *Pangasinan*; while the military have amphibious warfare vessels acquired from Indonesia, namely, *Tarlac*, *Davao del Sur*, *Bacolod*, *Dagupan*, *Laguna*, *Benguet*, and *Sierra Madre*.

Asked which were being used for disasters and amphibious operations, Senator Lacson said that the BRP Davao del Sur and the BRP Tarlac are being used for the purpose.

On the matter of disasters, Senator Gordon said that he was pleasantly surprised to know that Senator Lacson was against the creation of the Department of Disaster Resilience. Senator Lacson clarified that

he has reservations on the proposal because, to him, it runs counter to President Duterte's declaration in his 2017 and 2019 SONAs, emphasizing the need to rightsize the bureaucracy.

Senator Gordon believed that there was no need to reinvent the wheel, saying that the Defense Secretary is appropriate for the position under the NDRRMC, as it could coordinate all the military and even the LGUs.

Senator Lacson recalled that before he resigned as Presidential Assistant for Rehabilitation and Recovery to lead the rehabilitation of *Yolanda*-stricken provinces, his exit recommendation was to detach OCD from NDRRMC and place it under the Office of the President to give it authority. Senator Gordon acknowledged the wisdom of the recommendation.

Senator Lacson said that instead of creating a separate department, the Body should take note of Section 27 of RA 10121 which provides that within five years, or as the need arises, the Congressional Oversight Committee should revisit the law for purposes of introducing remedial legislation. He said that it could be a good compromise to the creation of a new department. He said that according to the DBM, around 700 personnel would be needed to create the Department of Disaster Resilience. He said that the Committee would be calling another hearing and he would be inviting the chair of the NDRRMC and its co-chair, the SILG.

Senator Gordon believed that there was no need to create another bureaucracy in order to save money and to funnel the funds instead to the defense or education department. He commended the military for always being present in times of disasters. He said that as part of the Red Cross for so many years, he has had the pleasure of working with the military who would lend their assets to be able to bring goods and cargo to people in disaster areas.

Senator Lacson said that he had, in fact, earlier that day personally thanked the Chief-of-Staff, General Clement, for the AFP's assistance in bringing 800 tents to Cotabato which was recently hit by earthquakes.

Asked how many C-130 aircraft are till operational, Senator Lacson lamented that out of five planes, only one is working.

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Senator Gordon said that for a country with 7,641 islands, it needs more than just one C-130. He expressed hope that the Body could find ways and means to have more military cargo planes, like a Boeing C-130, not only for disasters but also for emergencies.

Asked how much a C-130 costs, Senator Lacson said that a brand-new aircraft would cost P2 billion.

With regard to patrol crafts, Senator Gordon said that the Navy has the Andrada class and the Navarette Class. Senator Lacson said that it also has four 78-footers which are all in working condition.

Senator Gordon expressed concern about the assets of the military and the need to modernize them. Senator Lacson said that procuring brand-new equipment is the strategy.

To the information that Philippine Air Force used to have the best air maintenance in the world, Senator Lacson stated that proof of the maintenance group's capability is that all planes are still flying.

Senator Gordon narrated that when he attended the wake of General Muñoz of PMA Class 1955, he was impressed by the presence of the generals. He stated that at the wake, the generals were conducting themselves as generals, unlike the time when eight generals from the PMA testified against a fellow general. He believed that it is important to inculcate the values back to the PMA, and that while he was not calling for its abolition, the Academy should keep its traditions alive by tightening up on hazing and on its values that make for a very disciplined military.

Senator Lacson assured that the PMA alumni value the Cadet Honor Code. He recalled that when General Bautista—the DSWD Secretary—was attacked, the PMAAA closed ranks and supported him, a reminder of what one Cavalier wrote: “We close ranks when injustice is done to one of our own.” However, he said that its members also practice ostracism when it sees that one of its own violates the honor code.

Senator Gordon believed that it is important to make it known to future cadets that a PMA education is not a right but a privilege; that when they enter the Academy, they will be called cavaliers which are very honorable gentlemen who know

their profession very well. He said that the nation would be well-assured of its military and that they could be proud of their soldiers if the values and code of honor would be maintained.

INTERPELLATION OF SENATOR DELA ROSA

At the outset, Senator Dela Rosa noted that the total new appropriations of the DND was increased from P189,650,000,000 to P191,340,000,000.

As regards the P107,874,000 budget for the Enhanced Comprehensive Local Integration Program (ECLIP), Senator Dela Rosa inquired about its relation to Executive Order 70 (s. 2018) creating the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC).

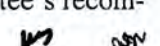
Senator Lacson explained that the ECLIP, which is handled by the DND-Office of the Secretary and overseen by Task Force *Balik-loob*, is meant to enhance the integration of rebel returnees into the mainstream.

As to the total budget for the NTF-ELCAC, Senator Lacson replied that the Senate proposed a budget of P100 million, while the DND proposed P120 million.

Asked if the Committee would be amenable to raising the budget in order to achieve its goal, Senator Lacson replied in the affirmative.

Senator Dela Rosa pointed out that if the present administration could not successfully eradicate the drug problem, at least it could end the insurgency problem during its term, regardless of whether or not they rejoin the movement after the term of the current administration. He stated that funding for the NTF-ELCAC is important because people have been aroused and organized and that there are good signs towards ending communism.

Senator Lacson clarified that Finance Subcommittee C recommended to the Committee on Finance that the amount of P399,900,000 be given to the program. However, he stated that the Committee only allowed P100 million, while the NEP earmarked P20 million. He expressed hope that during the period of amendments, the Body would find other sources to complete the subcommittee's recommendation.



Senator Dela Rosa noted that of the P107 million budget for ECLIP, P70 million would go to training and scholarship expenses for rebel returnees.

Senator Lacson clarified that along with the P70 million training expense, an additional P1.338 billion is lodged with the DILG for the NTF-ELCAC.

Asked about the programs funded under the DND budget for the deradicalization of the surrenderees. Senator Lacson stated that the program is under the ELCAC.

Senator Dela Rosa stated that given the present situation, the people have been awakened from the lies that the NPA has impressed upon them, perhaps owing to the whole-of-nation approach. He said that he has committed himself to support the end of the communist movement and hoped that many NPAs would surrender by next year with the careful synchronization of efforts by government. He said that he would support any call for additional funding for ELCAC and ECLIP, the latter used to be the *Balik-Baril* program. He recalled that when he was the provincial director of Compostela Valley, many rebels surrendered to them particularly in New Bataan. He stated that after the paper work, many were optimistic that the efforts of the surrenderees were worthwhile – some surrendering baby armalites and M203 grenade launchers. However, he said that when he followed up on the surrenderees, he learned that they returned to the mountains because the government's promise of guns-for-money did not materialize and they felt that they were fooled. He expressed hope that the ECLIP would be managed properly and that the proceeds would go to the returnees. He said that much has been at stake, lives have been sacrificed, yet the program would not be successful if the rebels get discouraged from entering the program if promises are not fulfilled. He reiterated his desire to end the problem of communism in the country by the end of the Duterte administration if the government cannot totally eradicate the drug problem.

Senator Dela Rosa recalled that when he was PNP provincial director, he ordered his men to fight back should they come under attack by the NPA and not to surrender, assuring them that he would be the first to reinforce the police ahead of the Army. He explained that the assurance was meant for the chief of police to know that they have his support.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF NATIONAL DEFENSE AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of National Defense, along with the Office of the Secretary, Government Arsenal, National Defense College of the Philippines, Office of the Civil Defense, Philippine Veterans Memorial Affairs Office (PVAO), Veterans Memorial Medical Center, Armed Forces of the Philippines—particularly the Philippine Army, Philippine Air Force, Philippine Navy, the General Headquarters of the AFP, and AFP-Wide Service Support Units, were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 3:30 p.m.

RESUMPTION OF SESSION

At 3:36 p.m., the session was resumed.

REQUEST OF SENATOR ZUBIRI

Senator Zubiri requested the Secretariat to inform the Securities and Exchange Commission to come back to the Senate within the day to answer a few questions from Senator Tolentino.

DEPARTMENT OF FINANCE- OFFICE OF THE SECRETARY, BUREAU OF TREASURY AND INSURANCE COMMISSION

(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration of the budget of the Department of Finance-Office of the Secretary, Bureau of Treasury and Insurance Commission.

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

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INTERPELLATION OF SENATOR PANGILINAN

As background, Senator Pangilinan recalled that during the September 25, 2019 hearing of the subcommittee of the Committee on Finance on the budget of the Department of Finance (DOF), he raised some questions regarding the status and amounts collected by the Bureau of Customs (BOC) on the tariffs drawn from rice imports, and he was told that rice tariffs would be collected by September 30. He said that Joint Resolution No. 2, which was primarily referred to the Committee on Finance, and secondarily referred to the Committee on Agriculture, Food and Agrarian Reform, was about authorizing the use of the RCEF as provided in the Unprogrammed Appropriations of the 2019 GAA, and the use of the BOC's tariff collections from imported rice, as well as other possible sources, as special emergency fund for direct cash transfers to farmers. He said that in the course of the hearing, Secretary Dominguez expressed his support to the proposal to provide direct cash assistance to the rice farmers.

Senator Pangilinan explained that the Rice Tariffication Law provides for cash assistance but with provisions that: (1) it has to be in excess of the P10 billion collected; and (2) that the excess will be allocated for several forms of assistance, one of which is rice assistance, which would be made available in 2020. He narrated that when Secretary Dominguez called him to get his sense of the proposal to give cash assistance, he replied that it was necessary, and that, in fact, one of the recommendations of the PIDS when it proposed the transfer from a quantitative regime to a rice tariffication regime, was that apart from mechanization support, hybrid rice seedlings support and extension support, cash assistance is critical. He said that the Secretary informed him that the direct cash assistance was actually tackled during a Cabinet meeting in Malacañang, and that there was the inclination to provide the cash assistance immediately to the rice farmers because they are bearing the brunt of the drop in palay prices. He said that during a meeting with representatives from the Office of the Secretary of Finance, they even came up with some proposals.

Relative thereto, Senator Pangilinan asked on the fund requirement of the DOF's proposed unconditional cash transfer. Senator Angara replied that there were some differences of opinion as to the legality of the proposal: the Rice Tariffication Law provides that only the excess of the P10-billion collection

could be used but it should be contained in the following year's appropriations; on the other hand, the LBRMO opined that it can be done by placing a special provision in the GAA so that by January 1, 2020, the intended assistance to the farmers could be given already, considering that the DA has already told the farmers that the assistance is forthcoming.

Senator Angara explained that the DOF's view based on the DBM's opinion was that they can use the Unprogrammed Fund of 2019 but the problem, according to the LBRMO, was that there was no listing for such item in the 2019 Unprogrammed Fund. Another possibility, he said, is placing a special provision in the budget, since there was an excess of P1.4 billion of the P10 billion collection, so that by January 1, 2020, the money could be released to the farmers.

Senator Pangilinan believed that the DOF was willing to release P3 billion on December 2019, but subject to an appropriation cover. Senator Angara said that taking the cash assistance from the savings as a realignment could be done but not from the Unprogrammed Fund because it is not in the listing for 2019.

Senator Pangilinan asked how the cash assistance could be released in December 2019 if it was not in the listing of the 2019 Unprogrammed Fund. Senator Angara suggested that they request DOF Secretary Dominguez and DBM Secretary Avisado to ask the President to realign it as savings so it could be given out.

Senator Pangilinan opined that the proposal of the DOF was that they have P6 billion available and it would be released in two tranches: first, in December 2019; and second, on the first quarter of 2020. Senator Angara said that he has no objection to it.

With such scheme, Senator Pangilinan said that the DOF still needs the appropriation cover which should be addressed. He said that based on the timetable of the deliberation on the budget, the Body could actually pass the budget on Third Reading by the last week of November which gives the Members three weeks in December to enact a law that would authorize the release of P3 billion by December and the other P3 billion by January 2020.

On the question of whether the item on Unprogrammed Fund could be utilized to justify the release

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of sums of money, Senator Drilon cautioned that they should be very careful about it because if it was not found in the Unprogrammed Fund portion, it means that there was no item in the appropriation which could be transferred. He said that given the way the present Supreme Court interprets the Constitution, his advice was to be very careful and take heed of the LBRMO's view that the Unprogrammed Fund could not be used to justify the release for the reason that it was not included in the listing.

Senator Angara said that the LBRMO, through Attorney Doblon, said that there was an item called "Support for Infrastructure Projects and Social Programs" under the Unprogrammed Appropriations, in the amount of P8,072,000,000, which shall be used for infrastructure and social programs such as, but not limited to, the following: payment of premiums and related expenses to ensure government against natural human induced calamities; modernization and capacity; fuel subsidy; and Siargao Airport. He noted that it was not an exclusive listing so that interpreting it widely, it could be used as an appropriations cover.

Senator Drilon said that he was just placing on record his caution because the Body that day was just confronted with a Supreme Court decision which voided the use of a joint resolution to amend a law. He said that the decision might not be squarely applicable to the situation, but it indicates the thinking of the Supreme Court when it comes to legalities of fund disbursement where a constitutional provision is cited.

Senator Pangilinan suggested that one option would be to pass a supplemental budget in the last two weeks of December.

Senator Angara stated that he would pose no objection to whatever course of action would be taken as long as it is agreed upon in the Chamber.

Senator Pangilinan added that the joint resolution allowing for the use of funds could gain more ground if it would be supported by Malacañang by asking the President to certify the resolution as urgent, and therefore, can be passed as early as the last week of November.

Senator Angara agreed with Senator Pangilinan even as he lauded the manifestation of Senator Drilon, which was the reason the proposed joint

resolution to extend the validity of the 2019 budget was converted to a bill. He said that the Lower House was also advised to do the same because all the legalities should be covered.

Asked by Senator Recto whether his proposal for an additional item in the unprogrammed appropriations in the amount of P10 billion for utilization of excise tariff and revenues from rice importation was included in the committee report, Senator Angara replied that it was the item he was citing, and would become the legal cover come January 1 if the budget would be passed on time.

Senator Recto suggested that a supplemental budget could be passed and the recently approved law on the institutionalization of the 4Ps, which he authored and sponsored by Senator De Lima, could be used as legal cover since the priority of the 4Ps law are the farmers and fishermen.

Senator Angara said that he would check the 2019 General Appropriations Act to make sure if the 4Ps law could be an option. He stated that the suggestion of Senator Recto as regards the 4Ps law was the first point raised by Senator Drilon.

Senator Recto explained that the 4Ps law could be an option because it is a line item which can be augmented if savings are available. He opined that the proposal was better as compared to stretching the term "unprogrammed" because it could be abused in the future.

For his part, Senator Angara reiterated his call to respect whatever decision the Chamber could agree upon.

As regards the issue of giving cash transfers to farmers, Senator Recto stated that the average age of farmers today is 59 years old and they will turn 60 after one year, which means they would already be getting pension if they were working in government or private institutions. He said that the additional benefit that they would get from the Rice Tariffication Law would be like a pension for them.

Senator Pangilinan explained that the joint resolution was still pending with the Committee on Finance. He said that if Committee could be guided by the discussions if it should decide to come up with a committee report and transform it into a bill.

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Asked by Senator Pangilinan whether P3 billion can be made available in December and another P3 billion in the first quarter of the year for the direct cash assistance, Senator Angara replied that according to Undersecretary Beltran, the cash is available and that the only problem is how it could be legally availed of.

Asked by Senator Pangilinan who are and how many farmers would be beneficiaries, how the farmers would avail of the assistance, and how the first tranche and the second tranche would be distributed, Senator Angara explained that according to the DOF, there is a registry system for basic sectors on agriculture, which includes a list of rice farmers planting at most one hectare. He added that the intended beneficiaries which are scattered in different provinces numbered to 416,972 rice farmers who also experienced an income loss of at least P2 per kilo. He said that the farmer-beneficiaries are the most vulnerable and they would be the ones prioritized.

As regards the estimated amount the beneficiaries would be receiving, Senator Angara replied that the assistance would range between P6,000 to P22,000 depending on the scheme adopted and that there were three options being considered: the first option is to give P6,000 to each farmer based on the fixed formula of P1.52 per kilo compensation; the second option is that each farmer will get a compensation equivalent to the average price fall in his respective province, which ranges from around P2 to P5.6 per kilo; and the third option, all farmers will get a fixed P3.15 per kilo compensation.

As to whether the Committee already considered the options, Senator Angara replied that Senators Pangilinan and Villar, being experts on agriculture, would be consulted.

Senator Lacson shared the concern raised by Senator Drilon, pointing out Section 13 of the Rice Tariffication Law, to wit: "The excess tariff revenue shall be earmarked by Congress and included in the General Appropriations Act of the following year."

Asked by Senator Lacson how the excess tariff collection in 2019 would be used when the law is explicit that Congress would earmark the excess tariff for the GAA the following year, 2020, Senator Pangilinan replied that the proposal of the Secretary of the DOF was that the funds would not be taken from the tariff.

Senator Angara explained that the provision of the law that was pointed out by Senator Lacson was clear: proceeds of the Rice Tariffication Fund of the current year could be utilized only for the following year but he disclosed that as conveyed by the National Treasurer, the cash in the amount of P6 billion does not come from rice tariffication.

Senator Pangilinan said that former Agriculture Secretary and presently Finance Secretary Sonny Dominguez understands the demands and the plight of the rice farmers affected directly by the drop in *palay* prices, that was why the direct cash transfer was proposed to address such concern. He believed that the Finance department was willing to allocate the said amounts to be taken from savings and not from the excess tariffs, and, therefore, a supplemental budget would be necessary.

However, Senator Angara relayed to the Body a reminder from LBRMO head, Atty. Yolly Doblón, that if the option would be to enact a supplemental budget, the appropriate bill must originate in the House of Representatives.

Senator Pangilinan expressed hope that the Secretary of Finance and the DOF would inform the House of Representatives through the House Committee on Appropriations.

Senator Angara said that the Senate leadership could also relay the information to the Lower House as he gave his assurance that the Committee on Finance was ready to facilitate the process to help the rice farmers.

Senator Pangilinan stressed the urgency of the matter especially that Christmas time is coming so that the farmers could appreciate the amount, particularly that more expenses are expected by that time. He lamented that considering that the farmers have lost billions collectively as a sector, or P2 per kilo as computed, the amounts in terms of half-a-million farmers losing P2 per kilo of *palay* from their pockets year-on-year could already reach billions. Thus, he stated that for the farmers, the cash assistance that they would be receiving would be a big help to them. He believed that the Department of Finance and the Department of Agriculture have determined a mechanism wherein the most vulnerable are the ones who would receive the assistance as early as December for the first tranche and by the first quarter of next year for the second tranche.

He said that he would monitor the development of the initiative along with the support of the chairpersons of the Committee on Finance and of the Committee on Agriculture, Food and Agrarian Reform, to ease the burden of the farmers this December and to give compensation for their losses.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF FINANCE- OFFICE OF THE SECRETARY AND THE BUREAU OF TREASURY

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the Department of Finance-Office of the Secretary and the Bureau of the Treasury were deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan requested Senator Angara, the Secretary of Finance, and the Department of Finance to have the measure certified as urgent so that it can be released on time in December.

Senator Angara replied that he would ask Secretary Dominguez to do so.

INSURANCE COMMISSION

Senator Angara presented the budget of the Insurance Commission.

SUBMISSION OF THE BUDGET OF THE INSURANCE COMMISSION

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Insurance Commission was deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR ANGARA

Senator Angara asked whether a member of the Body wanted to recall the budget of the Securities and Exchange Commission (SEC) so that the budget of the whole Department of Finance can be submitted.

Senator Zubiri stated that he had requested the Secretariat through the LBRMO to advise the SEC to come back.

METRO MANILA DEVELOPMENT AUTHORITY

Senator Angara presented the budget of the Metro Manila Development Authority (MMDA).

INTERPELLATION OF SENATOR TOLENTINO

Senator Tolentino assumed that Senator Angara was already familiar with the newly crafted law creating the Department of Housing, as he was one of the sponsors. He said that he would be asking questions to clarify and delineate the functions of the newly created Department of Housing vis-a-vis the MMDA, which also has a function that has something to do with urban planning but which has been misunderstood by the people. In particular, he reminded the Body of Republic Act No. 7924 of 1995 which put the MMDA in charge of urban planning and urban renewal for the entire National Capital Region, and whose function includes "formulation, adoption, implementation of policy standards, rules and regulations relative to urban growth and expansion." Asked how much was allocated for the MMDA to perform such function, Senator Angara replied that it was P4.1 billion.

Senator Tolentino recalled that during his time as MMDA chair, and with only P980 million at its disposal, MMDA was able to perform its mandate including traffic management, flood control, and urban planning. He stated that since the MMDA was now given a bigger budget, much was expected of it, even as he acknowledged that the problem with the current MMDA is not just the overlapping of functions with other agencies but also with the newly created Department of Human Settlements and Urban Development which shares similar functions. However, he maintained that even if there is a new law, a general law that created the department, the MMDA's charter, being a specific and special law, should prevail; thus, for purposes of traffic management, for instance, the MMDA should prevail over the LGUs of Metro Manila. He reiterated the need for the MMDA to be more assertive in exercising traffic management.

Senator Angara agreed with the opinion of Senator Tolentino, which he found more palatable,

legally and practically speaking, because with LGUs having their own traffic ordinances, motorists would get confused. But he also noted the complaint of MMDA of not having coercive powers over the mayors. Senator Tolentino disagreed, stressing that the law was clear on the transport and traffic management functions of the MMDA. He then read the metro-wide functions of the MMDA, as follows: “Administration, implementation of all traffic enforcement operations, traffic engineering services, and traffic education programs, including the institution of a single ticketing system in Metro Manila.”

Asked on the allocation for traffic management, Senator Angara said that the item “Metropolitan Manila Traffic Management Program” in the MMDA budget carries an appropriation of approximately P1.03 billion for 2020.

Senator Tolentino lamented that while traffic management is a very important function of the MMDA, the disbursement rate over appropriation of MMDA was just 1.75% in 2017; 9.91% in 2018; and less than 10% in 2019.

Senator Angara said that although the MMDA agreed on the need to fast-track their disbursement rate, they found it quite hard to do so for some of the larger projects. He clarified that the MMDA was not making excuses and that one of the reasons for their low disbursements was that when the new chair came in, there was a transition period, the reason why they took some time to bid out on large projects.

Noting the 9.91% disbursement rate in 2018, Senator Tolentino asked if the low rate means that the traffic system, signal system, and signal lights, among others, are currently more than sufficient as to necessitate further refurbishment and upgrading. Senator Angara replied that the improvement of the traffic system—the installation of traffic lights and lines—is ongoing and that they would further endeavor to improve traffic management.

Asked on the total number of intersections in Metro Manila, including the small streets traversing CAMANAVA, Senator Angara replied that the MMDA is in charge of seven national roads while the inner roads are supervised by the LGUs.

Senator Tolentino asked if the vast functions of the MMDA under Republic Act No. 7924 include the provision of a mass transport system. For instance,

he asked if the MMDA is allowed to operate its own subway, LRT, MRT, and point-to-point bus terminal system. Senator Angara replied in the affirmative.

That being the case, Senator Tolentino questioned why the MMDA has been relegated to the role of being a traffic enforcer when they have the power to operate their own mass transport system in areas such as C5 or Sucat, Senator Angara believed that the said function overlaps with the DOTr’s mandate.

Senator Tolentino averred that similar to its urban planning function, the MMDA’s other functions that are part of the 2020 budget, such as the provision of mass transport system, have been forgotten because the agency concentrated more on EDSA.

Saying that the MMDA actually has seven mandates, Senator Angara disclosed that the Committee has tried to help the MMDA by providing additional funds for the Pasig River Ferry Service.

Senator Tolentino believed that the agency must be equipped with the necessary wherewithal in terms of resources to be able to perform their mandate. At the same time, he maintained that the MMDA must exert and assert their functions. For instance, as part of its urban planning function, he urged the agency to clean up Metro Manila of visual pollution, citing the billboards indiscriminately spread out along EDSA.

Senator Tolentino believed that the MMDA could do more, such as pursuing the Metro Manila Greenprint 2030 which he, Senator Gatchalian, former Makati City Mayor Jun Jun Binay, and former Quezon City Mayor Herbert Bautista conceptualized with the help of professors and consultants from the University of Chicago that aimed to serve as pathway for Metro Manila’s Urban Renewal. Asked if the concept was still being considered, Senator Angara replied that the agency has an existing greening program with a budget amounting to P50 million for 2020. However, he surmised that the program was not on the scale that Senator Tolentino has envisioned to be similar to what had been done in Singapore and in Shanghai where there are major packets of green all over the city.

Senator Tolentino clarified that the Metro Manila Greenprint has nothing to do with tree planting but a blueprint for Metro Manila to become a liveable and sustainable metropolis by 2030. He asked the MMDA to dig their files and locate the document signed by

all Metro Manila mayors plan. Senator Angara said that the MMDA pledged to retrieve the document and that he had asked them to consult with Senator Gatchalian who just came from Singapore attending to a similar concern.

Senator Tolentino again urged the MMDA to not give up and to try to resuscitate itself by looking at its seven mandates provided by R.A. No. 7924, the enormous funds at their disposal, and the national government that is willing to support them. He also hoped for the provision for a mass transit system coming from the MMDA and not from the DOTr; for an urban renewal coming from the MMDA and not from the Department of Human Settlements and Urban Development; for a viable flood control plan coming from the MMDA and not from the DPWH; and for the other mandates currently being undertaken by the MMDA. He congratulated the chair of the MMDA as he acknowledged the functions and the hard work that the agency is exerting.

As regards the hazard pay for the street sweepers who are at risk for pulmonary and respiratory diseases, Senator Tolentino said that for the first time, the street sweepers will have it, in the amount of P200 million for 2020. Saying that much is expected of the MMDA, he asked the MMDA to provide the Committee, even before the implementation of the 2020 budget, a brief outline of what their plans are for the next two-and-a-half years. Senator Angara assured that he would be provided with a copy.

INTERPELLATION OF SENATOR DRILON

At the outset, Senator Drilon shared Senator Tolentino's dissatisfaction at how EDSA looks today. He said that by provision of the Local Government Code, the power to grant licenses to install billboards was lodged to LGUs, but looking at how EDSA looks today would give the conclusion that the power exercised by the local government was not what it should be.

Asked if under the law cited by Senator Tolentino, the MMDA can assert its power to regulate billboards on EDSA, Senator Angara confirmed that during the time of Chairman Lim's predecessor, a MOA was signed between MMDA and DPWH which gave the power to regulate billboards to DPWH. Asked what the role of the LGUs was when they should be the one granting permits, Senator Angara clarified that it is still the LGUs that grant the building permit.

Senator Tolentino clarified that the memorandum of agreement between MMDA and a certain unit of the DPWH in charge of billboards regulation was still in effect except that there were no guidelines on who would be in charge because what the MMDA has at present is a self-policing mechanism envisioned by the Advertising Board of the Philippines Incorporated (ADBOARD), an association of private advertising groups concerning billboards. Agreeing with Senator Drilon's impression that EDSA was converted into a billboard avenue, he believed that while traffic could not be immediately solved, EDSA must be cleared of visual blight and clutter to bring about a more aesthetic main thoroughfare in Metro Manila.

Asked to whom the power to regulate the size of billboards was lodged, Senator Angara said that the power was jointly exercised by the MMDA, LGUs, and DPWH. He said that since the LGUs issue building permits, they also possess some degree of power over the billboards.

Asked what would enable the MMDA and DPWH to exercise their power to regulate if the MOA would be terminated to avoid finger-pointing, Senator Tolentino recalled that under the National Building Code, the power to regulate billboards was originally lodged with the DPWH until a MOA was entered into by the two agencies, thereby transferring the function to MMDA insofar as Metro Manila is concerned, but multiple suits were filed thereafter by private advertising organizations. Pursuant to the MOA, he said that the MMDA has the right to regulate the 100-meter distance between billboards; the correct size and content which must not have lewd photos; and the lumens (lm) of lighting to avoid distraction among drivers and road accidents.

Senator Drilon stated that if the MMDA has the power to regulate, as a matter of traffic management and public safety it could even instruct that billboards should not be installed within 50 meters from the center of the road so that it would not interfere with, obstruct, and distract the riding public.

Relative to the transfer of billboards, Senator Angara disclosed that when MMDA moved some of the billboards, multiple suits were filed against them and injunctions were ordered. Asked what allegations were stated in the complaint as basis of the injunction, Senator Angara explained that the plaintiffs alleged that the MMDA violated their contracts to place the billboards at a certain space, and while they allowed

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the billboards to be moved, MMDA has to pay for the costs of transfer. Accordingly, Senator Drilon expressed willingness in supporting the appropriation of funds for the MMDA so that the billboards would be transferred because public interest is involved.

Senator Angara opined that Congress should enact a law since the National Building Code and the MMDA Charter were not sufficient enough to exercise regulatory powers over the billboards. Asked if MMDA would implement and use its political will to remove the billboards in case a law was passed banning the billboards within 50 meters from the center, Senator Angara replied in the affirmative, saying that it was within the police power of Congress to enact such law.

Senator Drilon averred that the court's issuance of an injunction on the ground that the private billboard advertiser's income would be affected was abhorrent because public interest was involved. He said that as legislators, they have the social responsibility to provide better traffic management and proper billboard installation.

Senator Angara noted that the billboard industry is a huge business, recalling that he was offered P500,000 per month for one billboard during the electoral campaign. Senator Drilon hoped that the present chairman of the MMDA could suggest what legislation would be necessary to ensure that public interest prevails over the selfishly motivated activities of advertisers.

As he assumed that the MMDA would study the suggestion made by Senator Drilon, Senator Angara also recommended the bill filed by Senator Gatchalian when he was still in the House of Representatives which seeks to regulate the content of billboards.

INTERPELLATION OF SENATOR RECTO

Asked by Senator Recto how much was the budget of MMDA, Senator Angara stated that under the Senate version, the MMDA budget was P4.778 billion, while in the NEP, P4.1 billion. He said that the House of Representatives added P500 million while the Senate added P160 million for a total of P660 million.

On whether it was the total budget of the MMDA, Senator Angara replied in the negative, saying that the MMDA has other internal income.

Asked how much was the total consolidated budget of the MMDA, Senator Angara stated that the total MMDA budget inclusive of internal funds would be P8.85 billion.

Adverting to MMDA's seven functions under its charter, Senator Recto noted that the department was basically spending on three main programs which, according to Senator Angara, were traffic, flood control, and solid waste management.

Senator Angara said that of the P8.85-billion budget allocated to it, the MMDA spends approximately P2.5 billion on traffic management, P1.4 billion of which was allocated for traffic personnel; and P4.2 billion for solid waste management, which includes a "tipping fee" which is paid the private entity that owns the landfill.

Asked where the landfills were located, Senator Angara said that there are four landfills for Metro Manila wastes: one in Navotas, two in Rizal, and one in Clark.

Asked if garbage from provinces could be brought to the landfills dedicated for Metro Manila, Senator Angara stressed that the MMDA only pays for Metro Manila LGUs, although sometimes those landfills were shared with others.

To the statement that the reason MMDA was only given P4.2 billion from the national budget was that the LGUs give them money to pay the landfill, Senator Angara replied in the affirmative, saying that only P3.5 billion was contributed by the LGUs for the landfill and since they were spending more than what they collect, the national government was subsidizing P600,000,000.

Regarding the items covered by flood control, Senator Angara explained that these consist of pumping stations, drainage improvement, and maintenance of flood control systems. To the concern that the budget spent for these might be duplicated in the DPWH budget considering that flood control in Metro Manila is also under DPWH, Senator Angara assured that there was no overlapping because the MMDA does not construct but only maintains the system.

Asked how much the MMDA spends for the maintenance of pumping stations, Senator Angara said that it is about P1.38 billion. He said that the allocation for traffic management is P2.4 billion to P2.5 billion.

Senator Recto noted that in MMDA's spending priorities in the order of importance are waste management, traffic management, and flood control, aside from its four other functions.

Asked to cite the four other functions, Senator Angara said that under the law are development planning and urban renewal zoning, land use planning, health sanitation, urban protection and pollution control, and the fourth is public safety. Senator Recto supposed that the most important function of the four is development planning.

Senator Recto asked how much the MMDA is spending for all the four functions which, he said, are almost negligible as he surmised that it has all been used up. Senator Angara said that he would get the figures.

Asked if the MMDA functions like a regional government, Senator Angara answered in the affirmative, saying that "subdivision" is a term used under the Philippine Constitution.

Asked if the MMDA is like the Tokyo Metropolitan Government in Japan which is administratively divided into 23 wards as well as cities, towns and villages that constitute the whole Tokyo Metropolis, Senator Angara agreed, but he pointed out that the MMDA has no police power.

Senator Recto said that like the MMDA, the Tokyo Metropolitan Government also performs more in development planning, urban renewal zoning, and land use plan, as he observed that there seemed to be a mismatch when it comes to the mandate of the MMDA. Senator Angara said that the MMDA has forgotten its other mandates and lacks focus when it comes to performing its other mandates. Senator Recto agreed, citing, in particular, its zoning and land use planning.

Asked to confirm if the cities and municipalities in the provinces are supposed to submit all their zoning plans to the provincial government to determine their land use plan, Senator Angara confirmed, but he clarified that the LGUs in Metro Manila do not submit their zoning plans to the MMDA.

Senator Recto concluded that the problems of Metro Manila would never be solved unless they solve the structure and mandate of MMDA. Senator Angara agreed, saying that the LGUs would simply

be separate kingdoms with shared problems but without having shared solutions.

Senator Recto said there is a structural system wherein the MMDA chairman could probably, in the future, be like the governor of Metro Manila. Senator Angara said that he has often heard of the suggestion that there should be a governor for the National Capital Region.

Senator Recto said that he would want to understand the functions of the MMDA because it appears that based on its budget, it is only spending on the three functions of traffic, waste, and flood. He said that he would be consulting with the former MMDA Chairman Senator Tolentino in drafting a bill that would establish something like the Tokyo Metropolitan Government which is akin to a development authority.

MANIFESTATION OF SENATOR GATCHALIAN

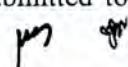
Saying that the MMDA is in a no-win situation, with a P4 billion budget, Senator Gatchalian acknowledged the difficult challenges the agency faces when it comes to solving the traffic problem, the flooding, and the non-stop throwing of garbage in the streets as it manages close to 13 million inhabitants of Metro Manila. Added to that, he said, is dealing with 17 kingdoms with 17 kings and queens, referring to the mayors of 17 LGUs under it.

Senator Gatchalian commended the MMDA management for taking responsibility of a really difficult job even with meager resources. He said that he could identify with the hardships being himself a former mayor of Valenzuela City.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri recalled that the very first speech he delivered in the 17th Congress was about inclusive mobility as he wished people could walk or jog in elevated walkways in EDSA. Noting that the project was unfunded, he then asked the permission of the Body to add a budget for the MMDA for the said walkways, even P500 million to jumpstart it.

Senator Angara stated that it was a good idea except that there was no such plan so far submitted to DOTr or DPWH. Senator Zubiri said that it was the MMDA that approached him and submitted to him a plan.



Senator Zubiri noted that the DOTr has been too majestic in its plan of having the walkway go over and above EDSA which would cost P30 billion or P40 billion, even up to P100 billion when what is actually needed is an elevated walkway similar to that of Makati City's. He reiterated that the Body could already include an appropriation for such a project in the year's budget.

SUBMISSION OF THE BUDGET OF THE METRO MANILA DEVELOPMENT AUTHORITY

Upon motion of Senator Zubiri, there being no objection, the budget of the Metro Manila Development Authority was deemed submitted for consideration of the Body.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 5:00 p.m.

RESUMPTION OF SESSION

At 5:04 p.m., the session was resumed.

DEPARTMENT OF AGRICULTURE

Senator Villar presented the budget of the Department of Agriculture and its attached agencies.

INTERPELLATION OF SENATOR PANGILINAN

Primarily, Senator Pangilinan stated that as raised during the committee hearings, he would like to get the figures right regarding the income of farmers because when DA Secretary William Dar was appointed, one of his first public pronouncements was that he would double the farmers' income within a period of five years.

Asked what was the average benchmark income of farmers in terms of agricultural incomes. Senator Villar replied that for a farmer's family income, it is P4,500 a month, or merely a little more than P50,000 a year. She said that coconut farmers, on the other hand, earn less, at P1,500 a month or around P18,000 a year. The problem with coconut farmers, she said, was that they rely on raw coconut for their income

when they actually should be doing intercropping which could earn them an additional P10,000 a month. However, she admitted that the government has failed to encourage intercropping. She added that if the farmers go into processing of coconut products like coco sugar and coco water, they would earn even more. She disclosed that the DA intends to teach farmers how to earn more.

At this juncture, Senate President Sotto relinquished the Chair to Senate President Pro Tempore Recto.

Senator Pangilinan said that he also did some computations when he was chairman of the board of the Philippine Coconut Authority. He said that he included value adding such as coco coir, virgin coconut oil and coco sugar which could increase the income of the farmer from P18,000 a year to actually P200,000 a year.

Senator Villar said that farmers could even do dairy under the coconut tree and she went on to cite other options for the coconut industry, such as replanting new seedlings that could triple the production of coconut, 40 nuts to 150 nuts per tree per year.

Adverting to the Rice Competitiveness Enhancement Fund (RCEF), Senator Pangilinan raised some concerns about how the money was being spent. He said that over the weekend, he monitored a news report in ABS-CBN, a documentary regarding the DA and farm machineries in Regions V, VI, VII, and VIII under the Rice Mechanization and Post-harvest Development Program, which must be the rice program and not the RCEF. Senator Villar confirmed that there was also a rice program with a fund of P7 billion in addition to the P10 billion RCEF.

Senator Pangilinan said that for the record, it was mentioned in the documentary that there was a farmers' group led by a certain Nelda Briones of Alangalang, Leyte that received a mobile rice mill worth P800,000 and a rice thresher worth P130,000, both of which, however, were defective; a floating tiller and hand tractor, each worth P130,000, that needed to be reconfigured and was problematic in terms of size and weight. He added that there was also a defective rice reaper given to CBS2P Irrigators Association in Leyte worth P140,000. He then asked what actions would be taken with regard to these defective equipment as additional machineries are set

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to be distributed. Senator Villar pointed out that the funding for those machineries was taken from the regular rice program of the Department of Agriculture and not from the RCEF. Nevertheless, she assured the Body that the DA will audit procurements for the last five years and that the Secretary has promised that the audit would be completed in four months.

On the rice tariffication measure, Senator Pangilinan noted that the Department of Finance was setting aside P6 billion as direct cash assistance for farmers. Senator Villar explained that the funding would come from their internal generation and not from RCEF and would be made available by December. She added that the supplemental budget would be RCEF because, pursuant to the law, a budget needs to be prepared before the earnings beyond P10 billion could be spent.

Senator Pangilinan pointed out that the separate supplemental budget for direct cash assistance for rice farmers should emanate from the House of Representatives. He hoped that the President would certify as urgent the passage of the supplemental budget so that cash assistance would be made available by December. He recalled the DOF proposal for the cash assistance to be released in two tranches, the second of which would be given the following year as compensation for losses due to the drop of *palay* prices.

INTERPELLATION OF SENATE PRESIDENT SOTTO

Asked by Senate President Sotto if the Department of Agriculture gave farm machineries to the farmers of Region VIII and if it was aware that the recipients were not able to use the said farm machineries, or there was a necessity for them to modify it, Senator Villar answered in the affirmative, adding that it was part of the rice program in the previous years. She said that the DA would make a report after auditing the procurement for the last five years since the purchase was not part of the RCEF. She informed the Body that the DA has a new agency, the Bureau of Agriculture and Fisheries Engineering (BAFE) at the national level, and the Regional Agriculture Engineering Division at the regional level, tasked to oversee the planning and implementation of mechanization activities as well as enforce standards and other regulations relative to mechanization.

At this juncture, Senator Lacson expressed hope that the audit would not stop on the audit itself, as it was disappointing to see farmers suffering on account of mismanagement and corrupt practices. He also urged the DA secretary to file necessary cases once the audit is completed.

Asked who was in charge of procuring the defective machineries, Senator Villar stated that the funds were downloaded to the regional offices which, in turn, procured the machines.

Asked how much was disbursed, Senator Villar explained that P25 million of the P7 billion annual budget for the rice program went to mechanization. She said that the DA would include in its report the initial count of the defective machines that should be pulled out.

Asked by Senate President Sotto whether she was aware that such a practice was prevalent in Region VIII, Senator Villar replied that it could be as she assured that the DA would investigate, pull out and repair the equipment, as well as question the suppliers. She noted that the RCEF provides for a centralized procurement by the PhilMech.

Asked how much Region VIII spent for these mechanisms, Senator Villar said that Region VIII spent P8.5 million for eight farm machineries in the previous year, with each machinery worth P1 million. Asked how much was allotted for the rice program in the 2020 budget, she said that P23 million has been set aside for the purpose.

Senate President Sotto hoped that the DA secretary would closely monitor the procurement of the farm machineries and he requested the agency to submit a report to the Committee.

To reports that the DA gave *palay* dryers to NFA even if the latter did not request for them, and that the machines were never used and were left lying idle, Senator Villar believed that the *palay* dryers could have been utilized. She said that while the NFA did not buy *palay* because of the high moisture content, it ought to do so for the sake of the farmers and use the dryers as well. She confirmed that the DA gave *palay* dryers to the NFA but there was no acceptance on the part of the latter. Senate President Sotto asked where the *palay* dryers are if the NFA did not receive them. He expressed hope that the DA would do something about the issues which he raised.

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Senator Villar assured Senate President Sotto that the Committee would exercise its oversight functions so that it could make the appropriate reforms in the DA. She requested Senate President Sotto to submit to the Committee a background of the other underlying issues which he did not want to discuss at the moment.

INTERPELLATION OF SENATOR LACSON

Asked by Senator Lacson on the status of implementation of RA 11203 (Rice Tariffication Act), Senator Villar believed that the law would benefit the farmers in the long run because government would be distributing machines, seeds, and fertilizers to them. She said that she was expecting the farmers to be able to produce rice at a lesser cost two years after the implementation of the law because mechanization would bring down the cost of palay by P3.40 per kilo and the inbred rice seeds would bring up their harvest by 50% from which they would be getting additional profit.

Asked on the lessons learned in terms of the advantages and disadvantages in implementing RA 11203, Senator Villar said that the implementation was delayed because the national budget was passed late. She said that the DOF gave the DA P5 billion in December in anticipation of the passage of the Rice Competitiveness Enhancement Fund (RCEF) Law, but the DA claimed that it was not for RCEF so they spent it on some other activities. She said that the DBM has maintained that the money was for RCEF.

On whether she was saying that it was too early to talk about lessons learned as regards the implementation of RA 11203, Senator Villar replied in the affirmative. She said that it would take at least two years to determine the result because the farmers have yet to receive their machines and to learn machination. As regards inbred seeds, she said that it would still take a while for them to grow.

To Senator Lacson's observation that it was better to talk about the weaknesses of the law this early, Senator Villar replied there would always be "birth pains," and it would take some time before the farmers could feel the result of the reforms. She admitted that during the initial implementation of the law, when rice importation was allowed, there was an oversupply of rice which, consequently, brought down the price of palay. It was for this reason, she said, that the farmers are given financial assistance to soften the blow of the importation.

On the matter of the sanitary and phytosanitary import clearance (SPSIC), Senator Lacson said that rice enters the country freely but that, sometimes, it is already at the ports when the importation permit is applied for. He said that he was raising the issue to discuss how such practice could be corrected, as he lamented that some imported rice entered the country even if a permit has not been issued yet. He said that the importers apply for a permit only when the rice is already at the port, a practice that defeats the purpose of the SPSIC.

Senator Villar said that she has discussed the matter with the Agriculture Secretary who assured her that the agency knows the volume of importation that should be allowed to enter the country to cover for the difference between rice consumption and rice production. She said that all countries, even those with liberal policies on rice importation, issue a phytosanitary clearance and other permits to protect their local farmers.

Senator Lacson affirmed that the SPSIC prevents the spread of pests and disease-carrying organisms because it serves as a control system. However, he observed that the situation seemed to have become worse instead of helping the farmers considering that 1,304,187 metric tons of rice have arrived in the country while the SPSI clearance issued were only 3,115 metric tons. He asked how the 1.3 million tons of rice were able to reach the country without an SPSIC.

In reply, Senator Villar revealed that 3,010 SPSICs were issued for 2.6 million metric tons total volume of imported rice, of which the volume that arrived as of November 8 was equivalent to 1,726 SPSICs.

Asked by Senator Lacson whether there have been any rice imports that arrived in the country without any permits being issued, Senator Villar suspected that those rice imports which have entered into the country without any permit might have been smuggled.

On a related matter, Senator Lacson asked Senator Villar to walk through the procedure and requirements in connection with rice importation.

Replying thereto, Senator Villar enumerated the following steps to be undertaken as regards rice importation:

- For initial registration and renewal of importers – notarized application form with ID picture, mayor's permit, proof of business establishment;
- For corporations – Security and Exchange Commission (SEC) registration; Articles of Incorporation and By-laws;
- For cooperatives – Cooperative Development Authority (CDA) registration; Articles of Cooperation;
- For single proprietorship – DTI registration;
- For PEZA Special Economic Zones – PEZA registration.

She said that the other requirements to be submitted online are the proof of ownership, physical sketch, 5R pictures and updated and current registration with the Bureau of Customs, special power of attorney, and annual income tax return with audited financial statement.

Senator Lacson said that according to the law, once the application is filed, it should be acted upon, approved or disapproved within seven days, and if the processing exceeds the seven-day period, the said application is deemed approved. He doubted if the seven day-period was sufficient to act on a complete application. Relative thereto, he asked whether the issuance of the SPSIC was delegated to the regional directors. Senator Villar said that it is a function of the Bureau of Plant Industry-Central Office.

Asked whether seven days are sufficient to process the application, Senator Villar said that if all the papers are complete, seven days are sufficient.

Senator Lacson adverted to Section 5 on the issuance of Sanitary and Phytosanitary Import Clearance for rice for the sole purpose of insuring good safety. He said that the provision provided for "automatic approval of the SPSIC applied for within seven (7) days after submission of the complete requirements."

Senator Villar opined that it would be difficult to approve the phytosanitary permit because the processors could always say that the residue levels are not safe, and that since the approval requires technical expertise and capacity, they could always invoke that the imports are defective. She stressed that there is no such thing as an automatic approval.

Senator Lacson said that if the aforementioned provision of the law is impossible or difficult to implement, it might be better to amend it.

Senator Villar said that the government should not make it easy for the rice importers in order to protect the Filipino farmers. She said that if government would want to help the local farmers, one way would be to make it difficult for the rice importers to get a phytosanitary permit or clearance.

Senator Lacson reiterated the phrase "automatic approval" in the provision of the law. Senator Villar stressed that it is within the discretion of the DA whether or not to issue the phytosanitary permit if the rice importers are able to comply with the requirements. She said that the provision on the automatic approval of the SPIC within seven days was lifted from RA 11032 or the Ease of Doing Business Act, and she believed that the phrase "automatic approval" should not have been used.

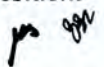
As regards the suggestion that the IRR be revised to ensure a correct implementation of the law, Senator Villar opined that the IRR has a different take on the same.

At this juncture, Senate President Pro Tempore Recto stated that he understood the provision to mean that the BPI could issue the SPSIC when all the required documents are submitted or withhold the clearance until the importer presents the required documents.

Senator Lacson clarified that Section 5 was worded in such a way that the BPI could not disapprove the clearance in any way because of the phrase "automatic approval." He said that if the importer is not informed of its deficiency, his SPSIC application would be deemed automatically approved within seven days. He believed that the IRR should be revised to clarify how the provision should be interpreted.

As regards the excess tariff, Senator Villar informed the Body that as of November 8, 2019, the projected excess of P10 billion would be P1.5 billion instead of the P15 billion that was reported in the newspapers. She stated that the DOF has agreed to give P6 billion cash assistance while the Agricultural Credit Policy Council (ACPC) would give P2.5 billion as sure aid.

At this juncture, Senate President Pro Tempore Recto relinquished the Chair to Senate President Sotto.



Senator Lacson then asked the DA what are the priority programs that would be funded by the excess tariff which they should submit to Congress. In this regard, he said that Section 13 of RA 11203 states that the "Rice Fund shall be allocated and disbursed to rice producing areas, as follows: (a) Rice Farm Machineries and Equipment – Fifty percent (50%); (b) Rice Seed Development Propagation and Promotion – Thirty percent (30%); (c) Expanded Rice Credit Assistance – Ten percent (10%); and (d) Rice Extension Services – Ten percent (10%)."

Senator Villar stated that the DA wanted to earmark P1.5 billion in excess of the P10 billion to crop diversification and P2 billion to crop insurance.

As regards the excess fund, Senate President Pro Tempore Recto recalled that he was the proponent of the amendment that the excess funds should be allocated for crop insurance, crop diversification, titling and financial assistance.

Senator Lacson stressed that time is of the essence since farmers currently do not have the capacity to be competitive. He said that time might come when no more lands would be tilled because help did not come on time.

Senator Villar admitted that even though her Committee wanted to expedite passage of the joint resolution to give cash assistance to the farmers, the Supreme Court had ruled against it and the President did not certify the measure, resulting in more delays. Moreover, she said that the Supreme Court also ruled that there should be bidding for the purchase of machineries.

Senator Lacson reiterated that the DA should learn from its previous experience of having acquired defective equipment in order to avoid a repeat of the anomaly. Moreover, he urged DA and Congress to go after those who cheated the people and the government not only by doing an audit but by filing charges against those who profited from the deal.

Senator Villar hoped that Secretary Dar would go around the country, and check whether the equipment purchased through the DA are working.

Senator Lacson expressed confidence in Secretary Dar's capability to head the DA, saying that he would just await the result of the investigation. He also urged the Senate to take action and expose the

wrongdoings that went into the implementation of the rice tariffication law.

Senator Villar promised that the Department would conduct an inquiry into what happened to the RCEF especially that 50% goes to farm machineries and equipment.

INTERPELLATION OF SENATOR TOLENTINO

Preliminarily, Senator Tolentino said that he had a chance to discuss the psychological effects of the African Swine Fever (ASF) with Secretary Dar. He said that ASF not only affects the local hog raisers, backyard producers and 90,000 farmers but even fisherfolk since people have shifted their consumption from pork to fish. He inquired whether there was a fish shortage and if the Bureau of Fisheries and Aquatic Resources was prepared to meet the demands of the public especially during the Christmas season.

Senator Villar replied that the fish supply was sufficient, and more people prefer raising chicken than breeding fish because poultry are fully grown within a month. She said that the DA was not worried of a possible food shortage and that the hog raisers even requested the DA to avoid importing pork because the ASF originated from imported meat. She assured the Body that there are enough hogs that are ASF-free since only 0.5% was culled out of the 10.7 million hogs in the country.

Senator Tolentino noted that the BFAR budget allocation was P5.9 billion but there was no specific item for the modernization of the fishing industry which is actually one of the mandates of the Philippine Fisheries Code. He noted that only P71.49 million was set aside for research and development, capture fisheries program, and aquaculture subprogram, among others. He then inquired how the Code could be complied with if there was nothing in the budget that supports it and the DA claimed that there was a projected 3% growth in 2020 for fish production.

Senator Villar informed the Body that the total budget of the BFAR was P5.9 billion, P2.445 billion of which would go to programs and projects that would help the industry, among which are post-harvest facilities; market development services; locally and foreign-assisted projects as Coastal Resource Management or the *Malinis at Masaganang Karagatan* or MMK, which involves water cleanup; and fisheries extension program and training.

Senator Tolentino observed that the projects of the agency are considered to cover the broad definition of modernization, insofar as the fisheries industry is concerned, since it also concerns other programs aside from equipment purchases, post-harvest facilities and new technologies. Senator Villar added that the private sector plays a big role in the fishing industry, citing the sardines industry in Zamboanga City, and the tuna industry in General Santos City.

Asked why for the current year and next year, the BFAR is focusing on aquaculture and not on open-sea fishing, given that the Philippines has the fifth longest shoreline in the world next to Indonesia, and its fishing grounds are seven times bigger than the land territory, Senator Villar replied that the United Nations' Food and Agricultural Organization predicted that by 2050, all fish would be gone because of plastic pollution so the people would have to rely on aquaculture for marine resources. She disclosed that 20 years ago, the share of aquaculture was only 30% while capture fisheries was 70%; at present, the ratio is 50:50, so that by 2022, capture fisheries would be 30% and aquaculture, 70%; by 2050, capture fisheries would be zero, while aquaculture is 100% because of the mismanagement of the coastal resources.

Senator Villar said that she has provided the DENR with waste plastic recycling factory for all cities and provinces in the Philippines to stop the plastics from going into the ocean which have been hurting the fishing industry. She said that based on a U.S. study, the three biggest plastic polluters in the oceans are China, followed by Indonesia and the Philippines. She hoped that every citizen would participate in ecological solid waste management so that the marine resources would be preserved, and the grim prediction would not happen. She also underscored the need to teach aquaculture so that by 2050, the country would have enough fish supply.

Asked whether the priority of the DA, through the BFAR, is to concentrate only on aquaculture, Senator Villar replied that it is not to concentrate but to balance both aquaculture and capture fisheries.

Senator Tolentino said that he raised the aquaculture issue because records would show that there were more than 927,000 capture-fishing fishermen as against 209,000 aquaculture fishermen. He said that the capture-fishing fishermen, usually from Mindoro, Palawan and Navotas, who go to the open sea, have

more families relying on them than those who are engaged in aquaculture.

Saying that both aquaculture and capture fisheries should be taken care of by government, Senator Tolentino asked what would happen to the almost one million capture-fishing fishermen if they are not given the right attention by BFAR. Senator Villar explained that with the implementation of the closed fishing season program of the BFAR in order to preserve the marine resources, the fisherfolk are given other sources of income. She said that closed season is an important measure so that the fish species would have time to breed freely and recover its population so that when it is over, there would be more fish to catch resulting in higher profits for the fishermen.

To the concern that foreign fishermen might fish in the Philippines during closed season. Senator Villar replied that a law has been passed to prevent, deter, and eliminate illegal, unreported, and unregulated (IUU) fishing in the country's waters.

Relative thereto, Senator Tolentino said that records would show that the last time the BFAR produced a record of the total allowable catch (TAC) was in 2014 or 2015 but thereafter, the agency has no report yet on TAC and maximum sustainable yield (MSY) even if it is required by law to report every year. He asked why there was no report yet considering that such records would be the gauge used to determine whether the country is self-sufficient in terms of marine resources. Senator Villar replied that the BFAR has a National Stock Assessment Program which determines the MSY for the 12 fisheries management areas. She said that Senator Tolentino would be given the report in the middle of 2020.

Senator Tolentino opined that since the BFAR does not have a database yet on how many fish stocks could be captured in a given fishing season, there would be no record on which to base the sufficiency of fish in the country. Senator Villar then read the latest data of BFAR for 2017, similar to the 2019 report, as follows: milkfish, 100%; round scad, 98.5%; tilapia, 99.9%; tuna, 83.3%; shrimps and prawns, 113.14%; crabs, 140%; and oysters, 101%.

Senator Tolentino said that he could not believe the assurance of BFAR that the country would be able to achieve 90.55% fish sufficiency by 2020 since they have no record on which to base the TAC and MSY. He then informed the Body of the current

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meeting of the World Trade Organization involving the BFAR. He said that the deadline of the discussions on fisheries subsidies among the member-countries of the WTO would be in December 2019. He said that since he was only able to attend a brief session with some BFAR personnel, he did not know what else transpired during the meeting. He then asked what the BFAR committed to the WTO as regards fisheries subsidies. Senator Villar replied that the BFAR did not commit anything to the WTO as it would encourage overfishing. Senator Tolentino, however, noted that the fishermen of other countries, like Malaysia, Vietnam and China, were given fisheries subsidies to the detriment of the Filipino fisherfolk. In reply, Senator Villar said that those fishermen are banned from entering Philippines municipal waters and could only fish in international waters.

Senator Villar said that since the country agreed and passed the Illegal, Unreported, and Unregulated Fishing (IUUF) Enforcement Act of 2015, the Philippines was allowed to export fish to the European Union (EU) and has gained GSP+ status which allowed 6,000 of the country's products to enter EU free of tariff. She disclosed that the Philippines was issued a "yellow card" before for failing to curb IUUF and in six months was even issued a "red card" for showing unsatisfactory progress. She reiterated that the country has gained the GSP+ status because of its implementation of the IUUF Enforcement Act of 2015.

Senator Tolentino stated that he wanted to highlight the importance of BFAR as an agency with a vast array of functions including foreign policy-making since they are attending the WTO meetings which would include quasi-coastguard function.

He likewise informed the Body that the Philippines is a founding member of the Asia-Pacific Fishery Commission (APFIC) which was established on November 9, 1948 in Baguio City. He said that similar to WTO, BFAR has been representing the country in the commission. He feared that the country might be delisted from such important organization since BFAR has not been paying the participation fee of P1,000 per year for several years already. Senator Villar replied that the BFAR had thought that the DFA would be paying for such fee. However, she said the bureau would pay it if it is their obligation.

Asked on the status of the program of the BFAR to build 300 fish cages to encourage mariculture as a means to increase fish production within the next

three to five years. Senator Villar replied that it is the program of former DA Secretary Piñol to establish 300 fish cages in every region nationwide.

Noting that the program is a good model but investors need money for its funding, Senator Villar suggested the availing of the P4 billion loan of the government through the Land Bank of the Philippines under its Agricultural Competitiveness Enhancement Fund (ACEF), with only a 2% interest rate per annum.

Asked on the status of the FishCORAL livelihood project, for which the amount of P313 million was released in 2018, Senator Villar replied that the project is ongoing. She then instructed Atty. Tabios to furnish Senator Tolentino with a copy of the progress report on the project.

Senator Tolentino revealed that there was report from the fisheries sector that was validated by the PIDS that the country has a bright spot in the fishing industry sector. He said that some people would even be surprised that the BARMM tops in aquaculture production at 27% of the total production in the country. He said that the area referred to was Bulusan Lake and Liguasan Marsh both in Maguindanao — home to tilapia, catfish, mudfish, and several fish cages and fish pens. He asked why the proposed 2020 General Appropriations Act does not contain any budget support for BARMM. He assumed that the Department of Agriculture and the Bureau of Fisheries and Aquatic Resources would point out that BARMM would get a portion from the P70 billion block grant lodged in the two agencies, but he stressed that BARMM should be supported starting from its infancy stage. He asked that a BARMM department under the Secretary of Agriculture be created because it was only BARMM that made a mark in the aquaculture industry in the previous year.

Asked if there are moves on the part of the Department of Agriculture to shepherd the BARMM authorities considering that the program is new, Senator Villar replied that BFAR provides scholarships for BARMM aside from providing fingerlings and technical expertise. She added that a budget of P70 billion has been allotted for BARMM to be divided among five provinces, each province getting P14 billion annually. She opined that the allocation is big for a province as she surmised that many provinces in Luzon are earning an annual income of P14 billion

or more. She suggested that technical assistance be provided to BARMM.

Senator Tolentino said that the program is very significant especially to the people of BARMM since fish, which is halal, is a major component of their nutritional dietary consumption requirements.

MANIFESTATION OF SENATOR MARCOS

Senator Marcos asked the chair of the Committee on Agriculture and the Secretary of Agriculture to support her measure, Senate Bill No. 884, for the young farmers' challenge to be realized. She stated that by 2030, it was predicted that there would be no more young farmers coming into the countryside to till the soil and produce food, which would result in a very serious food crisis, and she stressed the importance of providing access to land, capital, information technology, markets, including online supplies, as well as to specialized farming areas, and expanding farm tourism. She expressed hope that the DA and the DBM would acknowledge the crisis that is currently prevailing in agriculture and could only worsen over the next decade. She also hoped that the ATI, which is currently in charge of the 4H Club, would be more aggressive and emphatic in their efforts to bring the young farmers back to farming.

Relative thereto, Senator Marcos lamented the failure to coordinate the efforts of the DA, DAR, DENR, and NCIP which has taken a great toll on the access of young farmers to land as they basically have to await the death of their parents before getting any land to till, which is not very inspiring for anyone who has ambitions in agriculture. She also pointed out that CHED and TESDA, even with the institution of the K-12, still have to unite their thoughts on what technologies are needed for the agriculture sector.

She likewise underscored the need to give greater attention to efforts towards encouraging the young to engage in farming especially since their number is small. For this purpose, she urged the government to encourage the younger generation to venture into farming and, most especially, maintain constant consultation with them.

Senator Villar stated that she would want to see the passage of the Farm Tourism Law to bring the youth back to the farms, as what happened in Taiwan. She expressed optimism that the youth would want to

work in a tourist farm which, at the same time, could be made into a farm school and vocational-agricultural school which could be very attractive to the youth. She believed that starting them young is the right decision, noting that the average age of farmer in the Philippines is 57. She stated that the farm school could start with the 4H Club and ATI.

She recalled a student she met when she was invited as guest in the Association of Family Farm School in France who owns 100 hectares of land and who also studied in a farm school. She said that the student inherited the land from his parents because he was left with his parents while his siblings went to the city, with one eventually becoming a lawyer and another an accountant. She said that the attitude exhibited by the young farmer should be emulated. She said that one of the siblings should inherit the land to make sure that there is someone left to till it without them fighting against each other for sole ownership. She added the need to instill in the minds of the young to value the land because time will come when they would reap the benefits from it.

Senator Villar further narrated that when she asked the young French farmer how many were employed in his farm, he told her that his farm is fully mechanized, and that he himself maintains the farm equipment. She said that it is important for the young to study in farm schools to enable them to improve their farm technology and knowledge in mechanization, and to instill in them the right practices for the farm to prosper. Senator Marcos agreed, as she stressed the need to push the idea among the youth. She also supported the idea of Senator Villar to give the youth a parcel of land that they are going to till even if they are still in high school, or studying in TESDA, where they could already learn the basics of agriculture and farming. She said that closer coordination should also be developed between DAR, DENR and NCIP which she observed to be lacking.

At this point, Senator Villar revealed that the ATI has a "farm business school."

Senator Marcos suggested that as early as the K-12 level, the youth should already start learning, as she noted that nothing about farming is being taught in the K-12 level. Thus, she reiterated the need for CHED, TESDA, and DEPED as well as the DA to coordinate with each other to include modules in farm technology. Noting how some people



keep on complaining about the youth not having any interest in farming, she said that they do not realize the reason for their lack of interest to till the land because the educational system is not making any effort to introduce matters related to it. Most of all, she suggested to encourage the youth and ask them what they want or what was lacking in the educational system. She believed that many of the young have interest in farming but could not afford to put up a big farm. However, she said that the youth could start small by acting as farm tour guides.

Senator Marcos stated that she and her province mates in Ilocos Norte share the same fear that they would not be able to hand down to the next generations the farming traditions because the youth are not showing interest in it.

Senator Villar revealed that according to the Secretary of Agriculture, there would be a convergence of initiatives of different agencies, namely, DA, DAR, DNR, DTI, DOST, and DILG.

MANIFESTATION OF SENATOR RECTO

Senator Recto expressed his support for the budget of the Department of Agriculture. He said that he had the opportunity to speak to the Secretary earlier as well as consult with the chair of the Committee of Agriculture as regards certain amendments in the budget of DA. He said that at the appropriate time, he would introduce amendments for the Body's approval.

INTERPELLATION OF SENATOR ZUBIRI

Senator Zubiri said that his favorite industry is the sugar industry, with his province Bukidnon and Negros being the original biggest producers of sugar. He said that he was able to get a positive response from Secretary Dominguez about his appeal during the budget deliberation of the DOF the previous day to give the sugar industry a chance to propose a formula so that import liberalization programs would not be needed anymore. He expressed hope that the Secretary would put on hold his plan to push for an all-out liberalized sugar importation program. He assured his full commitment to the Finance Secretary, to the NEDA, and to the entire finance team to help come up with formula in place of import liberalization. He said that he would consult with all stakeholders in the sugar industry, including the producers, the millers, stakeholders and the end-users.

Senator Zubiri recalled that the Chamber passed a resolution which was unanimously signed by 22 senators. He added that although Senators De Lima and Lapid, the latter on official mission at the time the measure was passed, were unable to sign, both expressed support to the said measure. He said that Agriculture Secretary Dar already has enough problems, such as the issue on ASF and rice, so that they would want to help him with the issue on sugar, particularly its planned liberalization program.

Acknowledging the presence in the gallery of Mr. Hermenegildo R. Serafica, the current SRA administrator, Senator Zubiri stressed the need to implement SIDA and asked for the DA's commitment to help the farmers.

Senator Villar said that the Agriculture Secretary has given the assurance that his agency will pursue the development of the sugar industry for the farmers to be more productive, competitive, and profitable. She believed that the reason why they are not competitive was that it was so cheap to import and that the price of their product is high. Likewise, she noted that although the SRA is given P2 billion a year from the Sugar Industry Development Fund, their budget has decreased because they failed to spend; for instance, the P2 billion in the first year became P1.5 billion in following year, reduced to P1 billion in the third year, and further decreased to P500 million in the fourth year. She added that the unspent funds go to LandBank which farmers could avail of in terms of loans, and the funds will all be spent on infrastructure.

Noting that the budget for infrastructure is P1 billion, Senator Villar opined that they should spend infrastructure given that sugar-producing provinces would like to be able to construct farm-to-mill-roads every year. Moreover, she averred that the SRA could be liable because when they were given the authority to import, they issued import permit to traders instead of giving them to food processors, resulting in the increase in the price of sugar. She revealed that the angry food processors were the ones who exerted pressure on the DOF to liberalize.

Senator Zubiri opined that there should be a package or a formula that would benefit food processors instead of the well-off traders. Likewise, he suggested that the SRA give the food processors like Coca-Cola or Pepsi-Cola the allocation and let them choose the trader that they are going to deal

with, the trader that can offer them the lowest price. He cautioned that the purpose will be defeated if they buy sugar from SRA-accredited traders whose price is very high.

He said that the SRA could also write the USDA given that there is an allocation to the United States of about 105,000 metric tons sold at half the price. In fact, he said that the farmers are willing to sell their product to food processors at a discount so that instead of resorting to importation, they would only use the allocation if there is shortage in production.

As to whether Congress has to pass a law in order to do it, Senator Zubiri clarified that there is no need for such law and that all the SRA has to do is to write the USDA telling them that there would be a shortage of sugar in the Philippines as what Ms. Gina Martin and other SRA administrators did when the country was hit by El Niño.

Senator Zubiri also mentioned the suggestion of Secretary Dominguez for the country to do what Thailand and Brazil are doing. He agreed to the suggestion which, in fact, he himself has been espousing for a long time in many of the summits in Cebu or in PHILSUTECH conventions. He explained that the secret of Thailand is that instead of quedaning, they do cane purchase wherein the mill will buy tons of sugar cane from farmers. Through this system, he believed that the sugar farmers would be encouraged to increase their production even more because they will sell their produce per ton and that all they would do afterwards is to wait for the purity of sugar.

Asked how they could change the system in the country, Senator Zubiri said that they have to discuss it with the millers because some of them and even the sugar associations do not like the idea.

Similar to Thailand, Senator Zubiri related that when he went to India to visit a sugar mill, he found out that India also do cane purchase instead of the quedan system that is being done in the Philippines. He added that India has three products from the cane: one tube for cogeneration facility wherein the trash called bagasse becomes biomass electricity under cogen; another tube for the juice from the sugarcane production; and a third tube for the ethanol production for their biofuels. He said that higher prices, therefore, are paid to farmers for canes.

Senator Villar suggested amending the SIDA law so that the P2 billion budget could be used to invest in the said system. Senator Zubiri agreed, suggesting as well that they go to Thailand on January. However, he stated that they have to first connect with the stakeholders, given the resistance among them. Saying that the country has been using an old system that has been around for hundred years, he urged for the shift to a system that is considered by other countries as one of the best practices that made their sugar industry successful but needs capital investment. He cautioned that if they do not innovate, the Philippine industry will crash.

Senator Zubiri likewise expressed support to the earlier suggestion of Senator Villar to amend the SIDA law so that they could invest in the needed facilities and to visit Thailand in the near future. He said that as a U.P. alumnus and an agriculturist himself, he does not want the sector to be left behind. He expressed high hopes that Secretary Dar who took over the helm of the DA would do what India has done, and encouraged him and SRA administrator Serafica to stand firm on their ground and oppose the planned sugar liberalization because they have to be the industry champions.

Reiterating his support to the plans and programs and the budget of the Department of Agriculture, Senator Zubiri asked that the Chamber be informed if they could add more funds to the DA.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF AGRICULTURE AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Agriculture, along with the Office of the Secretary, the Agriculture Credit Policy Council, the Bureau of Fisheries and Aquatic Resources, the Fertilizer and Pesticide Authority, the National Fisheries Research and Development Institute, the National Meat Inspection Service, the Philippine Carabao Center, the Philippine Center for Post-Harvest Development and Mechanization, the Philippine Council for Agriculture and Fisheries, the Philippine Fiber Industry Development Authority, the National Dairy Authority, the National Food Authority, the Philippine Coconut Authority, the Philippine Crop Insurance Corporation, the Philippine Fisheries Development Authority, the Philippine Rice Research Institute, and the Sugar Regulatory

Administration, were deemed submitted for Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 7:02 p.m.

RESUMPTION OF SESSION

At 7:07 p.m., the session was resumed.

NATIONAL IRRIGATION ADMINISTRATION

Senator Villar presented the budget of the National Irrigation Administration (NIA).

INQUIRY OF SENATE PRESIDENT SOTTO

Senate President Sotto asked from Senator Villar or from the leadership of NIA, their comment on a COA finding that there were numerous contracts and projects entered into by the NIA administration that incurred significant delays owing to the unsatisfactory performance of the contractors, among others. He questioned why the contractors were not imposed with liquidated damages despite huge slippage in their contracts involving billions worth of projects which were not terminated.

Asked what the agency has done to the erring contractors, Senator Villar stated that the setback was due to the delayed release of the budget that when the contractors were about to start, they had to suspend the projects because the rainy season came in. She noted that out of 293 projects, 234 have been completed, 37 are ongoing, and 22 contractors were blacklisted.

Senate President Sotto then asked for the submission of the agency's answer to COA, the list of contractors who were suspended or terminated, and the list of the ongoing projects. Senator Villar acceded.

SUBMISSION OF THE BUDGET OF THE NATIONAL IRRIGATION ADMINISTRATION

There being no further interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the National Irrigation Administration was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 7:13 p.m.

RESUMPTION OF SESSION

At 7:13 p.m., the session was resumed.

SUBMISSION OF THE BUDGET OF THE NATIONAL DISASTER RISK REDUCTION AND MANAGEMENT FUND

There being no further interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the National Disaster Risk Reduction and Management Fund was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 7:14 p.m.

RESUMPTION OF SESSION

At 7:16 p.m., the session was resumed.

Upon resumption, the Chair recognized Senator Angara to sponsor the budget of the Securities and Exchange Commission.

SECURITIES AND EXCHANGE COMMISSION

Senator Angara stated that there was no budgetary item for SEC although they originally had a P550 million budget. He said that pursuant to the newly-enacted Revised Corporation Code, the SEC was given the power to retain its income such that aside from its P2.2 billion collections, it is also entitled to retain P100 million under the Securities Regulation Code.

INTERPELLATION OF SENATOR TOLENTINO

At the outset, Senator Tolentino said that his clarificatory questions have something to do with the

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previous communications emanating from Securities and Exchange Commission. He mentioned about a letter from the SEC Commissioner dated October 1, 2019, addressed to Senate President Sotto regarding the P550 million housing emergency financial funds emanating from the Securities and Exchange Commission, and another letter of the same date addressed to the Speaker of the House of Representatives agreeing to transfer the amount of P550,681,000 to the newly-created Department of Human Settlements and Urban Development (DHSUD) and waiving the use of the said amount that has been allocated for it in the NEP. He asked if the said commitment with DHSUD still holds. He explained that the purpose of his inquiry is for administrative efficiency, and to give more significance to the thrust that all housing funds should be transferred to the housing department.

Asked on the rationale for SEC administering a housing fund considering that it is not its core competency, Senator Angara clarified that the amount was not meant for a housing program but that it was DBM that advised the SEC to endorse the amount to the housing agencies.

Asked if there was no objection on the part of the SEC to transfer the amount of P550 million to the newly-created DHSUD, Senator Angara replied in the affirmative, saying that it was the SEC's preference to lodge it to the housing agencies.

As regards the purpose of an emergency financial assistance fund for housing beneficiaries to be provided by SEC, Senator Angara emphasized that the funds transferred to DHSUD would no longer be needed by SEC, the reason why there was no objection on their part.

Thereupon, Senator Tolentino made an omnibus manifestation that other housing components lodged in various departments, notably the DOTr and DSWD which have housing programs, and the Pasig River Authority which does not have one, should be transferred to DHSUD because it has the primary responsibility of providing and addressing the 6.5 million housing backlog.

Senator Tolentino stated that he would continue subjecting other departments to budgetary plenary scrutiny and would always invoke DHSUD's primary responsibility to provide and implement housing projects.

While he has no objection to Senator Tolentino's manifestation regarding the transfer of funds, Senator Angara believed that the vice chairpersons of the housing subcommittees must be consulted as a matter of process, specifically Senators Villar, Marcos, and Gatchalian.

Senator Tolentino thanked Senator Angara and the SEC Commissioner for their replies to his queries.

SUBMISSION OF THE BUDGET OF THE SECURITIES AND EXCHANGE COMMISSION

There being no further interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Securities and Exchange Commission was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 7:58 p.m.

RESUMPTION OF SESSION

At 7:50 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF THE BUDGET OF THE DPWH

Upon motion of Senator Zubiri, there being no objection, the Body suspended the consideration of the budget of the Department of Public Works and Highways (DPWH) and their budgetary support to government corporations until the next day.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended until 10 o'clock in the morning of the following day.

It was 7:52 p.m.

RESUMPTION OF SESSION

At 10:14 a.m., Thursday, November 14, 2019, the session was resumed with Senate President Sotto presiding.

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DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

Senator Angara presented the budget of the Department of Public Works and Highways and its attached agencies.

INTERPELLATION OF SENATOR LACSON

At the outset, Senator Lacson informed the Body that House Deputy Speaker Villafuerte had claimed in a television interview the previous day that a P500-million appropriation for a project described as "Kennon Road" was a case of typographical error, and later on, corrected himself, saying that he was referring to a P15-million project request in Cagayan Province. He then questioned how Mr. Villafuerte would have that information as those items were originally found in the National Expenditure Program submitted by Malacañang to Congress after the President's SONA in July, adopted by the House, and transmitted to the Senate.

Senator Lacson stated that crafting the National Budget can never be guesswork and has to be studied painstakingly and scrutinized diligently. He added that it takes a lot of hard work and even passion on the part of the senators and their staff before they can even understand what the National Budget is all about.

Senator Lacson recalled raising certain issues during the budget hearings and asked for an update from the DPWH such as the P400 million Sariaya Bypass Road project, which had previously been suspended. Senator Angara replied that the project was no longer suspended but was ongoing and would be completed in the first quarter of 2020.

Senator Lacson also asked whether the right-of-way (ROW) issues on the road widening of primary roads in Ormoc-Baybay-Southern Leyte boundary roads had been settled considering that the 18.09% target accomplishment for 2018 had been exceeded after a reported actual physical accomplishment of 27.65%. Senator Angara replied that the project was ongoing and would be completed by the second half of 2020. He stated that he would ask the department to submit reports on the specific projects enumerated by Senator Lacson such as the bypass and diversion roads in Cagayan de Oro with a P374 million allocation; the Maramag-Maradugao Road Junction, Lampanusan

Road Extension in Bukidnon with a P200 million budget; and the Batangas City-San Pascual-Bauan Road, including ROW. Regarding the Cagayan de Oro project, he said that the only issue was one house — the land had already been bought but the price of the house was still under negotiation. He stated that the ROW issue on the house in Batangas had been settled, with that portion set to be completed by February.

As regards the Central Office allocation of 65.6% versus the regional allocations of 34.5%, Senator Lacson noted the discrepancy in the engineering and administrative overhead (EAO) expenses — 3.5% for Central Office, 2.5% for regional offices, and 2% for the district engineering offices. Senator Angara said that the DPWH found it useful for the Central Office to augment its existing MOOE, even though a bulk of the funding is also downloaded to the regions. Senator Lacson recalled the statement of Assistant Secretary Palafox that the funds should be lodged in the Central Office for proper monitoring since these are downloaded to the regions eventually. However, he cited a COA observation on the EAO, to wit:

"Unrelated expenses charged against Engineering Administrative Overhead (EAO), P106 million.

12. Various expenditures with aggregate amount of P106,605,643.64 which are not directly related to the preconstruction and implementation of the projects, were charged against EAO funds contrary to the Special Provision No. 13 of the General Appropriations Act of 2018."

Senator Lacson noted that clearly the EAO cannot be used to augment the MOOE in the Central Office. Instead, he suggested that the fund be allocated to the regional or district offices to save on EAO. Senator Angara said that the department was willing to study the suggestion and that they would work with COA on this matter. Senator Lacson said that the Central Office could regularly monitor the regional offices to know which ones are efficient.

Regarding the issue raised by Deputy Speaker Villafuerte on the Kennon Road project with a P507 million allocation, Senator Lacson asked why no description was included. Senator Angara replied that it was probably an oversight on the part of the agency but that there was actually a breakdown of the amount.

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Senator Lacson noted that the issue really, as pointed out earlier by Senator Drilon, was that the DPWH was not aware that a project under their agency was inserted in the NEP because the submissions were made by legislators, and he questioned how that project could be efficiently implemented. Unfortunately for the DPWH, he said that the agency would be blamed if they are found to have substantial unused appropriations. Senator Angara explained that the items had not yet been validated when the NEP was prepared but that these had undergone validation. He said that the department would be submitting the "ERRATA" which would include the description and breakdown of the vague items.

Senator Lacson expressed concern that there might be double appropriations, like the Kennon Road item with P507 million allocation and another Kennon Road project with details on the station with P76 million allocation. He presumed that the smaller allocation had been included in the bigger one. Senator Angara explained that the two items for Kennon Road pertain to different sections, the specifics of which would be submitted later.

Asked if there were RDC CAR-endorsed projects included in the NEP, Senator Angara answered in the affirmative. But Senator Lacson recalled that during the interpellation on the General Principles, they were told that only 25% of the submissions of the RDCs were adopted by the national government, prompting him to point out the disconnect between the needs and priorities in the national budget itself. Thus, he said that there is reason to believe that RDC-endorsed projects were not carried in the DPWH budget.

Senator Angara confirmed that 20% of RDC-endorsed projects were carried in the 2020 DPWH budget, which, to him, was quite low compared to some agencies which reached as high as 60% – 100%. He further clarified that outside of the 20% which emanated from the RDCs, the DPWH also sought the approval of the RDCs.

To the comment that items funded in the GAA would go to unutilized funds if these are unutilized by the LGUs, Senator Angara clarified that if the items did not carry the approval of the RDC, they would not be included in the GAA.

Senator Lacson pointed out that it would be better if the local development plans from the LGUs

are submitted to the RDC before they are adopted by the national government. Senator Angara agreed, saying that before he proposes a project in the budget, he himself ensures that it was locally approved consistent with the ruling in the PDAF case that there is violation of local autonomy if there is no consultation. He then requested the department to come up with some concrete proposals along with a list of the RDC projects.

Senator Lacson noted that congressmen, being part of the local development councils, can participate in debates and shepherd their projects in the House of Representatives. That way, he said that the project choice would not be made on a whim. Senator Angara remarked that ideally, that should be the correct procedure. He said that he would ask the DPWH to go down to the ground level and see where improvements could be made, perhaps by giving the list to the congressmen to see their proposals.

Senator Lacson said that another item which he discovered referred to the rehabilitation, reconstruction, upgrading of damaged paved roads bearing only the name Manila North Road, formerly known as McArthur Highway. He inquired which part of Manila North Road was being referred to that would cost P150 million and what engineering district would implement it since the project covers Caloocan to Ilocos Norte.

Senator Angara said that the project is located in Region III and that the regional office there has already placed an "ERRATA" on the project to indicate that it should be "Manila North Rd. K44 + 500 - K48 + 572, K50 + 328, K50 + 700."

Similarly, Senator Lacson pointed out that another stretch, Jose Abad Santos Avenue. (JASA), costing P156.6 million, supposedly located in Region III, but he asked which specific part in Region III. Senator Angara replied that according to the DPWH, the stretch covers Gapan, Nueva Ecija to San Fernando, Pampanga.

Senator Lacson clarified that he was looking at projects and not on who the district representatives are, in order to be objective.

As regards another project in Quezon City in the amount of P276,711,000 and another one in Taguig City, with an amount of P315 million, both of which were described very vaguely as various roads, Senator

Angara said that the projects mentioned by Senator Lacson were all included in the "ERRATA" to be issued by the DPWH.

Asked by Senator Lacson how many pages in the GAA that were devoted to DPWH, Senator Angara said that it was probably close to 160 to 200 pages. Senator Lacson said that if per project would indicate an *errata*, the pages of the DPWH budget alone would probably reach 1,000 pages.

Again, Senator Lacson underscored that even before the NEP, everything should have been planned, identified and pinpointed, and the *errata*, he pointed out, was reflective of poor planning. He said that he was not blaming the department because some of the projects were not even theirs, to begin with but were merely submitted to them.

Senator Angara acknowledged that indeed a lot of projects were just handed over to them but he assured that the agency took time to validate the information given to them and that planning takes time. At this point, Senator Angara showed Senator Lacson a thick document with the *errata*.

Senator Lacson went on to enumerate several other projects in Region 1 which were not properly identified:

- Construction of bridges, Vintar, Ilocos Norte, P500,000;
- Construction of roads, Bacarra, Ilocos Norte, P1,680,000;
- Construction of roads, Balakad, Ilocos Norte, P500,000;
- Concreting of roads, Urdaneta, Pangasinan, P10 million;
- Construction of roads, Pasuquin, Ilocos Norte, P1,970,000;
- Piddig, Ilocos Norte, P1,580,000;
- Sarrat, Ilocos Norte, P1,530,000;
- Vintar, Ilocos Norte, P1,980,000;
- Concreting of roads, San Nicolas, Pangasinan, P12 million;
- Construction of roads, San Nicolas, Pangasinan, P4 million.

Senator Angara explained that according to the DPWH, local roads do not have station limits, the reason why the agency has to validate the information.

Senator Lacson maintained that if all local roads are downloaded to the local governments and they are capacitated to lead in the construction of the roads, they could easily identify the projects which the national government does not always see.

Senator Angara suggested the implementation of the *Mandanas* ruling by taking away the budgets from the bigger agencies that have something to do with devolved functions to hasten the process.

Senator Lacson said that the devolved functions involving P182 billion in the national agencies were already discussed under the General Principles.

At this point, Senator Lacson called the attention of Senator Angara to the Batan Island Circumferential Road in Region V which showed two separate amounts: P7.5 million and another P2.096 million, as well as Rapu-Rapu, Albay Circumferential Road which also carried two items: one P7.5 million and another P1.877 million. Senator Angara said that according to the DPWH, they should only carry one amount. He promised to get back to Senator Lacson once he has the information from the DPWH.

Senator Lacson said that in Valenzuela City, there were two drainage projects being proposed along Avocado Street, Valenzuela City, exactly worded and funded. Senator Angara said that according to the DPWH, it was either a typographical error, or it consisted of two phases.

Asked for the details of the P500 million appropriation for bridge rehabilitation, in particular what the phrase "and other related activities" actually meant, Senator Angara said that DPWH would submit a breakdown of that item as he surmised that it could be in preparation for the "big one" earthquake.

Senator Lacson opined that activities related to calamities, such as an earthquake, should be under NDRRMF. Senator Angara replied that it is for preparation for an impending calamity. He said that the agency would be providing Senator Lacson with a list and a copy of their study.

Asked why dredging and desilting were again included in the 2020 budget when they already

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agreed to remove them when they considered the 2019 budget, Senator Angara said that DPWH would remove the budget for dredging from the Capital Outlay and include it in the MOOE.

As regards the item "Gravel Road," Senator Angara explained that when a new road is opened up, gravel is applied and the DPWH waits for a year for the gravel to settle. He said that actual concreting happens after a year because concrete could not be applied without the gravel settling for a year.

Senator Lacson observed that the one-year road gravelling is selective, saying that not all roads being opened are applied with gravel. He expressed concern that the gravel could get wash away if left to settle for long.

Agreeing with Senator Lacson, Senator Angara stated that it would depend on the condition of the soil.

On the "*Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo*," Senator Lacson inquired where the bridge is located and why the fund therefor was lodged in the DPWH when it should be with the DAR. Senator Angara explained that while it is a project of the DAR, the implementing agency is the DPWH.

Asked how an item described as "Requesting for the improvement of Road Nabagan to Binalan, Aparri, Cagayan," could be implemented, and whether it was actually approved, Senator Angara replied that the request was actually approved after correcting the description of the item.

To the observation that the item "water management facilities," was misplaced, Senator Angara stated that the DPWH would correct the error and be made part of the "*Errata*" to be submitted by the agency, explaining that the item is a school building.

On the right-of-way (ROW) issue, asked why that portion of the special provision requiring that the ROW issue must be resolved first prior to implementation was taken out, Senator Angara narrated that in his brief discussion with LBRMO Director General Doblon, he was informed that the provision was originally found in the 2018 GAA. He explained that usually an ROW issue only affects a portion of the project and according to the DPWH, it would be

more practical if they proceed with the project while the ROW was being negotiated.

Senator Lacson nevertheless urged the Committee not to remove the provision because anyway the projects would not be exempt from RA 10752 or the ROW Law.

Senator Angara stated that the department would amend the description of the project to hasten proceedings. Senator Lacson agreed, adding that the project could push through while the ROW issue on a small portion was still being negotiated to avoid delaying the whole project.

As regards the construction of the multipurpose building of the *Kolehiyo ng Lungsod*, Lipa City, Batangas, Senator Lacson enumerated the supposed activities under the NEP as follows: a) construction/completion of multipurpose building, P70 million; b) construction/completion of multipurpose building, P75 million; construction/completion of multipurpose building, P100 million. He then inquired about the number of multipurpose buildings to be built in the said school. He noted that the items were deleted in the Senate version, but did not know who deleted the same.

At this juncture, Senate President Pro Tempore Recto explained that since the item was found in the NEP, it means that the requests were made by the city mayor and the congressman. He pointed out that there are two ways of doing the budget: one is through the Regional Development Council; and the other is through the line agencies concerned, the DPWH in this case. He informed the Body that the project was already in the budget of the city government, the reason why the project was removed in the Senate version.

To Senator Lacson's observation that the school is not a state college, Senator Angara clarified that it is a local university/college (LUC).

Senate President Pro Tempore Recto stated that the school has been accredited by the CHED and being one of the better schools, it not only services students from Lipa City but the entire Fourth District of Batangas, including those coming from Quezon province. He said that the school has more than 10,000 students accredited by the CHED in its free public college tuition program.

Asked if the allocation for the item, when deleted, was redistributed, Senator Angara replied in the affirmative.

As regards the flood mitigation structures along Donsol, Senator Lacson noted that initially it was overlapped but eventually, the Committee submitted a clarification. Asked to explain the clarification, Senator Angara stated that the physical target, which is the construction of flood-control structures along Banuang Gurang, Donsol Section, Donsol, Sorsogon, is 318 lineal meters with station limits from Staion 0+680 to Station 0+998.

But Senator Lacson pointed out that the same items were already in the NEP and the GAA of 2019 when, in fact, it was already completed only to be modified in August 2019.

Senator Angara explained that based on the modification, the project length was shortened due to higher quantity for Item 508 (1), Hand-Laid Rock Embankment, which costs more.

Senator Lacson inquired why the amount was the same when it should have been lesser since it overlapped. He suspected that the project on opposite sides of the lanes had different contractors which made the funding requirement double and caused it to overlap.

Senator Angara stated that no works have been made in that section of the road and that it has become more expensive because the terrain of the road needed a higher embankment.

Senator Lacson insisted that the item had been reflected in the NEP and the GAA with the assumption that it was referring to the same segment – A to C without modification.

Senator Angara stated that the Committee would make sure that the specific stations would be put in place. He urged the department to make it a practice to put stations to prevent repetition and to avoid double funding and repetition of the same project.

As regards the various local infrastructure projects implemented by the central government, Senator Lacson suggested that the funds be downloaded to the LGUs to give them an opportunity to implement their own projects. By doing so, he said it would take away some of the work load from the central

government and it would also teach the LGUs to implement the works.

Senator Angara stated that it would depend on Congress because it has the power of the purse. He said that if the funds would be downloaded to the LGU, the DPWH should not be legally required to liquidate the funds, meaning they do not have to deal with accountability. Whoever has the funds should be held accountable, he remarked.

Senator Lacson believed that by downloading the funds to the LGUs, it would capacitate them and the DPWH would lessen its load and concentrate on big-ticket projects, and also the agency would be relieved of issues involving disbursement over obligation because as per SAO in 2017, the DPWH incurred an obligation of P629 billion, while their disbursement was at P225 billion or a measly 36.3% implementation; in 2018, P696 billion obligated and P298 billion disbursed or 42.9%.

Senator Angara clarified that before the adoption of cash-based budgeting, the department had two years to complete the project; thus, they should take into account the yearly adjustment rates. He said that before the cash-based budgeting, the department had a total disbursement of P590 billion in 2018.

Senator Lacson said that from the time that the Body was tackling the General Principles, he had been asking if the cash-based budgeting is viable. Senator Angara believed that the most practical thing to do would be to put into law the use of the hybrid method.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 11:17 a.m.

RESUMPTION OF SESSION

At 11:38 a.m., the session was resumed.

Thereupon, the Senate President Sotto recognized Senator Drilon for his interpellation.

INTERPELLATION OF SENATOR DRILON

Preliminarily, Senator Drilon said that when he

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raised the issue of underspending, it was not meant to disparage Secretary Villar but that it was only part of his duty to exercise checks and balance and oversight functions over every critical issue in the country's economy which is the disbursement rate of the national budget, considering that infrastructure program is a critical component of the country's Gross Domestic Product (GDP), with government spending, in fact, constituting almost 20% of its GDP.

Senator Drilon then asked on the percentage of the GDP under the 2020 and 2019 infrastructure budgets. Senator Angara replied that for 2020, it is 4.6%; for 2019, it was 4.3% because of the vetoed items; for 2018, 5.7%; and for 2017, 6.3%.

Asked on the ideal percentage of infrastructure budget to GDP as compared to the infrastructure budget of Vietnam, Senator Angara replied that the World Bank recommends at least 5% or even higher for developing countries, but that countries like India and China have sometimes 8% in a year.

Based on the infrastructure budget of the past administration, Senator Drilon noted that in 2016, the percentage of GDP was 5.2%. He asked why the allocations in the 2019 and 2020 budgets were lower than 5.2%. Senator Angara replied that the Body was still processing the budget, but he believed that when Congress finally approves it and the General Appropriations Act is submitted to the President for his signature, the tendency is to increase certain items, one of which could most likely be the infrastructure budget.

On whether there is a need to increase the infrastructure budget for economic development, Senator Angara cited the following data: for 2018, the actual disbursements reached 5.1% of the GDP, amounting to P886 billion; and for 2019, the projected disbursements was 5.2%.

To the comment of Senator Drilon that the past administration had done some major accomplishments, Senator Angara agreed, recalling that Secretary Dominguez, during the early years of the Duterte administration, stated: "Any growth that would be achieved by the Duterte administration would be founded on what the previous administration had achieved."

As regards the current national road network in terms of kilometers and how long the Duterte

administration could claim to have paved the roads in the last three years, Senator Angara replied that there are 32,994 kilometers of national roads at present and during the early years of the Duterte administration, between 90% to 95% were already paved and 99% are currently paved. Working backwards, he said that only between 4% and 9% of the road network was done by the present administration because the substantial portion has already been done by the previous administration.

Asked on the actual kilometers of national roads paved by the past administration, Senator Angara replied that it was roughly 29,000-30,000 kilometers. Senator Drilon said that based on the chart, as of December 31, 2015, the total length of the national roads was 32,633 kilometers, of which 28,919 kilometers were paved, or 88.6%; thus, it is within the range of Senator Angara's figure of 90%.

On whether hiring more engineers could fast-track the government's infrastructure projects, Senator Angara replied in the affirmative. He said that in September of the current year, the DPWH was given additional 2,079 positions for filling up and that they are in the process of hiring more engineers.

As regards the program on the utilization of the budgetary items for over 2,000 engineers, Senator Angara said that a notice of staffing has been issued, followed by the publication of the availability of positions. By the end of the year, he said that it is foreseen that 60%-70% of the positions would be filled; thus, by the start of the following year, there would be faster implementation of the projects.

On the issue of underspending, Senator Drilon noted that based on the 2017 COA report, P611 billion or 92% of the P662 billion total allotments received for 2017 was obligated but only P222.6 billion or 34.14% was disbursed due to the delay and non-implementation of the infrastructure projects. Senator Angara said that for 2017, when a two-year disbursement cycle per project was used, the department not only disbursed P222 billion but P405 billion, including the accounts payable and projects which were completed within the year but might have been obligated in 2016, but not in 2017. He said that for 2017, the disbursement over allotment rate of DPWH was 60%, while the disbursement over obligation rate was 65%; and in 2018, the disbursement over allotment rate was 78%. He agreed with Senator Drilon that underspending is not a new phenomenon,

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seeing it as a systemic problem rather than a political or administrative problem.

Senator Drilon stated that he based his statements on the COA report, and for purposes of comparison and to refute the allegations by some camps coming from Malacañang that the Aquino administration has accomplished nothing, he asked that the budget utilization of the DPWH from 2011 to 2015 be flashed on the board.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 12:00 p.m.

RESUMPTION OF SESSION

At 12:01 p.m., the session was resumed.

Upon resumption, Senator Drilon pointed out that during the Aquino administration, for 2015, in terms of percentages, the obligations versus allotments was 79% and disbursements versus allotments was 55%; in 2014, the obligations versus allotments was 78% and the disbursements versus allotments was 64%; in 2013, obligations versus allotments was 91% and the disbursements versus allotments was 75%. He said that all the data, as reflected in the records of the DPWH, suggest that the Aquino Administration has accomplishments to speak of. He said that he would keep on repeating the standard because the same standard was being unfairly raised by some people.

Asked whether the records of the DPWH confirm the data of disbursements versus allotments and obligations versus allotments, Senator Angara admitted that he was not able to gather all of the data as regards the matter but assured that he would furnish Senator Drilon with the data he has on hand for comparison; for instance, for 2011, obligations versus allotments was 70%, disbursements versus allotments was 60.8%, and disbursements versus allotments was 86.8%.

Senator Drilon noted that the "List of 75" projects was always cited, thus, it was made the standard, and was the one published and carried in the news by the national media; however, as confirmed by Senator Angara and reported in media, the List of 75 was revised. He then asked whether a reality

check could be made as regards the projects being implemented and how many could be finished by the end of the current administration. He said that he raised the concern upon the admission of the economic team that only nine of the infrastructure projects have been started, although he surmised that not all nine are DPWH projects.

Senator Angara confirmed that there were indeed 75 projects listed at the start of the administration and that as of late Tuesday, the number remains to be 75. However, he revealed that the Presidential Adviser for Flagship Projects, Sec. Vince Dizon, announced recently in a press conference that there are 100 new flagship projects. To the suggestion of the reality check regarding the infrastructure projects, he said that it is a reality check for the better in the sense that the more ambitious projects, or those which would take a longer implementation period or those with the low economic rate of return, would no longer be pursued; thus, the original List of 75 has been replaced with a list of 100 projects, a copy of which he would furnish Senator Drilon, as well as the updates of projects insofar as the 35 are ongoing projects and the 21 projects that are in a more advanced stage of approval; the 12 projects in the advanced stages of feasibility studies; and the 32 projects that would commence construction in six to eight months.

Asked how many out of the original 75 projects were deleted, Senator Angara replied that 28 were deleted, leaving 47 projects, 12 of which are with the DPWH, namely:

1. Bohol-Leyte Link ridge;
2. Cebu-Bohol Link bridge;
3. Cebu-Negros Link bridge;
4. C-3 Missing Link project;
5. Leyte-Surigao Link;
6. North Luzon Expressway East, Phases 1 and 2;
7. Mindoro-Batangas Super Bridge;
8. Camarines-Catanduanes Friendship Bridge;
9. Improvement of the remaining sections along Pasig River from Del Pan Bridge to Napindan Channel;
10. Mercury-Evangelista Bridge from Quezon City to Pasig;

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11. Sheridan to J.P. Rizal Bridge (Mandaluyong to Makati); and
12. Baloi Lanes Flood Control project in Lanao del Norte

Asked on the cost of the 12 projects that were shelved, Senator Angara replied that the projects are still in the conceptual stage, thus, an estimate would be kind of a ballpark figure only.

Asked why the projects were shelved and why they were initially included in the List of 75, Senator Angara stated that they were proposals in the beginning but were no longer pursued after the feasibility study revealed that they would have low economic rate of return.

Asked on the number of projects that were funded by the Official Development Assistance or loans from foreign sources or those that would fall under foreign-assisted projects, and whether there were commitment fees to be paid, Senator Angara replied that all of the projects are foreign-funded. As regards commitment fees, he said that there was none because the projects did not reach the advanced stage, there was no actual loan made, and no contract was signed.

Asked whether no commitment fees were paid for the projects that were junked, Senator Angara answered in the affirmative, adding that no loans were made for the projects.

Senator Drilon surmised that Senator Angara might not be in the position to state or respond as regards the 15 other projects which belong to the other departments. Senator Angara answered in the affirmative, saying that the matter could be asked when the budget of the concerned agency would be up for consideration. He said that a list would be provided to Senator Drilon so that he could pinpoint to which agency the project belongs.

Asked whether there was justification as regards the result of the feasibility study that the 12 projects that were junked have no economic rate of return, Senator Angara clarified that only a basic study was done and not a feasibility study. But Senator Drilon pointed out that there was a lot of difference between a basic study and a feasibility study because the latter involves costs and is more substantial.

Asked whether 53 new projects were added after 28 were deleted from the original list to become

100, Senator Angara answered in the affirmative. He said that of the 53 projects, 27 are with the DPWH, including the Panglao-Tagbilaran City Offshore Connector Bridge; Integrated Disaster Risk Reduction and Climate Change Adaptation (IDRR-CCA) Measures in the Low-Lying Areas of Pampanga Bay; Arterial Plaridel Bypass Road, Phase III; South East Metro Manila Expressway C-6, Phase I; Metro Manila Skyway Stage 3; NLEX-SLEX Connector Road; Manila-Cavite Toll Express-way Project C-5 South Link Expressway; SLEX-TR4; Bacolod-Negros Occidental Economic Highway; Boracay Circumferential Road; Metro Cebu Express-way; Samar Pacific Coastal Road; Sindangan-Bayog-Lakewood Road; Improving Growth Corridors in Mindanao Road Sector Project; Reconstruction and Development Plan for a Greater Marawi; Cagayan de Oro Coastal Road; Davao City Coastal Road, including Bucana Bridge; Surallah-Tiboli-San Jose Road in South Cotabato; Metro Manila Priority Bridges Seismic Improvement Project-JICA; Emergency Assistance for Reconstruction and Recovery of Marawi; Davao City Bypass Road; TPLEX Extension; the Cavite-Tagaytay-Batangas Expressway; Iconic Bridge Project for Socio-Economic Development; Alcala Bridge; Pinacanawan Bridge; Tuguegarao-Solana Bridge; Cebu-Mactan Bridge and Coastal Road Construction; Samal Island-Davao City Connector Bridge; and the Bataan-Cavite Interlink Bridge, which is still for feasibility study. He affirmed that the 53 new projects included in the list with the DPWH were ongoing projects and some were nearing completion.

On the possibility that the original list of 75 projects was revised in mid-stream and that some of the enumerated projects in the new list were already ongoing when the original 75 flagship projects were listed, Senator Angara supposed that some projects may have been at their early stages.

Senator Drilon pointed out that Phase III of the Skyway already existed when the 75 flagship projects were assembled and that though it was not included, it became part of the 53 projects. Senator Angara explained that only 8% of the right-of-way of the project had been acquired when DPWH came in, that was why they pushed it along.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 12:26 p.m.

RESUMPTION OF SESSION

At 12:27 p.m., the session was resumed.

On another issue, Senator Drilon asked whether the present DPWH was still involved in the school building program. Senator Angara replied that the agency was still involved and that, in fact, the DPWH had constructed 98,051 classrooms from 2016 to 2018 broken down as follows: 16,887 classrooms for 2018; 42,754 for 2017; and 38,410 for 2016.

Senator Drilon pointed out that for the whole three years, the past administration constructed 34,346 classrooms through the DPWH and 1,138 classrooms which were funded by PACGOR.

Asked what programs were instituted by the current administration to be able to triple the number of classrooms built in three years by the past administration, Senator Angara reported that aside from undertaking a number of reforms, the bigger budget provided by Congress for construction was one factor; others include the early identification of sites taking into consideration the peculiarities of each location; no more uniform costing; and early procurement. He acceded to Senator Drilon's request for a written confirmation of the data from the agency itself.

Adverting to the technical notes accompanying the 2019 budget prepared by the DBM, Senator Drilon questioned how the number of classrooms constructed suddenly went up when only 23,133 classrooms and 1,309 Techvoc classrooms were reportedly constructed from July 2016 to June 2018. He pointed out that although it covered only a two-year period, it was surprising that after three years, it suddenly became 90,000. He said that he raised this issue since there was already a forewarning that the data being reported appeared to be completely different from the submitted data.

Senator Angara said that data provided was what the information system of the agency reflected, which was also a government data from the DBM. Aside from the DPWH, he also asked the DBM to submit the basis for their data.

As regards the 75,867 figure cited by Senator Drilon which were not included in the two-year period wherein over 22,133 classrooms were constructed, Senator Angara asked if the said figure

referred to buildings or classrooms. Senator Drilon pointed out that the data could not be buildings because if they were, then there would be more classrooms. He observed that the technical notes of the 2019 budget indicated that 22,133 classrooms were created in a two-year period, and suddenly after one more year, the figure jumped to over 90,000 classrooms. He reiterated that his concern was how the agency was able to construct 75,867 classrooms in a period of one year. Senator Angara again gave the assurance that the agency would provide the data.

Senator Drilon reiterated that he would just await the written responses to some of the data that he has requested and that he was terminating his interpellation on the DPWH budget, having established that it was not true that the previous administration has not done anything.

INTERPELLATION OF SENATOR RECTO

Prefatorily, Senator Recto explained that the reason for the long discussion regarding a multi-year disbursement being an obligation budget was its importance as a source of growth of the economy. He explained that whenever the economy grows by 10%, it means that the cash in circulation has grown by 10%.

Asked on the DPWH's cash disbursement in 2018, Senator Angara said that its disbursement cash was P590 billion and that it was targeting P700 billion. He agreed with Senator Recto that the target disbursement would be reflected in the department's economic growth accounts which showed that the higher growth rate in the third quarter was due to the construction activity of the public sector.

To the observation that there was almost no government spending or a lower cash disbursement in 2018 and in the first two quarters of 2019, Senator Angara admitted that DPWH needs to catch up because its disbursement activity was much lower recently.

Senator Recto said that the economy did not grow as much especially since the biddings in the DPWH only commenced in June; thus, the projects would not be completed by December. Senator Angara explained that the reason for the higher degree of difficulty in finishing projects is the onset of the rainy season.

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Assuming that DPWH's disbursement record in the current year reflected that the projects were completed in 2018 particularly since the contractors already received cash disbursements, and which number is growing yearly, Senator Angara claimed that there has been an improvement in the disbursement performance of the DPWH every year through the supervision of Secretary Villar.

At this juncture, Senator Recto said that the reason he wanted to put his statements on record was to make people understand how economy and disbursement operate. On the contrary, Senator Angara noted that while paper figures are important, it does not represent reality because what seems to be low disbursement on paper could have real economic contribution on the ground; for instance, the jobs being created for construction means that there is mobilization of resources.

To the contention that there is low employment rate and shortage of contractors in the provinces, Senator Angara stated that once the budget is released, the DPWH starts hiring engineers, personnel and equipment for the private and public sectors.

To the statement that compared to 2018, the budget for 2020 would still be lower by P95 billion as far as capital outlay was concerned, Senator Angara admitted that he was surprised with the outcome because he expected economic growth to follow the same path but has otherwise become contracted.

Considering the extended validity of the previous year's appropriation which was roughly P1 trillion in authorized spending which could be trimmed down to ensure that there would be sustainability in the growth of the economy, Senator Angara expressed openness to ideas to improve the spending capacity of DPWH.

Senator Recto stated that 30 out of 75 flagship projects are supposed to be completed in two years but did not commence and were not included in the budget. He asked if many small local projects would replace the 30 flagship projects which would no longer continue. Replying in the affirmative, Senator Angara opined that nothing would be lost as far as spending, productive capacity, and meeting the ratios are concerned, noting that the small projects would even help meet the 5% GDP spending on capital outlay.

Thereupon, Senator Angara thanked Senator Recto for sharing new ideas as he believed that the people should understand the importance of disbursement capacity in government.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS AND ITS ATTACHED AGENCIES, AND OF THE LOCAL WATER UTILITIES ADMINISTRATION

There being no further interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the Department of Public Works and Highways, Office of the Secretary together with its attached agencies, and of the Local Water Utilities Administration, were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 12:49 p.m.

RESUMPTION OF SESSION

At 2:36 p.m., the session was resumed.

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Senator Villar presented the budget of the Department of Environment and Natural Resources (DENR).

INTERPELLATION OF SENATOR RECTO

Preliminarily, Senator Recto stated that the National Greening Program (NGP), a tree planting program, is a climate change resilience measure that aims to boost the country's forest stock so that it can absorb carbon dioxide while providing livelihood and enriching the biodiversity, and that its total budget from 2011 to 2019 has been roughly about P38.9 billion. For next year, he noted that its budget will be P5.15 billion, which is actually a 100% increase from the P2.6 billion allocation in 2018. Likewise, he said that according to the DENR, the NGP should have planted 1.8 billion trees in 2.1 million hectares over the past nine years, ending this December of 2019. He added that two million hectares is 32 times the

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size of Metro Manila, four times the size of Cebu Island or one-fifteenth of the entire country.

Asked if DENR has before-and-after images of the updated forest cover, Senator Villar said that trees planted from 2011 to 2015 can be seen via satellite. She explained that the NGP started with a forest cover of 6.8 million hectares in 2010 which expanded to 7.1 million hectares in 2015. Senator Recto remarked that there had only been a 300,000-hectare increase in forest cover from 2010 to 2015.

Senator Villar said that the NGP accomplishment from 2011 to 2016 was 1.4 million hectares and that the next update in 2020, would be the eighth year of the program. By that time, she said that the forest cover is estimated to have expanded to at least 25% from the current 23%.

Asked if 1.8 billion trees should have been planted in 2019, Senator Villar clarified that the figures are 1.7 billion trees covering 1.4 million hectares.

On whether the DENR could provide photos of the locations where the trees had been planted, Senator Villar replied that the DENR would submit the photos to Senator Recto's office. She surmised that the use of short seedlings might have been the reason behind the low 65% survival rate. She said that the DENR ought to use taller seedlings for a higher survival rate.

Responding to the request for a planting scoreboard, Senator Villar noted that the NGP is the most controversial program of the DENR as it is heavily funded but people are not satisfied with the outcome. She said that the DENR should make a report on the accomplishments of the program because even she herself, as the NGP committee chairperson, was dissatisfied with its progress.

As regards the increase in the NGP budget which was P2.6 billion in 2019, Senator Villar clarified that the proposed P4.5 billion in the Senate version for 2020 is less than the P5.1 billion allocation in the GAB.

Asked if the DENR budget for 2020 included an allocation for titling, Senator Villar said the Land Management Subprogram under the Operations of the Office of the Secretary was setting aside about P1.8 billion for the following:

- Rapid Land Tenure Appraisal
- P 20 million
- Patent Insurance
- P 41 million
- Inspection, Verification and Survey
- P 80 million
- Reconstruction of all Destroyed Survey Records
- P 12 million
- Land Records Maintenance
- P 12 million
- Other related land management activities
- P 165 million
- Comprehensive Agrarian Reform Program Land Survey and Distribution
- P 52 million
- Program Beneficiaries Development
- P 177 million

Asked for the total budget for all the items, Senator Villar said that it is P1.7 billion with a PS of P1.1 billion.

Asked if tree planting and titling are the major programs of the agency, along with the NGP, Senator Villar said that P2 billion was also being allotted to protect 107 hectares under the National Integrated Protected Areas System (NIPAS) Law, along with seven other areas covered by a presidential decree. She said that the target of the Land Management Bureau is 40,000 residential patents and 4,870 agricultural patents to be issued in 2020.

Senator Recto asked on the estimated total budgetary requirement for titling all the lands as he underscored the importance of land titling because it would be much easier for the government to buy the right-of-way. Senator Villar said that about P475 million would be needed for titling the remaining 359,000 hectares, at a cost of P1,200 per hectare. She clarified that the estimate would only cover the titles but not their distribution, as this would be handled by the DAR.

Senator Recto then said that he would propose an amendment regarding the matter at the appropriate time.

Asked what would happen to the budget of the Pasig River Rehabilitation Commission (PRRC)

following its abolition, Senator Villar said the P112 million allocation could be used for the early retirement of the PRRC personnel or it could be given to the DENR and let the agency absorb the employees.

INTERPELLATION OF SENATOR BINAY

Asked by Senator Binay for an update on the foreign-assisted projects that were given to DENR, particularly the Integrated National Resources and Environmental Management (INREM) project, Senator Villar explained that P3.107 billion of the P3.852 billion project would be from the loan proceeds and the government counterpart is P744 million. She said that the project began in 2013 and would end in 2020. She then enumerated the project details as follows: the target is 44,000 hectares, of which 37,649 hectares or about 85% of the project had so far been accomplished; in the community-based protection and management, the target is 80,152 communities, of which 63,834, or 80% of the project had been accomplished; in the livelihood enhancement support, 254 sub-projects are ongoing which includes coffee processing, solar dryer payment, food processing, heirloom rice processing and fruit wine processing; and in rural infrastructure, fixing of farm-to-market-road, the ongoing construction is 36 farm-to-market roads, and under procurement is 11 farm-to-market roads.

Asked about the forest management program, Senator Villar provided the following details: the total budget is P5.6 billion, of which P3.5 billion or 62%, has been obligated; and the disbursement is P1.7 billion, which is 50% of the project.

Asked when the project started, Senator Villar said that it began in March 2012 and would end in March 2022.

Senator Binay inquired if the forest management program is different from the national greening program. Senator Villar replied that the forest management program is JICA funded and is similar to the national greening program as it aims to rehabilitate the degraded forest land in Upper Magat and Cagayan river basin, Upper Pampanga river basin, and Jalaur river basin and to strengthen forest land management through the CBFMAs strategies — empowering people's organization, securing land tenure rights, enterprise development for food, security and income and development, conservation, protection, and sustainable use of forest resources. She said that the program covers 71,300 hectares, of which 65,000 hectares or

91% have been accomplished, leaving a balance of 16,200 hectares. She added that total 41% or P958 million of the budget totaling P2.3 billion had been disbursed, the balance of P1,351,000 left for disbursement.

INTERPELLATION OF SENATOR DRILON

At the outset, Senator Drilon commended the DENR secretary for the political will and the firmness that he exercised in cleaning up Boracay. Being from that region, he said that he witnessed the degradation and destruction of a national treasure over the past several years, and blamed the local government for having abused its privileges under the Local Government Code.

Asked on the status of the rehabilitation of Boracay, the timetable for the completion of the projects, and the projects still to be undertaken at this stage, Senator Villar replied that it is 80% finished and that the physical rehabilitation is expected to be completed by the end of 2020 because the road network would be finished by that time. Senator Drilon hoped that everyone would follow the designated boundaries by that time even as he acknowledged the difficulty of setting the boundaries since Boracay is not covered by the Torrens system, except for a few lots which were titled legitimately, while the rest were just covered by tax declarations.

Senator Drilon posited that with the ongoing rehabilitation, the road network would be cleared of all obstructions and would follow the designated dimensions by December 2020. Senator Villar remarked that the DPWH would know where the roads would be built since the cadastral survey has been completed and declared through Presidential Proclamation No. 1064 which provided for the land classifications to know which is forest land, what should be allocated for roads, and what can be alienable land.

Asked on the status of the case involving the 10 establishments that violated the 25-meter exclusion zone on the beach but had secured a TRO that effectively prevented the task force from clearing the area, Senator Villar said that the DENR had demolished four of the structures following the expiry of the TRO. She said that demolition of the remaining structures was ongoing and would be finished by the end of the week.

Senator Drilon hoped to see institutional reforms by way of institutionalizing the governance structure

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in Boracay so that the DENR can have a reasonable basis to look at a permanent solution to the problem not arising out of adherence to political considerations on the ground but for the good of the country. He blamed the local government as the culprit that caused the degradation by giving the permits where these should not be issued. He recalled one Cabinet member who allowed an illegal structure which deformed a hill, and expressed relief that the structure has been demolished.

Asked on the position of the DENR on the issue of a Boracay Council which would be the permanent structure to govern Boracay, Senator Villar informed the Body that the bill on the Boracay Island Development Authority has been referred to the Committee on Tourism with the Committee on Environment and Natural Resources as a secondary committee. She assured the Body that her committee will endeavor to pass the measure, similar to the Palawan Council for Sustainable Development, and would lobby the bill for its passage in the House of Representatives as well.

To sustain the efforts made in restoring Boracay, Senator Drilon believed that it should be put above the political considerations at the ground level; otherwise, the situation will not improve.

On another matter, Senator Drilon recalled that under the law, a certain portion of the road users' tax collected was allocated for anti-pollution and environment concerns. During the time that there was a Road Board, he said that there were several billion pesos allotted to air pollution control which were never touched. With the abolition of the Road Board, he asked who administers the fund considering that the road users' tax was not abolished but only the Road Board, the structure that managed the road users' tax proceeds, due to corruption. He also inquired about the balance of the road users' tax pertaining to the environmental concerns. Senator Villar replied that the management of the road users' tax was transferred to the Department of Public Works and Highways but it has not received anything yet as it was just transitioning this year.

Senator Drilon agreed that the road users' tax proceeds would be administered by the Department of Public Works and Highways. However, he asked the DENR what happened to the portion which pertains to the anti-pollution measures. Senator Villar replied that the anti-pollution provision of the road users' tax was given to the DOTr through the LTO, not to

DENR, since it was utilized to address the pollution problem in the cities, especially in Metro Manila.

Asked for the amount that has been accumulated over the years on the anti-pollution portion of the road users' tax, Senator Villar disclosed that the amount of road users' tax as of August 28, 2019 was P55,824,526,000 and the balance with the DOTr was P10.842 billion. She said that out of the P55 billion, the balance for the special road safety is P3.829 billion; the balance for the special local road is P3.883 billion; and the balance for the special road support is P37.768 billion, all of which are with the DPWH; only P10.842 billion from the P55 billion is with the DOTr which is for the anti-pollution portion of the road users' tax.

Asked where the P55 billion was lodged, Senator Villar replied that according to the law, the money is with the Treasury but it should be managed by the DPWH and the DOTr.

Senator Drilon said that when it is a special account, the program of work must be submitted before the amounts are released. He suggested that when the DOTr presents its budget to the Body, it should be asked what their programs are because they carry substantial amounts which must be utilized. He pointed out that legislators keep on complaining about underspending by the departments and the line agencies and here was a particular case where it seemed that there was no spending at all.

Senator Villar said that if the P58 billion were divided into four projects, each project would get P15 billion a year.

Senator Drilon pointed out that when the Legislature surrenders its right to appropriate and delegates the right to appropriate to certain Cabinet departments, they lose track of how the funds are being used; as a result, everyone is in the dark as to how the funds are being used. He then asked LBRMO to request the DOTr and DPWH to submit a report as soon as possible before the budget of the DOTr is taken up to allow the Body to examine how the funds were used.

Senator Villar said that the Senate, through the Committee on Public Works, should exercise its oversight functions to examine how the DPWH spent its budget, and through the Committee on Transportation and Communication to look into the pollution control program of the DOTr.



Senator Drilon concurred with Senator Villar's proposal. However, he said that the Body should first find out what it should supervise which could be achieved by getting a report on how much the funds are and how much has been used.

Senator Villar directed the agency to submit an annual report to the Senate on how much was collected and how it would be used.

INTERPELLATION OF SENATOR LACSON

Asked by Senator Lacson how the DENR intends to spend the P4.5 billion under the National Greening Program, Senator Villar cited the following projects under the proposed 2020 National Greening Program:

- Seedling production, P1.5 billion
- Plantation maintenance and protection, P1 billion
- Plantation establishments; site preparation; and social mobilization of civil society organization; partner agencies, individuals, prior to tree-planting, P805 million;
- Other related activities such as experimental forest, enhancement of graduated NGP sites, NGP impact assessment, reforestation plan, P311 million
- Project monitoring and supervision, P304 million
- Hiring of DENR officers to support NGP, P272 million
- Site planning and assessment survey, mapping and planning, P57 million
- Establishment, maintenance and organization of modernized and mechanized nurseries, P55 million, and
- Establishment and maintenance of seed production area, P38 million.

Senator Lacson assumed that it was the template year-in and year-out for the programs which they used when they implemented and spent P3.763.4 billion in 2013; P6.2 billion in 2014; P7 billion in 2015; P3.5 billion in 2016; P2.9 billion in 2017; P2.1 billion in 2018; P2.6 billion in 2019; and P4.5 billion in 2020.

Asked where the trees were located and whether the DENR was the sole implementing agency of the program, Senator Villar said that it was in partnership

mostly with the LGUs. She said that as reported to Senator Recto earlier, the agency planted 1.8 billion trees in 1.4 million hectares from 2010 to 2016.

Asked by Senator Lacson whether she had seen the 1.1 billion trees planted by the DENR under the program whenever she went around the country, Senator Villar said that she would usually go to the cities and not the forestlands and besides, she pointed out that it was difficult to determine the old, original trees from the newly-planted ones. She said that she would request the DENR for a list of the places where they planted the trees.

Senator Lacson recalled that when he was campaigning for his second term in the Senate in 2007, he was a guest at the Rotary Club in Bicol and he heard that the LGU requested the Rotary Club to give the credit to the LGU for the trees they planted. He said that this was an example that the money was not being spent for the National Greening Program.

Senator Villar shared her own experience where she was told that someone was being asked to sign a P20,000 voucher but actually received only P3,500.

Senator Lacson said that another issue was that in some LGUs, in order to receive a bigger fund during distribution, they would burn the trees which they earlier planted to show that their areas need additional trees.

Senator Villar said that the Environment secretary should know what was happening in the ground so that the department could do some auditing to ensure that similar situations would not happen again.

Senator Lacson recalled that during the deliberations on the General Principles, he inquired from the DBM whether it would be best to scrap the National Greening Program and see the effect. He said that if the results would be the same, government might as well save the P4.5 billion for 2020 since the program was hardly felt. He then asked for Secretary Cimat's comments should he propose that the program be removed or replaced by another program in the DENR which could be more effective.

SUSPENSION OF THE RULES OF THE SENATE

Upon motion of Senator Zubiri, there being no objection, the Body suspended the Rules of the

Senate to allow DENR Secretary Roy Cimatu to respond directly to the queries of Senator Lacson:

Following is the full exchange between Senator Lacson and Secretary Cimatu:

Secretary Cimatu: Gladly, Mr. President.

I have the same observation that the gentleman has when I assumed office in the DENR. And this is really one of my obsession to do something about our forest cover.

Our forest cover, for the information of the honorable senators, we only have 23% forest cover in the country now. And it is the intention of this National Greening Program to increase this forest cover to at least comparable to our ASEAN neighbors because we are the lowest.

Senator Lacson: What is the average in the other ASEAN countries or *iyong* median?

Secretary Cimatu: The global average is 30%, Your Honor.

The tragedy of this is that, while we would like to save some of the forest without using the forest to put more available supply of our lumber in our country, because our lumber requirement is five million cubic meters a year. And out of this five million cubic meters requirement, we are only producing one million cubic meter per year—the four million cubic meters come from importation.

I am proposing...in fact, I am already applying to use bamboo instead, because we have observed that we can use the bamboo to substitute for lumber in the form of engineered bamboo.

For the information also of the Senator, we have a big supply of bamboos in our country now, especially in Panay Island. In fact, we are proposing to put up a plant there to do the engineered bamboo to substitute for our lumber instead of cutting trees that we have planted. *Puputulin din naman para sa lumber, so iyong ating 23% na plan ay hindi natin ma-achieve because gagamitin din natin sa lumber, Your Honor.*

That is also my proposal.

Senator Lacson: Did the gentleman submit some budgetary requirements *sa* NEP on the bamboo planting program?

Secretary Cimatu: In the present proposal, Your Honor. Instead of going into some timber classification for production, we will be shifting

to more bamboos. Because we saw that the fertility of our regions, *mayroong mga* regions *na hindi talaga uubra ang mga* indigenous trees but *puwedeng-puwede iyong* bamboos. So, mag-concentrate *tayo*. *Halimbawa, sa* Agusan, Surigao, we will continue with the traditional timbers.

Senator Lacson: Can the gentleman submit to the Senate, through the Sponsor, the proper language on how to realign the P4.5 billion, as per Senate version, *para i-shift na lamang natin doon sa* program ng DENR?

Secretary Cimatu: We will do that, Your Honor.

Senator Lacson: I would like to thank the gentleman.

Secretary Cimatu: Thank you very much, sir.

Senator Lacson: I hope our colleagues will support the proposed realignment from National Greening Program to another plan.

For her part, Senator Villar informed the Body of an executive order issued by President Macapagal Arroyo mandating that 20% of what should be planted in the National Greening Program should be bamboo. She also cited another accompanying executive order requiring DepEd to buy 25% of the chairs made of bamboo to ensure that there was a market and the source of the chairs. She stated that bamboo would regrow even if it is cut, does not need to be replanted unlike lumber, and could be used as lumber by applying the engineering method. She said that Las Piñas has a factory of engineered bamboo which is used in making stairs for the homes, adding that for every stair using one bamboo is bought from Quezon for P130 per pole. She said that if a factory could be built in Cagayan de Oro or in Bukidnon, it could sell bamboo to make stairs.

Senator Lacson said that during the period of amendments, he would propose to change the item in the GAA.

INTERPELLATION OF SENATOR TOLENTINO

Asked by Senator Tolentino whether the Rules were still suspended, Senator Zubiri stated that Senator Villar, sponsor of the budget of the DENR, could ably reply to the queries of Senator Tolentino, unless expressed otherwise.

Senator Villar stated that the Secretary had to give the Body the assurances on the National Greening Program since it is the most controversial program of the department.

Handwritten signature/initials

Citing DENR Administrative Order No. 2018-19, Senator Tolentino stated that the AO was about the additional guidelines for environmental measures for operating surface metallic mines. He recalled that during the committee deliberation, he inquired about the department's policy on topsoil management, noting that mining companies are given six months in a mining site to remove the topsoil.

Responding thereto, Senator Villar stated that mining companies are required to stockpile the topsoil in an area where it would not erode.

Asked if the DENR is implementing progressive revegetation, Senator Villar replied in the affirmative.

Senator Tolentino then inquired why the DENR would have to wait for six months to return the topsoil and replant when it could be done using the NGP funds while the mining company strips the topsoil.

At this juncture, Senate President Pro Tempore Recto relinquished the Chair to Senate President Sotto.

Senator Villar clarified that the companies are allowed to mine for six months and afterwards, using their money put back the soil to the original land and replant.

On whether the DENR sells their trees and seedlings to the mining companies, Senator Villar stated that the companies have their own planting and nursery program. She said that it is part of their responsibility to replant and that they are being judged by their program to rehabilitate the mining sites.

Adverting to the interpellation of Senator Recto, Senator Tolentino noted that the department has not showed results of the NGP. He supposed that if the DENR would sell the seedlings to mining companies, the agency might be able to account for the trees.

Senator Villar feared that if the DENR would deal with the mining companies and make money out of it, it might become lenient in giving permits and clearances.

As regards the P50,000 non-compliance fine, Senator Villar stated that aside from the fine, the companies would not be issued permits to transport their produce, which would be more expensive for them.

On the 50-hectare maximum disturbed area, Senator Tolentino asked why mining companies would have to cover a vast area before planting trees. He supposed that companies could start planting even with one hectare. Senator Villar stated that mining companies, on an average, cover 50 hectares of land for mining in a year and are mandated to restore the area's vegetation within a year. She stated that while the ideal size is 50 hectares, the concept of economies of scale has to be considered. She said that if the mining firms are not allowed to work for more, they would not be able to produce the amount that they need to make money and to have the funds to restore what they have destroyed.

At this point, Senator Tolentino thanked the department and the committee and expressed his support to the budget of the DENR.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri congratulated the DENR and Secretary Cimatú for a job well-done in cleaning up Boracay Island. He said that he recently visited the island and was amazed at the feat the department accomplished. He specially cited the *Bantay Kalikasan* officers who go around telling the people not to litter, and guiding beach goers the proper place where to eat and whenever they pointed out the rules, the people eventually ended up following them.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND ITS ATTACHED AGENCIES

Upon motion of Senator Zubiri, there being no objection, the budget of the Department of Environment and Natural Resources (Office of the Secretary, Environment Management Bureau, Mines and Geosciences Bureau, the National Mapping and Resources Information Authority, the National Water Resources Board, and Palawan Council for Sustainable Development) was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 3:46 p.m.

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RESUMPTION OF SESSION

At 3:49 p.m., the session was resumed.

DEPARTMENT OF LABOR AND EMPLOYMENT

Senator Villanueva presented for the Body's consideration the proposed 2020 budget of the Department of Labor and Employment, and its ten attached agencies in the amount of P15.7 billion, along with the priorities of the agency, as follows: Employment Facilitation Program, Employment Preservation and Regulation Program, and the Workers' Protection and Welfare Program. He stated that the DOLE would deliver in the areas of youth employability, job search assistance, and enhanced protection for workers including overseas Filipino workers; it would continue to provide productivity trainings to SMSEs and to train Filipino seafarers; it would pursue and enhance its thrust, priorities and programs for the Filipino workers in 2020 in compliance with labor standards; it would accord the workers with the social protection benefits due them under present laws; and it would anticipate the provision of better protection for the poor, marginalized and at-risk workers in times of placement, calamities, among others.

Thereafter, Senator Villanueva sought the Chamber's approval of the DOLE's proposed 2020 budget.

INTERPELLATION OF SENATE PRESIDENT SOTTO

Asked by Senate President Sotto if the DOLE has been monitoring the disparity of salaries among teachers and nurses in the public and private sectors, Senator Villanueva stated that the DOLE is monitoring and utilizing mechanisms to ensure that their salaries would be able to support their needs. He said that the DOLE is continuously researching and making sure that the salaries are market-driven and based on skills and competencies.

At this point, Senate President Sotto requested the department to furnish the Body through the labor committee, with a report on the matter including the average salary of the nurses and teachers because his office has been receiving complaints from teachers' and nurses' associations from both private and public sectors regarding their meager salaries, with nurses' salaries ranging from P5,000 to P8,000 a month, the

same amount that a *kasambahay* is receiving. Senator Villanueva said that the department would submit their latest report and research on these particular issues.

MANIFESTATION OF SENATOR RECTO

At this juncture, Senator Recto commended the Secretary of DOLE for implementing certain programs very well, particularly the *Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers* (TUPAD) and the DOLE-Government Internship Program (DOLE-GIP).

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri requested the DOLE to look into the plight of the agricultural workers who are among the most underpaid and lowest-paid workers in the country. He disclosed that many employers do not comply with the minimum wage order and the workers get even less than the minimum wage.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF DOLE AND ITS ATTACHED AGENCIES

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Labor and Employment, including the Office of the Secretary, Institute for Labor Studies, National Conciliation and Mediation Board, National Labor Relations Commission, National Maritime Polytechnic, National Wages and Productivity Commission, Philippines Overseas Employment Administration, Professional Regulation Commission, and Overseas Workers Welfare Administration, was deemed submitted for the day's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 4:00 p.m.

RESUMPTION OF SESSION

At 4:01 p.m., the session was resumed.

DEPARTMENT OF SCIENCE AND TECHNOLOGY

Senator Villanueva presented the 2020 budget

proposal for the Department of Science and Technology (DOST), which covers three sectoral planning councils, seven research and development institutes, six science and technology services, and two collegial and scientific bodies attached to it in the amount of P20,062,130,000. He said that the bulk or over 55% of the budget would go to financial assistance of secondary and tertiary level science and technology scholars and to R&D projects in the areas of agriculture, aquatic and natural resources, health industry, energy, and emerging technologies.

Senator Villanueva said that even as the DOST welcomed the improvement of the Philippines' ranking in the Global Innovation Index, from rank 73 in 2018 to rank 54 in 2019, which is considered above expectations for level of development for a lower-middle income country, there was more to be done. At present, he said that the country's public R&D expenditure constitutes less than .1% of the country's Gross Domestic Product (GDP).

Senator Villanueva called for the Senate's full support and immediate approval of the 2020 budget of the DOST and its attached agencies towards further improving the economic and social benefits of scientific and technological efforts for the people.

INTERPELLATION OF SENATOR ZUBIRI

Senator Zubiri asked if the Philippine Space Agency had been established by the DOST and if it was already training Filipino astronauts. Senator Villanueva replied in the affirmative, saying that the department was in the process of finishing the implementing rules and regulations (IRR) of the law.

Senator Zubiri said that the plan to create the Department of Disaster Resilience would have to be discussed and coordinated with the DOST considering that there would be load sharing between the DOST, through the PAGASA and PHIVOLCS, and the Office of Civil Defense. He then congratulated the personnel of the PHIVOLCS and PAGASA for doing a great job the last few weeks in Cotabato and Davao del Sur.

INTERPELLATION OF SENATOR TOLENTINO

Senator Tolentino said that during the last budget hearing, the Secretary had assured him and Senator

Gatchalian that the department would come out with a study on the possibility of having coconut milk as a substitute for mother's milk after the child becomes a year old. He asked whether the Secretary had already complied with the study. Senator Villanueva replied that relevant research was ongoing at the Food and Nutrition Research Institute, and he gave assurance that the department would give Senator Tolentino an update once it is finished.

Senator Tolentino said that such undertaking could benefit copra farmers as well as those who could not afford milk formula.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF SCIENCE AND TECH- NOLOGY AND ITS ATTACHED AGENCIES

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Science and Technology, the Office of the Secretary, Advanced Science and Technology Institute, Food and Nutrition Research Institute, Forest Products Research and Development Institute, Industrial Technology Development Institute, Metals Industry Research and Development Center, National Academy of Science and Technology, National Research Council of the Philippines, Philippine Atmospheric, Geophysical and Astronomical Services Administration, Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development, Philippine Council for Health Research and Development, Philippine Council for Industry and Energy and Emerging Technology Research and Development, Philippine Institute of Volcanology and Seismology, Philippine Nuclear Research Institute, Philippine Science High School, Philippine Textile Research Institute, Science Education Institute, Science and Technology Information Institute, Technology Application and Promotion Institute, was deemed submitted for the Body's consideration.


SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 4:09 p.m.

RESUMPTION OF SESSION

At 4:10 p.m., the session was resumed.



TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

Upon motion of Senator Zubiri, there being no objection, the Body considered the budget of TESDA.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 4:11 p.m.

RESUMPTION OF SESSION

At 4:11 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF THE BUDGET OF TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

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

SUBMISSION OF THE BUDGETS OF THE NATIONAL INTELLIGENCE COORDINATING AGENCY AND NATIONAL SECURITY COUNCIL

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the National Intelligence Coordinating Agency and the National Security Council were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 4:13 p.m.

RESUMPTION OF SESSION

At 4:14 p.m., the session was resumed.

ANTI-MONEY LAUNDERING COUNCIL

Senator Angara presented the budget of the Anti-Money Laundering Council in the amount of P145.201 million.

INTERPELLATION OF SENATOR DRILON

Asked by Senator Drilon for any indication from the OECD and the international bodies about the need to amend the country's present Anti-Money Laundering Act, Senator Angara replied that AMLC, currently under an observation period from October of the current year, was asking Congress to amend the law especially with regard to the provisions on predicate crimes/unlawful activities to include tax evasion and real estate sales.

Asked whether the observation status was on the manner of how the law was being implemented or by the law itself because it has been recently amended with the thought that there was compliance, Senator Angara replied that it was both. As to whether a legislation has already been proposed in the Senate, he said that he would ask the AMLC for their recommendations as well as the Committee on Banks, Financial Institutions and Currencies if there is a legislation filed to that effect.

SUBMISSION OF THE BUDGET OF THE ANTI-MONEY LAUNDERING COUNCIL

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Anti-Money Laundering Council was deemed submitted for the Body's consideration.

ANTI-RED TAPE AUTHORITY

Senator Angara presented the budget of the Anti-Red Tape Authority in the amount of P172,401,000,000. He said that the Committee increased the allocation following the recommendation of Senator Zubiri, the author of the law, it being a new body performing a very important role.

Senator Zubiri said that he actually has three brainchilds, namely, the MinDA Law, which was likewise also authored by Senator Edgardo Angara; the National Commission for Muslim Filipinos; and the Anti-Red Tape Act (ARTA) with Senator Lacson as the original author. He commended the efforts of ARTA as he gave his assurance to support the Ease of Doing Business Act.

Asked if ARTA could submit a monitoring report on how it was going with regard to compliance, Senator Angara replied that the staff is willing to submit a report, particularly to Senators Villanueva,

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Lacson, and himself, being authors of the Anti-Red Tape Act.

SUBMISSION OF THE BUDGET OF THE ANTI-RED TAPE AUTHORITY

There being no other interpellation, upon motion of Senator Zubiri, the budget of the Anti-Red Tape Authority was deemed submitted for the Body's consideration.

BASES CONVERSION AND DEVELOPMENT AUTHORITY

Senator Angara presented the budget of the Bases Conversion Development and Authority in the amount of P15,496,000,000.

SUBMISSION OF THE BUDGET OF THE BASES CONVERSION AND DEVELOPMENT AUTHORITY

There being no interpellation, upon motion of Senator Zubiri, the budget of the Bases Conversion and Development Authority was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 4:22 p.m.

RESUMPTION OF SESSION

At 4:23 p.m., the session was resumed.

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA)

(Continuation)

Senator Villanueva presented to the Body the budget of the Technical Education and Skills Development Authority (TESDA) in the amount of P12,048,703,000.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri expressed his gratitude to Secretary Lapeña and the TESDA team of Bukidnon for helping the province improve its standing from being the fourth poorest province in terms of poverty

incidence to No. 19, bringing the poverty rate down by 21% through the intervention of the Senate, citing, in particular, Senator Lacson's amendment to enable the agency to put up TESDA training centers, which significantly helped in reducing the poverty incidence in Bukidnon. He said that Secretary Lapeña himself witnessed the turnover of four TESDA training centers in the middle of the boondocks which serve the former NPAs and the indigenous people (IPs), and that other 21 training centers have been established all over the Province of Bukidnon. With TESDA, he said that the Province of Bukidnon was no longer in the list of the poorest provinces in the country. He expressed his appreciation to the TESDA team for doing an excellent job in helping the province sustain the development and hoped that Bukidnon's poverty rate would be less than 20% in the next survey. He believed that the model in Bukidnon could be copied by other provinces, for instance, Sarangani, the home province of Senator Pacquiao, which is No. 9 in the poverty incidence list.

INTERPELLATION OF SENATOR RECTO

Senator Recto acknowledged Senator Villanueva for being the best TESDA secretary ever. However, he said that he was also glad with the work of Secretary Lapeña as he hoped that the latter could surpass the record of Senator Villanueva as secretary.

Asked on the total budget of TESDA for 2020, Senator Villanueva replied that the total budget in the Senate committee report was P12,048,703,000 compared to last year's P12,730,207,000.

Asked about another budget with CHED of about P8 billion. Senator Villanueva replied that it was meant for the Universal Access to Quality Tertiary Education Act (UAQTEA).

Asked whether the total budget for technical-vocational (tech-voc) training amounted to about P20 billion (P12 billion from TESDA and another P8 billion from CHED), Senator Villanueva clarified that it was only about P9 billion, which already includes the Universal Access to Quality Tertiary Education.

As regards the number of public training centers that TESDA has, Senator Villanueva replied that TESDA has about 125 training institutes where 200,000 students are currently enrolled, and about 4,000 tech-voc institutes in the private sector.

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Asked how many students are taught in the 120 training centers, Senator Villanueva replied that according to the record of TESDA, 1.4 million graduate annually, 400,000 from the public sector and one million from the private TESDA training institutes.

As to whether two-thirds or more of the budget of TESDA really goes to the private training centers, Senator Villanueva answered in the negative, saying that the Training for Work Scholarship Program is allotted to private training centers and the 125 TESDA training institutes.

As regards the average cost to train, Senator Villanueva replied that the cost depends on the trade discipline, but roughly, the estimate of training cost is at P13,000 per capita. He said that TESDA training runs from three to six months.

As to the breakdown of the budget of TESDA, Senator Villanueva replied that for the scholarship budget of TESDA, only 10% goes to the training institutes directly being supervised by TESDA, while 90% goes to the private institutions.

SUBMISSION OF THE BUDGET OF THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Technical Education and Skills Development Authority was deemed submitted for the Body's consideration.

COMMISSION ON FILIPINOS OVERSEAS

Senator Villanueva presented the budget of the Commission on Filipinos Overseas in the amount of P134,250,000.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON FILIPINOS OVERSEAS

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Commission on Filipinos Overseas was deemed submitted for the Body's consideration.

PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT

Senator Villanueva presented the 2020 budget of

the Philippine Center for Economic Development amounting to P49,201,000.

INTERPELLATION OF SENATOR ZUBIRI

Asked by Senator Zubiri what the Philippine Center for Economic Development does, Senator Villanueva stated that the center is within the University of the Philippines and that it was created on March 15, 1974, by virtue of Presidential Decree No. 453 as a think tank with the sole function of giving financial and moral support to the research, teaching, training and other programs of the UP School of Economics.

On whether it is a line item in the budget every year, Senator Villanueva replied in the affirmative, explaining that it was lodged under "Other Executive Offices" before.

SUBMISSION OF THE BUDGET OF THE PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Philippine Center for Economic Development was deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR ZUBIRI

At this juncture, Senator Zubiri asked Senator Villanueva if the Center has a publication and if they could furnish a copy of it to every Member of the Senate. Senator Villanueva replied in the affirmative.

PHILIPPINE SPORTS COMMISSION

Senator Go presented the 2020 budget of Philippine Sports Commission with a total new appropriations of P661,964,000, of which P65,079,000 is for Personnel Services and P6,885,000 for Maintenance and Other operating expenses.

INTERPELLATION OF SENATOR ZUBIRI

At the outset, Senator Zubiri congratulated the men and women of the PSC for doing their best in hosting the Southeast Asian Games. He then asked how the preparations were going on in the next three weeks.

Senator Go replied that he was informed that the rehabilitation of the Rizal Memorial Coliseum and the

Philippine Sports Arena have 90% completion rate at present, the Ninoy Aquino Stadium was at 99%, and the Rizal Football Stadium and Rizal Memorial Tennis Court is at 90%. Likewise, he said that the construction of the squash court inside the RMSC was already 75% complete but if it would not be completed on time, he was told that there was an agreement to use the squash court of the Manila Polo Club.

As to the facilities being constructed by the BCDA in the New Clark City which include the 200,000-seating capacity athletes' stadium, the 200-seating capacity Aquatic Center and the athletes' village, Senator Go said that they were already at 99% complete as he also assured that other venues which have been contracted by the PHISGOC are ready for use. He said that those still undergoing are the skeet and trap shooting range in Subic which is 85% complete, and the Philippine Marine Shooting range in Fort Bonifacio which is 80% complete. He assured that both venues would be ready in time for the Games and that sufficient contingencies are in place.

INTERPELLATION OF SENATOR DRILON

At the outset, Senator Drilon asked how much was the total capital outlay for the new facilities that were being built for the Southeast Asian Games. He pointed out that he underscored the word "new" because there are venues which have been renovated. Senator Go replied that the capital outlay for the new facilities, including that athletes' village in the New Clark City is P13 billion sourced from the Bases Conversion and Development Authority (BCDA).

As to the facilities being built in the New Clark City, Senator Go cited the track oval, the athletics stadium, the aquatic center, the athletes' village, the diving pool, the swimming pool and the practice pool.

Senator Drilon stated that regardless of whether it was the BCDA or the General Appropriations Bill which funded the facilities, it was still public funds. As to where the BCDA sourced its funds, Senator Go confirmed that the funds were from the present budget.

Asked if there were also renovations done on other sports facilities, Senator Go cited the Rizal Memorial Coliseum, the Ninoy Aquino Coliseum, and the Philippine Sports Arena.

On whether any other capital outlay was budgeted in the current year other than the P13 billion and the

P849 million mentioned, Senator Go said that the Rizal Memorial Coliseum repair was sourced from the PACGOR fund and not from the GAA.

Senator Drilon asked how much the costs of repair would be that was sourced from PAGCOR. Senator Go replied that the repair for the three coliseums and gyms totaled P849 million. However, he clarified that there was a correction from the president of the BCDA that only P9.5 billion and not P13 billion would be for the new facilities in the New Clark City which was sourced from the 2019 budget.

Asked again how much was the outlay for repair of the sports facilities regardless of the source, Senator Go explained that aside from P849 million which was spent on the three gyms and coliseums, there were also facilities — lawn tennis, track and field, swimming pools, and badminton — for which P600 million sourced from PAGCOR was spent. Likewise, he said that the repair of the Subic shooting range and the Marine shooting range totaled to P34 million, also sourced from PAGCOR.

Senator Drilon explained that he was going through the figures because he was trying to figure out the total capital outlay devoted to said facilities that were funded through the budget or either PACGOR.

Senator Go added that aside from those mentioned venues that were repaired, there was also P175 million for more than 40 venue rentals. However, Senator Drilon said that those were for the Maintenance and other Operating Expenses and not Capital Outlay.

Asked on the total capital outlay for the building or repair of the said sports facilities, Senator Go replied that including the P30 million which was sourced from the capital outlay for the skateboarding and cycling in Tagaytay, repairs and construction of new facilities totaled to around P12 billion.

Asked if P12 billion was for the new facilities and for the repairs, Senator Go replied in the affirmative explaining that other structures were built in 1985 such as the Rizal Memorial Coliseum. Senator Drilon pointed out that whether or not the country bidded or not to host the Southeast Asian Games, the deteriorating facilities would still have to be repaired.

Senator Drilon inquired what would happen to the new facilities constructed at a cost of P9.5 billion

after the Games, noting that certain sites of athletic meets and events all over the world, including that of the Olympic stadium in a number of countries were now just monuments of non-use. He feared that the new facilities would just turn out as assets which are, in effect, just in the books without any income being earned.

Senator Go replied that he was informed by Chairman Ramirez that after the SEA Games, the PSC was looking to open the Rizal Memorial Sports Coliseum, the Philippine Sports Arena, and the agency-controlled sports facility in Baguio City to various local and international tournaments as well as to the Philippine commercial leagues and other collegiate leagues like UAAP and NCAA which could draw additional revenue which would be used for improving the living conditions of the athletes such as their nutrition, dormitories and allowances.

As for the new facilities in the New Clark City, Senator Go said that some of the facilities can be utilized by the soon-to-be established Philippine High School for Sports which would provide student athletes world-class training.

Asked if there has been an effort to compute how much the maintenance expense of the said facilities would amount to after the Games, Senator Go stated that based on the study conducted by the Asian Development Bank (ADB), the cost ranges from P150 million to P200 million per year, apart from the substantial amount of P12 billion allocation for the facilities.

Asked how the amount of P150 million per year would be funded, Senator Go replied that the BCDA plans to privatize the operations and maintenance of the New Clark City in Tarlac, by bidding out the sports facilities to private developers who would operate, maintain, and generate revenue for the government.

To Senator Drilon's observation that there has been no detailed plan on how the stadium could generate funds, Senator Go assured that there would be enough economic activity to cover the stadium's P150-million annual maintenance expense.

As regards the indicative list of who would be interested to rent the 20,000-seat track and field facility, Senator Go guaranteed that many interested developers would be willing to continue the operation and maintenance of the facility. Senator Drilon

disagreed, fearing that its maintenance cost would be a burden to the budget. He also expressed disagreement with the contention that enough funds would be generated to cover the facility's maintenance cost. He feared that it would ultimately deteriorate over time for lack of funds.

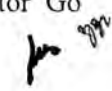
Senator Go stated that the BCDA and ADB already discussed the plan on how the operations of the facility would be sustained by the private sector to become a national training center. Thereupon, Senator Drilon requested a copy of the ADB study. Senator Go assured that all the necessary information would be provided immediately.

On whether there would be recovery of investment after money has been spent for the construction and maintenance of the facilities, Senator Go replied that it would not take five years before the investment of the sports facility would be recovered. He expressed confidence in the sustainability of its operations.

At this juncture, Senator Binay inquired on the facility's setup for high school for sports when it would be bidded out to the private sector. Senator Go explained that only a small portion would be allotted to the high school for sports.

Asked by Senator Binay if the students would pay for the use of the facility even if it would be leased out to the private sector, Senator Go replied that the athletes, students, and scholars may use the facility free of charge.

At this juncture, Senator Drilon placed on record that the reason for his inquiries is that he is in support of the athletes and their desire to excel in their respective fields. He said that without clear financial plan to neither recover the amount of resources that would be devoted for capital outlay nor maintain the facilities, he feared that the sports facilities in the New Clark City would suffer the same fate that befell Olympic sites like Rio de Janeiro which sponsored the 2016 Summer Olympics, Sarajevo in Bosnia, Athens in Greece, Beijing Olympic Park, and Pyeongchang Olympic Stadium that ultimately fell apart. He stated that the BCDA should have learned from the experience of Olympic venues around the world, and that they should be prepared to come out with a plan so that the facilities would not go to waste. He then asked why the sports events were lodged with the BCDA and not with the Philippine Sports Commission (PSC). Senator Go



said that as sponsor of the PSC budget, he would be the first to stand if there would be inefficiencies and/or irregularities on the part of the PSC in spending its budget.

At this juncture, Senator Gordon asked for the reconsideration of the approval of the BCDA as he still has questions that need to be answered.

Senator Zubiri surmised that the reason the fund was lodged with BCDA was that it was in charge of the New Clark City in Tarlac.

Senator Drilon explained that he was not able to raise his queries during the BCDA budget deliberation because he did not know that it was the BCDA that would, in effect, own the facilities and decide on its use. He said that while it was not Senator Go's fault, it was just natural that candid inquiries be made about what would happen to the facilities after hosting the Southeast Asian Games considering the huge budget allocation involved.

Senator Go assured that the BCDA would submit its plan; in fact, the PSC chairperson has intimated his willingness to enter into a MOA with the BCDA.

At this point, Senator Drilon stated that the matter could be better answered by the sponsor of the BCDA budget, particularly the capital outlay expended for the Games. He hoped that the BCDA would submit its report and that its budget be recalled for discussion on Monday to seek responses to the questions which he has raised.

Senate President Sotto stated that any Member who voted in favor of the motion to submit the budget of the BCDA for the Body's consideration has the right to file a motion for reconsideration of that submission so that the BCDA budget could be recalled.

Senator Drilon said that he voted in the affirmative so he has the right to file the motion for reconsideration.

MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino suggested that since the BCDA chief was around, the Body could suspend the Rules so that he could explain the rationale behind the budget for the New Clark City. He opined that one of the reasons why the area was being built was that it would serve as the second administrative capital of the Philippines

outside of the NCR and in the future, similar to Putrajaya in Malaysia or Brasilia in Brazil, if anything would happen to Metro Manila after a big earthquake, for instance, the area would serve as the center for business and government service continuity plans.

Senate President Sotto stated that suspending the Rules was no longer necessary since a motion to reconsider the budget of the BCDA has been raised; thus, its budget could be considered anytime.

PARLIAMENTARY INQUIRY OF SENATOR LACSON

Senator Lacson asked if it was a correct motion to suspend the Rules to allow the BCDA president to directly answer the question since the Body was discussing the budget of PSC.

Senate President Sotto said that there was no motion yet to suspend the Rules, and that the parliamentary status was that the Body was still considering the budget of the Philippine Sports Commission. He said that the pending motion filed by the Minority Leader was to reconsider the submission of the budget of the BCDA. He added that he did not hear Senator Tolentino filing a motion but merely suggesting that the Body suspend the Rules.

Senator Zubiri agreed, saying that Senator Tolentino only suggested that the Body suspend the Rules to allow the BCDA president to answer.

Senate President Sotto stated that the suggestion to suspend the Rules was no longer necessary because there was a motion to recall the submission of the BCDA.

Asked by Senator Zubiri if he would want to suspend the consideration of PSC budget and take up the BCDA budget while the BCDA president was in the gallery, Senator Drilon replied that the Sponsor of the BCDA budget was not in the hall. He suggested that the Body instead recall the submission of the BCDA budget and to take it up again on Monday. He said that he just wanted to get hold of the report as to the manner in which the facility would be used afterwards.

MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino explained that his previous manifestation was to remove the impression that the Philippines as the SEA Games country host was still

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debating, refining, and fine-tuning the post-game scenario when it is about to unfurl the red carpet a few days before the actual events commence. He said that what was currently needed was to close ranks and project that there is unity before the games, during the games, and after the games.

Senator Tolentino expressed confidence that the BCDA president could appropriately explain even in executive hearing the exact nuts and bolts of what would transpire after the conclusion of the Southeast Asian Games.

RECONSIDERATION OF THE SUBMISSION OF THE BUDGET OF THE BASES CONVERSION AND DEVELOPMENT AUTHORITY

Submitted to a vote, there being no objection, the submission of the budget of the Bases Conversion and Development Authority was deemed recalled.

PHILIPPINE SPORTS COMMISSION (Continuation)

Thereupon, the Body resumed consideration of the budget of the Philippine Sports Commission.

INTERPELLATION OF SENATOR DRILON (Continuation)

Asked by Senator Drilon where the maintenance and operating expenses was lodged, Senator Go said that for the PSC facilities such as the Rizal Memorial Coliseum, PhilSports, and Ninoy Aquino Stadium, the expenses would be taken from the PSC budget.

Senator Drilon then asked where the budget for the other expenses would come from should non-PSC facilities be used.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 5:23 p.m.

RESUMPTION OF SESSION

At 6:06 p.m., the session was resumed.

Upon resumption, Senator Drilon asked how much the current budget of PSC was. Senator Go

replied that the allocation was P6.2 billion for 2019 which included the P6 billion for the Southeast Asian Games which had been approved by Congress.

Senator Drilon recalled that the P7.5 billion for the Philippine Sports Commission appearing in the General Appropriations Bill was lodged in the Department of Foreign Affairs, but since there was no relation between foreign relations and the holding of the Southeast Asian Games, P5 billion was moved to the Philippine Sports Commission which was broken down to: P1.06 billion for capital outlay and P3.9 billion for MOOE.

Senator Drilon asked how much capital outlay the PSC utilized in the current year. Senator Go pointed out that PSC had P5 billion from the 2019 GAA and P1 billion from the contingent fund or P6 billion, P5.318 billion of which was for MOOE.

Asked if the PSC had access to more than P1.046 billion for capital outlay that was allotted for 2019.

Senator Go explained that only P682 million of the P1.046 billion was left for capital outlay because P394 million had been realigned to MOOE.

Senator Drilon then asked if the PSC spent more than P682 million in terms of capital outlay.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 6:17 p.m.

RESUMPTION OF SESSION

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

Upon resumption, Senator Drilon said that he was handed a paper captioned "Utilization Rate of Southeast Asian Games Budget" which he assumed was the PSC budget. He said that the total authorized budget indicated therein was P6 billion; however, from the 2019 GAA, the PSC budget was only P5 billion.

Asked by Senator Drilon whether the P5.318 billion out of the P6 billion was allotted for MOOE and P682 million was appropriated for capital outlay, Senator Go replied in the affirmative. He likewise

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confirmed Senator Drilon's observation that from the P6-billion budget for the Southeast Asian Games, the PSC obligation was indicated at P4.43 billion, consisting of P3.781 billion for MOOE and P649 million for capital outlay, but the actual disbursement for MOOE was P3.6 billion and for capital outlay, P535 million.

Senator Drilon said that he read in the papers that a private foundation was involved in the SEA games. He asked Senator Go to explain its necessity and to identify the names of the people involved and their roles in the said foundation.

Senator Go narrated that on August 14, 2019, there was a tripartite agreement between the PSC, the Philippine Olympic Committee (POC) and the PHISGOC. He said that based on the agreement, the PSC would continue to provide financial support to PHISGOC pursuant to the 2019 GAA, extend its full assistance through the deployment of necessary manpower, including the provisional salaries and compensation of PHISGOC personnel and other forms of necessary support consistent with the mandate of the PSC; on the other hand, the POC, as the recognized national olympic committee for the Philippines, would continue to coordinate with and ensure the autonomy of all National Sports Associations (NSAs) with regard to the competition requirements in their respective events for the 30th Southeast Asian Games and to monitor and oversee PHISGOC's preparation and organization of the 30th SEA Games; while the PHISGOC would primarily be responsible for the actual preparations, organization, management and execution of the country's hosting of the 30th SEA Games.

Asked by Senator Drilon for the full name of the foundation and other pertinent information, Senator Go said that the foundation is the Philippine SEA Games Organizational Committee, a nonprofit, non-stock corporation duly registered with the SEC, whose members are the following:

- House Speaker Alan Peter Cayetano, Chair;
- PSC Chairman, Willam Ramirez as Co-Vice Chair;
- POC President Rep. Abraham Tolentino as Co-Vice Chair;
- Ramon Suzara, Jr., Chief Operating Officer;
- Joseph Alcazar, Managing Director;
- Monica Mitra, Managing Director for Operations;

- Guillermo Iroy, Managing Director for Finance;
- Tomas Carrasco, Executive Director; and
- Atty. Edwin Gastanes, Director General.

Senator Go said that the organizing committee would be primarily responsible for the actual preparations, organization, management, and execution of the country's hosting of the 30th SEA games.

Senator Drilon then questioned why there was a need for a private foundation to manage the SEA Games and whether the functions of the organizing committee could be performed by a regular government agency such as the PSC. Senator Go said that the PHISGOC was created to organize the SEA Games together with the PSC, the POC and the private sector. He said that the charter of the SEA Games Foundation allows the formation of an organizational committee.

Noting that there was nothing special about the foundation, Senator Drilon asked whether it was necessary to tap a private organization to organize the Games when it could be done by a regular government agency like the PSC. He pointed out that the members of the foundation are also government officials, yet they chose to form the foundation in their private capacity. He asked Senator Go to explain its rationale and to provide a policy justification.

Senator Go said that according to the PSC, the members of the organizing committee are marketing professionals from the private sector, sports enthusiasts and those with experience in organizing multi-sports and international competitions, all of whom were tapped to ensure the best hosting of the SEA Games.

But Senator Drilon said that he could not accept the explanation as policy rationale for allowing a private foundation to participate in the preparation when, in fact, the members are government officials who could perform the same task.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 6:38 p.m.

RESUMPTION OF SESSION

At 6:51 p.m., the session was resumed.

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Senator Drilon stated that he could not accept, as a policy issue, the rationale for the organization of the PHISGOC to intervene in the SEA Games.

Asked if there was a MOA signed between the Philippine Sports Commission, PHISGOC and POC, Senator Go replied in the affirmative. He clarified that the Office of the President officially recognized the PHISGOC as the organizing committee through Memorandum Circular No. 55, and that the POC has delegated the hosting of the Games to PHISGOC similar to what was done in the past – MANSOC in 1991, PHILSOG in 2005, and PHISGOC in 2019.

Senator Go stated that there was a need for someone to be in the middle between POC and PSC because everyone would want to handle the event. He stressed that the issuance of MC No. 56 was meant to make PSC and POC work together.

Senator Drilon maintained that the objective of the SEAG could be achieved even without the intervention of a private corporation which is composed of the same people from PSC and POC.

Senator Go said that the question as to the propriety of PHISGOC could be discussed in detail when its position papers are considered.

Asked if there is existing position paper and whether it has been submitted to any office, Senator Go replied in the negative. Senator Drilon stated that he would go over it once he receives the position paper.

As to who was in charge of disbursing the funds allotted in the budget and to whom it would be delivered, Senator Go replied that the PSC would disburse the funds. He stated that of the P6 billion budget, P2,942,126 billion would be allotted for the business uniforms; games information system; SEA Games towels, canvass and casual uniforms; furniture and fixtures; IT equipment; ceremonies and cultural events integrator; lights, audio, and truss integrator, ; lease of communication equipment; PSC and POC finding for sports equipment; and P441 million for the field of play construction. He said that the PSC would provide the Chamber with a copy of the disbursement.

As to how much has been remitted to PHISGOC, Senator Go confirmed that P700 million has been released to them to cover operational expense for the procurement of the cauldron, including its flame mechanism; broadcast content and service require-

ments, venue-related expenses; game time service requirements; workshops and trainings, meetings, special events; volunteer promotion; retention initiative, medical game time requirements educational-technical; production, reinforcement for sports entertainment, game test events; security manpower integrators; and other operating expenses.

On whether he would agree that PHISGOC is similar to a service provider that performs the task of doing purchases, securing television coverage/broadcasting rights among others, Senator Go said that the SEA Games is a franchise of POC as mandated in Section 12 of RA 6847, or the PSC Law, which states in part that "... The Philippine Olympic Committee shall maintain its primary responsibility for activities pertaining to the country's participation in Olympic Games, ASEAN Games, Southeast Asian Games and other international athletic competitions..." However, Senator Drilon said that he was not referring to the Philippine Olympic Committee but to the Philippine Southeast Asian Games Organizing Committee (PHISGOC). Senator Go said that the POC organized the PHISGOC, and PSC is just part of the executive management committee.

Senator Drilon expressed his concern on the issue of the services being performed by PHISGOC which marited P700 million from the government. He noted that the head of the PSC, William Ramirez, is one of the organizers of the PHISGOC, a nonstock, nonprofit corporation. Senator Go said that Attorney Ramirez is not an incorporator nor a signatory but is an *ex officio* member of PHISGOC for coordination purposes. Senator Drilon said that being an *ex officio* member would mean that Attorney Ramirez is occupying the post because of his recent appointment to another post. He said that it is a situation where a government official sits in a private corporation but the principle of an *ex officio* capacity does not apply to it at all. Senator Go said that Attorney Ramirez is just part of the management committee but not in the board of trustees.

On whether Attorney Ramirez is a member of the PHISGOC Foundation, Senator Go replied that Attorney Ramirez was just part of the management committee.

Senator Drilon then asked for a copy of the PHISGOC's Articles of Incorporation, By-Laws and Information Sheet. Senator Go said that Senator Drilon would be furnished with the documents.

Asked by what authority the PSC transferred the P700 million fund to PHISGOC, Senator Go replied that it was through a tripartite agreement and Memorandum Circular No. 56.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 7:12 p.m.

RESUMPTION OF SESSION

At 7:18 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF THE BUDGET OF THE PHILIPPINE SPORTS COMMISSION

Upon motion of Senator Villanueva, there being no objection, the Body suspended consideration of the budget of the Philippine Sports Commission.

GAMES AND AMUSEMENT BOARD

Upon motion of Senator Villanueva, there being no objection, the Body considered the budget of the Games and Amusement Board (GAB).

Thereupon, the Chair recognized Senator Go for the budget of the GAB.

MANIFESTATION OF SENATOR GO

Senator Go stated that for Fiscal Year 2020, the total new appropriations of the Games and Amusement Board is P123,463,000, broken down as follows: Personal Services – P72,920,000; Maintenance and Other Operating Expenses – P44,860,000; and Capital Outlay – P5,680,000.

INTERPELLATION OF SENATOR DRILON

At the outset, Senator Drilon said that Senator Pacquiao sponsored a bill to create a boxing commission and to remove the activities related to boxing from the GAB. He said that the measure was approved in the Senate but did not pass in the House of Representatives. He then asked on the position of the GAB as regards the boxing commission. Senator Go replied that under Section 10 of House Bill No. 8257, otherwise known as the Philippine Boxing

and Combat Sports Commission Act of 2018, and in Senate Bill No. 1306, otherwise known as the Philippine Boxing and Combat Sports Commission Act of 2017, the functions of the GAB as well as the other entities related to boxing and combat sports would be transferred to the Philippine Boxing Commission (PBC). Senator Drilon noted that a similar bill has been refiled in the 18th Congress. He once again asked on the position of the GAB on the formation of the boxing commission independent of the agency. Senator Go replied that it was opposed by the previous Congress and their stand at present remains the same.

Moreover, Senator Go said that under Section 18 of the bill, P150 million shall be appropriated for the initial implementation of the PBC Act sourced from the President's Contingent Fund, thus creating another bureaucracy for which the government would be required to spend a huge amount of money. He said that if the government concentrates on what is in the GAB and improve its services by increasing its budget, the government would be able to save money. He reiterated that the chairman of GAB would still oppose the measure.

Senator Drilon said he could sympathize with Chairman Mitra once a PBC be organized since the GAB would only be left with licensing international derbies and basketball.

Senator Drilon surmised that the GAB would have nothing else to do. Thus, he urged Chairman Mitra to oppose the creation of the boxing commission as he does not see any merit to it.

Senator Go stated that Chairman Mitra agreed with Senator Drilon that the functions defined in the proposed boxing commission are the same with the GAB.

Asked whether Senator Pacquiao was aware of the position of the GAB chair regarding the creation of a new professional boxing body, Senator Go replied that the GAB opposed the proposal in the last Congress and that it was maintaining the same position.

On whether the measure, even if approved by the Senate, would meet resistance in the Lower House, Senator Go replied that the GAB chair could not ascertain that it would be blocked because he was no longer a member of the House of Representatives.



SUBMISSION OF THE BUDGET OF THE GAMES AND AMUSEMENT BOARD

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Games and Amusement Board was deemed submitted for the Body's consideration.

PRESIDENTIAL MANAGEMENT STAFF

Senator Go presented the budget of the Presidential Management Staff amounting to P633,541,000.

SUBMISSION OF THE BUDGET OF THE PRESIDENTIAL MANAGEMENT STAFF

There being no interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Presidential Management Staff was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 7:29 p.m.

RESUMPTION OF SESSION

At 7:30 p.m., the session was resumed.

MOVIE AND TELEVISION REVIEW AND CLASSIFICATION BOARD

Senator Gatchalian presented the budget of the Movie and Television Review and Classification Board amounting to P38 million.

SUBMISSION OF THE BUDGET OF THE MOVIE AND TELEVISION REVIEW AND CLASSIFICATION BOARD

There being no interpellation, upon motion of Senator Drilon, there being no objection, the budget of the Movie and Television Review and Classification Board was deemed for the Body's consideration.

GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS

Senator Gatchalian presented to the Body the budget of the Governance Commission for Government-

Owned and Controlled Corporations amounting to P182 million.

INTERPELLATION OF SENATOR DRILON

Asked by Senator Drilon who the members of the GCG-Governance Council are at present, Senator Gatchalian said that the Council is headed by Samuel G. Dagpin as chairman, with Michael P. Cloribel and Marites Cruz-Doral as commissioners.

On whether there were other members of the Commission other than the aforementioned, Senator Gatchalian replied that Secretary Carlos Dominguez and Secretary Wendel Avisado are *ex officio* members.

Senator Drilon explained that he asked the composition of the board and their background because he was not familiar with them and that it is a very technical and critical commission that would oversee government-owned and -controlled corporations which are holding assets in the trillions of pesos, Senator Gatchalian stated that the chairman, Samuel Dagpin, is a lawyer and an engineer; Marites Cruz-Doral, commissioner, is a law graduate and a certified public accountant; and Michael Cloribel, commissioner, is a lawyer.

Asked whether the full-time commissioners have had exposure to any corporate governance in either the private or government sector, Senator Gatchalian replied that Samuel Dagpin has been in practice as a corporate lawyer for 17 years; Michael Cloribel, also a corporate lawyer who once worked in Davao Light, a utility company in Davao; and Marites Cruz-Doral, a CPA engaged in banking and had worked in the USAID.

On whether the commission had regular meetings, Senator Gatchalian replied that the management committee meets twice a month and the Commission *en banc* meets three times a year or even more depending on the issues at hand.

As regards the number of GOCCs being overseen by the GCG and their total assets, Senator Gatchalian replied that there are about 120 GOCCs with total assets amounting to about P7.9 trillion and total liabilities of about P4.2 trillion for a net worth of about P3.6 trillion.

Senator Drilon questioned why the Commission meets only once every four months when it oversees

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120 GOCCs holding P7.9 trillion of government assets, Senator Gatchalian explained that the Commission held regular monthly meetings in 2016 and 2017 but it was only in 2018 and 2019 that it met about three times a year. However, he stated that the management committee, which is the working group, meets about twice a month.

Senator Drilon pointed out that the governing board is the GCG, and not the executive committee.

At this juncture, Senator Lacson asked how many of the 120 GOCCs were making money and how many were losing as he supposed that PAGCOR which is earning high income annually, and PCSO are considered the top earners. He surmised that a lot of GOCCs were also losing money and were being subsidized by the government. Senator Gatchalian replied that 20 GOCCs were losing money, 60 were profitable, and 40 were dormant or non-operational, because the mother agencies believed that these GOCCs might operate in the future.

Asked on the total worth of government subsidies provided to losing or non-profitable GOCCs, Senator Gatchalian replied that based on records, P123 billion were given in 2017 and P128 billion in 2018 to these same companies and corporations. As to the number of years these GOCCs were being subsidized, he said that 20 of them have been given subsidies over the years since the beginning. He assured the Body that he would get the exact list of these GOCCs and the records of their subsidies.

Senator Lacson questioned why the government should continue to subsidize these losing GOCCs when it would be a better management policy to just stop the subsidy and save the government P128 billion a year.

Senator Gatchalian clarified that the subsidies come in two forms: one is for operational use, and the other is for project-based. The subsidy for operational use, he explained, is given to losing GOCCs so that they can survive, while the project-based, such as the BCDA, would have to construct a specific project. He narrated that during a hearing, he learned that there are GOCCs to be abolished, and that the GCG already approved the abolition of 30 GOCCs out of the 60 dormant and 20 non-profitable, some of which are competing with the private sector for competitive neutrality, like the Cottage Industry and the PNOC Alternative Fuels Corporation.

Asked when these 30 non-performing and losing GOCCs would be abolished and how much the government would save, Senator Gatchalian explained that the abolition procedure takes two to three years and requires liquidation of assets, and he informed the Body that some of these GOCCs are already in the process of liquidating their assets. He said that the faster they could sell the assets, the faster they can shut the companies as well. As regards the projected savings, he said that P3.1 billion would be saved once the 30 GOCCs are abolished. He again assured the Body that he would furnish them with a copy of the aggregated subsidies so as to have a clear picture of which one goes to project and which one goes to covering losses.

As to whether there are still plans to abolish some other GOCCs particularly those in the pipeline, Senator Gatchalian disclosed that four GOCCs were recently approved for abolition, including the PNOC Renewables Corporation which is competing with the private sector.

Asked on the amount that has been realized out of the four recently approved for abolition, Senator Gatchalian replied that the process of disposing their assets was still ongoing.

Resuming his interpellation, Senator Drilon stated that he would just follow up on some of the questions raised by Senator Lacson on the 30 GOCCs that are up for abolition.

Asked by Senator Drilon why abolition takes two to three years, Senator Gatchalian replied it is because the abolition process, which is market-driven process, includes liquidation of assets.

As to when the appropriate recommendation would be given by the GCG to the President and when the appropriate executive order would be issued to abolish the 30 GOCCs mentioned, Senator Gatchalian revealed that the 30 GOCCs approved for abolition have their corresponding executive orders already. He disclosed that out of the 30 GOCCs, 12 were recommended for abolition due to the inability to produce desired outcomes or to achieve their mandates; nine were due to duplicative and overlapping functions; and another nine due to nonoperation. Some of the companies included in the list, he said, were the Quedan and Rural Credit Guarantee Corporation; Philippine Veterans Assistance Commission; National Livelihood Development Corporation;

People's Credit and Finance Corporation; PNOG Development and Management Corporation; PNOG Alternative Fuel Corporation; Bataan Technology Park; and Cottage Industry Technology Center. He promised to furnish the Body with a copy of the list of the companies and the list of executive orders and memorandum orders abolishing the 30 corporations on various dates by authority of the President.

Senator Drilon noted that the operative act of abolishing the said corporations, which is a delegated function of Congress to the GCG and to the President, is not a memorandum but an executive order; otherwise, the abolition may not be effective. Senator Gatchalian explained, however, that based on the list, memorandum orders were executed since 2014 to abolish GOCCs. Senator Drilon opined that the fact that it has been done for the last five years does not necessarily make it legal.

Adverting to his copy of the GCG Governance Act, Senator Gatchalian cited Chapter 2, Section 5(A6) and subsection 2: "Recommend to the President the abolition or privatization of the GOCC and upon approval of the President, implement such abolition or privatization unless the President designates another agency to implement such abolition." He said that since the provision does not state the exact document to abolish GOCCs, it has been a practice that a memorandum order is sufficient to execute the instruction.

Asked if the memorandum order and the recommendation for abolition is approved by the Executive Secretary or the President, Senator Gatchalian replied that the *en banc* submits a memorandum to the President and the Executive Secretary executes the memorandum order by the delegation of the President. He affirmed that, in effect, the memorandum order abolishes the GOCCs.

At this juncture, Senator Lacson asked whether the GOCCs are created by executive order or by memorandum order. Senator Gatchalian said that they were created by law. Senator Lacson averred that if the GOCCs are created by law, it would only be consistent if they are abolished at least through an executive order. He likewise cautioned that a memorandum order may be questioned.

For his part, Senator Drilon said that as long as it is approved by the Executive Secretary by authority of the President, the power to abolish is still valid even if it is a corporation created by law because the

GOCC's Governance Act was crafted in such a manner that such legislative authority was delegated to the President.

Asked by Senator Lacson if it is consistent with the earlier suggestion of Senator Drilon that PAGCOR may be privatized by an act of the GCG, Senator Gatchalian answered in the affirmative.

On the topic of PAGCOR, Senator Gatchalian related that the Commission recommended to the President on August 2017 to decouple the operations of PAGCOR; one for regulatory, and one for operations, but no action yet has been undertaken by the Office of the President.

Asked why the privatization of PAGCOR was not acted upon, Senator Gatchalian replied that it is a policy decision on the part of the President. What was good, he said, was that the Commission recognized the conflict of interest in PAGCOR being an operator and at the same time a regulator.

Concurring with the action taken by the Commission, Senator Drilon congratulated them for taking the position that, indeed, as a policy issue, PAGCOR should not engage in supervision of the gaming industry where it is an operator at the same time. Aside from the fact that there will be a classic conflict of interest, he believed that the gaming industry is sufficiently operated by the private sector. Saying that he has his own conclusion as to why the matter has not been acted upon, he revealed that he has suggested a plan of action to the Secretary of Finance which would allow the abolition or privatization of PAGCOR, and to address the needs of the Executive branch insofar as the President's Social Fund is concerned. However, he believed that the matter of convincing the President that such action is consistent with policy is lodged with the GCG chairman and the Finance secretary.

Senator Gatchalian mentioned that he was advised that the endorsement to decouple PAGCOR was unanimous, and that their arguments were quite clear. He said that GCG would furnish the Body with an excerpt of their arguments. He said that he was likewise interested in knowing how the GCG discussed the decoupling of PAGCOR by basically segregating its regulatory functions from its commercial functions.

Asked if the excerpts came from a meeting of the Commission held for the purpose, Senator Gatchalian

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stated that the text was an internal study of the GCG as well as the discussions in the Commission. Senator Drilon said that it would be much appreciated if the Chamber could be provided with a copy of the memorandum or the summary.

On another point, Senator Drilon said that one major role of the GCG is to monitor and approve the bonuses received by GOCC officials. He said that historically, the GCG Governance Act was enacted as a consequence of the discovery of rampant abuses in the bonuses and other compensations among GOCC officials. He then asked if the GCG has been active in monitoring the compensation packages of the board of directors of GOCCs.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 8:08 p.m.

RESUMPTION OF SESSION

At 8:10 p.m., the session was resumed.

Upon resumption, Senator Gatchalian stated that based on documents, only 22 GOCCs out of 80 which applied for bonuses were approved and 56 were denied. Admittedly, he said that he was quite surprised with the record considering that some GOCCs did not apply, yet only one-fourth were granted bonuses.

Asked if the purpose of Republic Act No. 10149 has been achieved, Senator Gatchalian replied in the affirmative. Echoing the sentiments of Senators Lacson and Drilon during the hearings, he believed that the operations of the GOCCs should be constantly reviewed, saying that, in fact, he found 120 GOCCs a huge number, some of which, he suspected, might even be operating and competing against the private sector instead of allowing the latter to flourish in their respective industries. He then advised the GCG to continue reducing the 120 GOCCs, suggesting even the abolition of those which have been dormant so it would be less tempting for the mother agencies to revive them.

Regarding the matter of nominating members to the board of GOCCs, Senator Drilon mentioned newspaper reports that certain questions would

regularly arise on the competence of appointees to the board. He then adverted to Section 15 of Republic Act No. 10149 which provides that "An appointive director shall be appointed by the President of the Philippines from a shortlist prepared by the GCG. xxx." Asked if the minimum standards indicated by law regarding the qualifications of board members were being applied to their appointment, Senator Gatchalian assured that the GCG applies the fit and proper rule as prescribed by the GCG Law; in fact, they have very extensive terms of reference and minimum qualifications for all appointed directors in every GOCC. He believed that the GCG Law is efficiently working as expected, disclosing that when he requested a summary of dividends being collected by the government prior to the GCG Law, only P13.4 billion was remitted, but after its passage, the remittance doubled to P28.9 billion. He said that P35.4 billion was remitted to the national government in 2018, excluding Land Bank as it has been exempted from the remittance of profits because they were allowed to convert into capital subscription what would otherwise be a dividend declaration.

SUBMISSION OF THE BUDGET OF THE GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED AND -CONTROLLED CORPORATIONS

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Governance Commission for Government-Owned and -Controlled Corporations was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

With the permission of the Body, the session was suspended.

It was 8:19 p.m.

OPTICAL MEDIA BOARD

Senator Gatchalian presented the budget of the Optical Media Board in the amount of P68 million.

SUBMISSION OF THE BUDGET OF THE OPTICAL MEDIA BOARD

Upon motion of Senator Villanueva, the being no objection, the budget of the Optical Media Board was deemed submitted for the Body's consideration.

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SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4228

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

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, there being no objection, the Chair suspended the session until ten o'clock in the morning of Monday, November 18, 2019.

It was 8:27 p.m.

RESUMPTION OF SESSION

At 10:05 a.m., Monday, November 18, 2019, the session was resumed with Senate President Sotto presiding.

COMMITTEE REPORT NO. 18 ON HOUSE BILL NO. 4228

(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4228 (Committee Report No. 18), entitled

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

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

Thereupon, Senate President Sotto recognized Senator Angara, sponsor of the measure.

OFFICE OF THE VICE PRESIDENT

Senator Angara presented the budget of the Office of the Vice President amounting to P664,883,000.

SUBMISSION OF THE BUDGET OF THE OFFICE OF THE VICE PRESIDENT

There being no reservation for interpellation,

upon motion of Senator Zubiri, there being no objection, the budget of the Office of the Vice President was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:06 a.m.

RESUMPTION OF SESSION

At 10:14 a.m., the session was resumed.

At this juncture, Senate President Sotto relinquished the Chair to Senator Zubiri.

DANGEROUS DRUGS BOARD AND THE PHILIPPINE DRUG ENFORCEMENT AGENCY

Senator Lacson presented the budget of the Dangerous Drugs Board (DDB) in the amount of P553.661 million.

He said that the original P283,600 million allocation in the National Expenditure Program was increased under the General Appropriations Bill as transmitted by the House of Representatives and that the Senate added another P20 million to augment the fund for the program monitoring and evaluation of the Philippine Anti-Illegal Drugs Strategy (PADS).

INTERPELLATION OF SENATE PRESIDENT SOTTO

Preliminarily, Senate President Sotto said that the Department of Budget and Management's recommended budget for the DDB for the fiscal year 2020 was 54.86% lower than the DDB's requested appropriations. Asked what particular projects were affected by the decrease and if it would affect the country's war on drugs, Senator Lacson said that the only reason for the reduction of the budget was the non-recurrence of the budget for the nationwide survey that was currently being conducted by the DDB in the amount of P70 million and which was deemed no longer necessary.

Senate President Sotto said that P444 million was cut by the DBM while only P70 million was allotted for the survey.

Asked on the specific items that were affected by the budget reduction, Senator Lacson stated that under Tier 2, the following projects would be adversely affected:

- upgrading/repair of DDB offices in the amount of P10 million;
- replacement of outdated old and broken fixtures and furniture, P8 million;
- career performance development, program P1 million; and
- production of digital materials for drug enforcement portal, and National Communication Plan for the PADS of P400 million.

Senator Lacson explained that Finance Subcommittee C had proposed an additional P200 million to support the institutionalization of the PADS but only P20 million was adopted by the mother committee.

Senate President Sotto expressed concern over the reduction of the PADS budget because Executive Order No. 66, issued last October 2018, designated the DDB as the lead agency in the implementation and institutionalization of the PADS. He stated that EO 66 directed all government offices, departments, bureaus, agencies, and offices including government-owned and -controlled corporations, and state universities and colleges to implement the PADS in accordance with their respective mandates.

Asked how the PADS was currently implemented and why it was slashed to only P20 million, Senator Lacson said that most of the budgetary requirements of the PADS had already been incorporated in the budgets of the agencies that are involved in the PADS' effort.

On whether all the different agencies, corporations, government entities covered by EO 66 were implementing the operational plan of the PADS, Senator Lacson said that they were just in the process of cascading the training requirements to their units since the agencies were adversely affected by the delay in the passage of the 2019 national budget. He said that the DDB would be submitting a comprehensive report to the Senate, including a report by the Department of Labor and Employment (DOLE) on the Drug-Free Workplace Program and the Drug-Testing Program.

Asked if there was already a result of a nationwide survey on the extent of drug abuse for which P70

million was allocated, Senator Lacson replied that the fieldwork would commence on the first week of December, and that the results would be released by the first quarter of 2020.

Asked how the survey would be conducted, Senator Lacson said that the DSWD and the PSA would be tapped for the household survey which will be done by region and will involve 9,300 respondents. He said that the survey would be extensive to ensure accurate results.

Asked how he would rate the Drug Abuse Prevention and Control Program of the agency, on a scale of 1 to 10, Senator Lacson stated that it is high at 8.

Asked how many drug dependents were in the private and government rehabilitation centers, Senator Lacson replied that there were 2,211 admissions as of June 2019 in the government-owned—DOH and LGU-managed—as well as private facilities.

Senate President Sotto recalled that in a convention of the United Nations Office on Drugs and Crime (UN-ODC) in Vienna, Austria, that he attended, he questioned the basis of the report that there were 10 million drug dependents in the Philippines, while China, which has over a billion people, recorded less than 500,000 drug dependents and he was told that the figure was based on the number of drug dependents in rehabilitation centers of that country. He said that he retorted and told the UN-DOC that the report on the Philippines would have been different and very much lower if they used the same basis because around only 1,000 were in the rehabilitation centers at that time. He said that the government should be careful in its relations with UN-DOC, because the latter seems to believe everything that is reported on the news.

Asked on the extent of the drug abuse problem based on the mortality and morbidity rates, and the research of the DDB related to drug abuse in the country and other factors that may be considered, Senator Lacson believed that there has been a marked improvement since the 2,211 admissions as of June 2019 were lower than the 5,400 admissions in 2018. He added that there were 144,174 admissions under the community-based rehabilitation program as of September 2019.

Asked about the Drug Information Portal (DIP) which is an interactive online portal that will trigger

the creation of new knowledge and understanding of the anti-drug campaign, Senator Lacson confirmed that it is accessible to the public through an independent access and through a link in the DDB website. However, he hoped that the additional funding for its budget which was cut in Tier 2, would be restored. Senate President Sotto agreed that it should be restored.

As regards the DDB's budget for advertising which was increased by P2 million, Senator Lacson clarified that the budget for advertising in 2019 was P9.2 million and that the DDB was improving its portal for its information campaign. Senate President Sotto remarked that such a budget can only pay for nine 30-second advertisements, and he pointed out that according to the latest Pulse Asia survey, people get 80% to 82% of their information from television, 2% to 3% from social media, and only 2% to 3% from newspapers.

Senate President Sotto also noted that the DDB's locally-funded project—the upgrade of the audio-visual equipment and board meeting facilities—would cost P2.8 million.

Asked on the frequency of the DDB meetings, since under RA 9165 the Board shall meet once a week or as often as necessary, Senator Lacson replied that the Board conducted only eight board meetings for 2019 due to lack of quorum.

Asked what could be done to encourage the conduct of more board meetings considering that even the interagency committee co-chaired by the Vice President and Director General Aquino takes its cue from the DDB, Senator Lacson said that there is a proposal to lower the rank requirement so that assistant secretaries can be included. He pointed out that meeting eight times does not mean that the DDB is not active because regular meetings are also being held by the subcommittees.

Senate President Sotto asked who among the 17 board members are vital in the DDB composition since the original 11 had been increased due to amendments by other senators to include departments like DTI and DepEd. He noted that the PDEA and the IBP representatives are among those that should be included. Senator Lacson pointed out that it is concern-based, and as such would depend on the situation at the time. Senate President Sotto said that an amendment could be proposed for other departments to be invited to these meetings only

when necessary. He also suggested upgrading PDEA and the DDB into one big authority by amending Section 79 of R.A. No. 9165. He believed that only agencies involved in enforcement, prosecution, rehabilitation, prevention, alternative development and international linkage should be part of the body. He opined that the board meetings would be held more regularly if certain departments are called only if the issue in the agenda is within their jurisdiction.

Senator Lacson said that the DDB took note of the suggestions, but he believed that the involvement of all 12 members was important. He reiterated the suggestion to allow assistant secretaries to attend and complete the quorum for meetings. Senate President Sotto said that he was speaking from experience and thus, he was aware of all the excuses that were being made by the members for their absences.

Senate President Sotto informed the Body about a presentation by a foreign company on a new oral type of drug testing kit developed by a Turkish company which produces results in eight minutes. He said that the test kits could detect shabu even if it was consumed a month prior to the testing, and marijuana taken a week before the test. This, he said, is unlike the current drug test made on urine samples which is among the requirement for a driver's license and the seven-type test. He recalled that the drug test requirement for driver's license application was removed because it was a farce as permits were being given right after the sample was taken.

Asked by Senate President Sotto whether the DDB and PDEA have a budget for the new drug-testing kits, Senator Lacson replied in the negative. He said that since it is a new technology, they do not have the budget for it but are willing to pilot test the new product randomly. He said that they are even willing to help the Turkish company secure the license to operate and certification of product registration with the FDA.

Senate President Sotto revealed that the manufacturers and distributors are already in the process of getting an FDA certification. However, he pointed out that the funds for the procurement of the items should already be included in the 2020 budget of DDB and PDEA so that in case they obtain FDA approval, the testing kit could already be used in 2020 and if found reliable and accurate, they may then be used by the other departments and bureaus.

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Senator Lacson said that since the total estimated cost for the testing kits is only P23 million, it might be possible to look for a source of augmentation. He clarified that it was not for the pilot-testing but for the estimated cost of implementation and initial purchase of the products.

Senate President Sotto said that at the proper time he would be proposing an amendment to add some funds for advertising expenses, for the portal, and for the trial drug testing equipment kits.

On the other matter, Senate President Sotto stated that the PDEA has a total of 1,962 authorized plantilla item for drug enforcement officers, 238 of which are unfilled. He then asked which positions remain vacant. Senator Lacson recalled that during the budget deliberations for the 2019 budget, the Senate augmented the budget to cover 1,000 personnel. He said that the PDEA again asked for additional items but was disapproved; thus, the Senate augmented the budget in the amount of P1.4 billion to cover PDEA's request for additional narcotic officers and training personnel.

Asked by Senate President Sotto on the number of graduates produced by the PDEA Academy every year, Senator Lacson said that around 600 agent trainees graduated in 2018 and 400 in 2019.

Given the number of graduates from the Academy, Senate President Sotto said that the 238 vacant items could already be filled. Senator Lacson said that the PDEA was still conducting its recruitment and training program.

Senate President Sotto said that he would always rely on a PDEA Academy graduate when it comes to presentation, investigation, and intelligence work on dangerous drugs because they are more focused. He expressed confidence that the PDEA Academy graduates have credibility and integrity and are more professional than others. He hoped that the Academy would be able to produce more quality graduates and PDEA agents.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:51 a.m.

RESUMPTION OF SESSION

At 10:52 a.m., the session was resumed with Senate President Sotto presiding.

INTERPELLATION OF SENATOR ZUBIRI

Senator Zubiri presented on screen a P700-million drug rehabilitation facility in Malaybalay, Bukidnon called the Wellness Center for Region X donated by the Friends of the Philippines Foundation and which, he lamented, has remained underutilized despite it having been turned over to the DOH by no less than President Duterte himself. He said that it is a beautiful, resort-like, sprawling facility which could take up 600 to 700 patients per cycle. However, he said that the last time he checked, there were only 80 patients in the large facility run by the DOH. He requested the DDB to look into the possibility of how the facility could be used by them.

Senate President Sotto said that information dissemination is necessary so that people would know about the existence of such facility in Bukidnon. Recalling from his own experiences, he cited the relatives of drug dependents from Bacolod who would not bring them to rehabilitation centers in the province, where they would be the subject of gossips by their neighbors and the community, but to such places as Dumaguete, Iloilo or other nearby places. He surmised that the people in Mindanao who live close to Bukidnon might want to bring their drug dependent relatives there.

Senator Zubiri explained that he was presenting the idea and the facility to the DDB as he was aware of their budget for drug rehabilitation and advertising. He explained that the DOH regional office does not have a budget for information dissemination because its budget is used for running the facility and maintenance.

Senator Lacson pointed out that an empty and underutilized drug rehabilitation facility is reflective of a good and effective LGU because it has managed to keep its drug problem to a minimum, an indication that Bukidnon's community-based prevention program must be working. He said that according to the DDB, the drug rehabilitation facility is underutilized because Bukidnon has a good drug prevention program. He said that the reality on the ground is that an LGU's drug program is considered successful when its community-

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based efforts result in unutilized of empty drug facilities.

MANIFESTATION OF SENATOR DRILON

Senator Drilon informed the Body that he visited the Iloilo Rehabilitation Center the previous day not because the city has been called, without basis, as the most “shabulized city” but because the rehabilitation center, although well maintained, still needs upgrading. He said that it lacks dormitories because the present dormitory could only occupy 100 people and that currently it houses about 130 persons.

Senator Drilon said that the Iloilo Rehabilitation Center had requested him to fund a dormitory for female patients. For that reason, he said that he would be making an amendment to the DOH budget under which the budgets of the rehabilitation centers were placed. However, he clarified that when he proposed the improvement of the Iloilo Rehabilitation Center, the budget submitted to him was for all the rehabilitation centers.

Senator Drilon said that not all are fortunate to have a drug facility like the one in Bukidnon. Senator Zubiri said that not a single government fund was spent for it because all the P700 million came from private funds, donated by a foundation from Hong Kong and turned over to DOH.

For his part, Senate President Sotto said that not a lot of people realize that a perfect rehabilitation center should be one big recreation center and not a jail.

Senator Zubiri said that since the rehabilitation center in Bukidnon is underutilized, they have requested the DOH to include mental health patients in the facilities because they have psychiatrists and psychologists there.

MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino said that he would be interpellating on the budget of the DOH the next day, in particular about the communications budget. He informed the Body that the DOH has a budget allocation for advertising expenses in the amount of P622,000,000. He said that the DOH got a 16%

increase from their previous budget but it failed to advertise that it has facilities like the one in Bukidnon.

On a related matter, he said that Tagaytay has a new home for the aged, a first of its kind in the Philippines. He reiterated that he would ask the DOH the next day what it was doing with its communications budget.

At this point, Senate President Sotto said that the DDB budget only has P9 million as far as advertising is concerned.

MANIFESTATION OF SENATOR VILLAR

Senator Villar said that Las Piñas has the same problem as Bukidnon, citing the city's DOH-operated drug rehabilitation facility that was built and inaugurated by President Duterte in December 2018 but which a year after still has no patients.

Senator Lacson said that he was a bit surprised to learn that some LGUs are sad that there are no patients in their drug rehabilitation facilities since that was an indication that the LGUs are very efficient in their drug control and prevention programs and that there are no severe cases of drug addiction and dependency in their respective areas.

Senate President Sotto said that he was, however, surprised to learn that there was a low patient rate in some LGU rehabilitation centers even though there were more than 1.7 million drug dependents in the country. He reminded the DDB and the PDEA to look at the problem once again, saying that they might not be giving enough focus on the problem of drug abuse which is a completely different from the problem of illegal drugs. He explained that illegal drugs would pertain to enforcement and prosecution, while drug abuse pertains to prevention and rehabilitation.

SUBMISSION OF THE BUDGETS OF THE DANGEROUS DRUGS BOARD AND THE PHILIPPINE DRUG ENFORCEMENT AGENCY

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the Dangerous Drugs Board and the Philippine Drug Enforcement Agency were deemed submitted for the Body's consideration.

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SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 11:05 a.m.

RESUMPTION OF SESSION

At 11:09 a.m., the session was resumed.

OFFICE OF THE OMBUDSMAN

Senator Angara presented the budget of the Office of the Ombudsman amounting to P4,046,726,000 for fiscal year 2020.

SUBMISSION OF THE BUDGET OF THE OFFICE OF THE OMBUDSMAN

Upon motion of Senator Drilon, there being no objection, the budget of the Office of the Ombudsman was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 11:15 a.m.

RESUMPTION OF SESSION

At 11:16 a.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4228

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

THIRD REFERENCE OF BUSINESS

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

MESSAGE OF THE PRESIDENT OF THE PHILIPPINES

Letter of President Rodrigo Roa Duterte, dated 12 November 2019, certifying to the necessity

of the immediate enactment of Senate Bill No. 1074, entitled

AN ACT INCREASING THE EXCISE TAX ON ALCOHOL PRODUCTS, HEATED TOBACCO PRODUCTS AND VAPOR PRODUCTS, AMENDING 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,

to address the urgent need to generate additional revenue to support the effective implementation of the Universal Health Care Act and further protect the right to health of the people.

To the Committee on Rules**MESSAGES FROM THE HOUSE OF REPRESENTATIVES**

Letter from the House of Representatives, informing the Senate that on 11 November 2019, the House of Representatives ratified the Conference Committee Report on the disagreeing provisions of House Bill No. 4933 and Senate Bill No. 1043, both entitled

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.

To the Archives

Letter from the House of Representatives, informing the Senate that on 12 November 2019, the House of Representatives passed the following House Joint Resolution/House Bills in which it requested the concurrence of the Senate:

House Joint Resolution No. 22, entitled

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JOINT RESOLUTION AUTHORIZING THE USE OF THE RICE SUBSIDY AS PROVIDED IN THE GENERAL APPROPRIATIONS ACT (GAA) FOR THE PURCHASE OF PALAY FROM LOCAL FARMERS, MANDATING FOR THE PURPOSE THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG), DEPARTMENT OF NATIONAL DEFENSE (DND), DEPARTMENT OF TRANSPORTATION (DOTr), AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR), IN COORDINATION WITH THE DEPARTMENT OF AGRICULTURE (DA) AND THE NATIONAL FOOD AUTHORITY (NFA), TO DIRECTLY PURCHASE PALAY FROM LOCAL FARMERS AND DISTRIBUTE RICE SUBSIDY ALLOWANCE IN THE FORM OF ACTUAL RICE, INSTEAD OF CASH;

To the Committee on Rules

House Bill No. 4463, entitled

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FIRST UNITED BROADCASTING CORPORATION, PRESENTLY KNOWN AS GLOBAL SATELLITE TECHNOLOGY SERVICES INC., AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8079, AS AMENDED, ENTITLED “AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE, AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES”;

To the Committee on Public Services

House Bill No. 861, entitled

AN ACT CREATING A REGULAR LTO

DISTRICT OFFICE IN THE MUNICIPALITY OF POLOMOLOK, SOUTH COTABATO, TO BE KNOWN AS THE LTO LICENSING CENTER OF POLOMOLOK, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES;

To the Committees on Public Services; and Finance

and House Bill No. 5028, entitled

AN ACT DECLARING FEBRUARY 24 OF EVERY YEAR A SPECIAL NONWORKING PUBLIC HOLIDAY IN THE PROVINCE OF ZAMBOANGA SIBUGAY IN COMMEMORATION OF ITS FOUNDING ANNIVERSARY TO BE KNOWN AS “ARAW NG SIBUGAY.”

To the Committee on Local Government

Letter from the House of Representatives, informing the Senate that, on 12 November 2019, the House of Representatives designated Representatives Enverga, Romualdez, Villafuerte, Jr., Noel, Singson-Meehan, and Cabatbat as conferees to the Bicameral Conference Committee, on the disagreeing provisions of House Joint Resolution No. 22, entitled

JOINT RESOLUTION AUTHORIZING THE USE OF THE RICE SUBSIDY AS PROVIDED IN THE GENERAL APPROPRIATIONS ACT (GAA) FOR THE PURCHASE OF PALAY FROM LOCAL FARMERS, MANDATING FOR THE PURPOSE THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG), DEPARTMENT OF NATIONAL DEFENSE (DND), DEPARTMENT OF TRANSPORTATION (DOTr), AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR), IN COORDINATION WITH THE DEPARTMENT OF AGRICULTURE (DA) AND THE NATIONAL FOOD AUTHORITY (NFA), TO

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DIRECTLY PURCHASE PALAY FROM LOCAL FARMERS AND DISTRIBUTE RICE SUBSIDY ALLOWANCE IN THE FORM OF ACTUAL RICE, INSTEAD OF CASH; and

Senate Joint Resolution No. 8, entitled

JOINT RESOLUTION AUTHORIZING THE USE OF THE RICE SUBSIDY AS PROVIDED UNDER THE *PANTAWID PAMILYANG PILIPINO PROGRAM (4PS)* IN THE GENERAL APPROPRIATIONS ACT (GAA) OF 2019 FOR THE PURCHASE OF *PALAY* FROM FARMERS, MANDATING FOR THE PURPOSE THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) IN COORDINATION WITH THE NATIONAL FOOD AUTHORITY (NFA) TO BUY *PALAY* FROM THE LOCAL FARMERS FROM THE PROVINCES OF PANGASINAN, ILOCOS NORTE, CAGAYAN, ISABELA, NUEVA VIZCAYA, MINDORO ORIENTAL, MINDORO OCCIDENTAL, TARLAC, NUEVA ECIJA, ZAMBOANGA DEL SUR AND ILOILO AND DISTRIBUTE RICE SUBSIDY IN THE FORM OF ACTUAL RICE, INSTEAD OF CASH ASSISTANCE, TO THE QUALIFIED BENEFICIARIES.

To the Committee on Rules

Letter from the House of Representatives, informing the Senate that, on 13 November 2019, the House of Representatives designated Representative Estrella III as additional conferee to the Bicameral Conference Committee on the disagreeing provisions of House Joint Resolution No. 22 and Senate Joint Resolution No. 8, authorizing the use of rice subsidy for the purchase of *palay* from local farmers.

To the Committee on Rules

BILLS ON FIRST READING

Senate Bill No. 1158, entitled

AN ACT TO REORGANIZE THE

NATIONAL PARKS DEVELOPMENT COMMITTEE TO THE PUBLIC PARKS DEVELOPMENT AUTHORITY

Introduced by Senator Angara

To the Committees on Tourism; and Finance

Senate Bill No. 1159, entitled

AN ACT PROMOTING AND AUTHORIZING PUBLIC – PRIVATE PARTNERSHIPS FOR THE FINANCING, CONSTRUCTION, OPERATION AND MAINTENANCE OF INFRASTRUCTURE FACILITIES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Angara

To the Committees on Public Works; Economic Affairs; Ways and Means; and Finance

Senate Bill No. 1160, entitled

AN ACT PROVIDING FOR THE FULL AND EFFECTIVE IMPLEMENTATION AND ENFORCEMENT OF INTERNATIONAL MARITIME INSTRUMENTS OF WHICH THE PHILIPPINES IS A STATE-PARTY

Introduced by Senator Angara

To the Committees on Public Services; and Foreign Relations

Senate Bill No. 1161, entitled

AN ACT GRANTING ONE-TIME CONDONATION OF INTEREST ARREARAGES AND PENALTIES IN FAVOR OF QUALIFIED LOCAL WATER DISTRICTS (LWDs) PERTAINING TO THEIR LOANS WITH THE LOCAL WATER UTILITIES ADMINISTRATION (LWUA)

Introduced by Senator Angara

To the Committees on Government Corporations and Public Enterprises; and Ways and Means

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Senate Bill No. 1162, entitled

AN ACT STRENGTHENING THE WITNESS PROTECTION, SECURITY AND BENEFIT PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6981, OTHERWISE KNOWN AS THE "WITNESS PROTECTION, SECURITY AND BENEFIT ACT"

Introduced by Senator Angara

To the Committees on Justice and Human Rights; and Finance

Senate Bill No. 1163, entitled

AN ACT ORDAINING A BILL OF RIGHTS FOR TAXPAYERS

Introduced by Senator Recto

To the Committee on Ways and Means

Senate Bill No. 1164, entitled

AN ACT PRESCRIBING THE PRACTICE OF PROFESSION OF FOREIGN CITIZENS IN THE COUNTRY, PROVIDING A LIST THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Marcos

To the Committees on Civil Service, Government Reorganization and Professional Regulation; and Foreign Relations

Senate Bill No. 1165, entitled

AN ACT PROVIDING FOR MINIMUM STANDARDS OF COMMON CARRIAGE, CREATING A PASSENGER TRANSIT RIGHTS COMMISSION, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator De Lima

To the Committees on Public Services; and Finance

Senate Bill No. 1166, entitled

AN ACT TO DEVELOP AND STRENG-

THEN THE AGRICULTURAL EDUCATION AND TRAINING IN THE COUNTRY THROUGH THE INSTITUTIONALIZATION OF MANPOWER DEVELOPMENT FOR AGRICULTURAL ENTREPRENEURSHIP IN THE POST-SECONDARY LEVEL

Introduced by Senator Angara

To the Committees on Higher, Technical and Vocational Education; Agriculture, Food and Agrarian Reform; and Ways and Means

Senate Bill No. 1167, entitled

AN ACT TO IMPROVE ACCESS TO PRESCHOOL, PRIMARY, AND SECONDARY EDUCATION OF HOMELESS CHILDREN AND YOUTH

Introduced by Senator Binay

To the Committees on Basic Education, Arts and Culture; Women, Children, Family Relations and Gender Equality; and Finance

Senate Bill No. 1168, entitled

AN ACT PROVIDING FOR A COMPREHENSIVE NURSING LAW TOWARDS QUALITY HEALTH SYSTEM, REPEALING FOR THIS PURPOSE REPUBLIC ACT NO. 9173 OTHERWISE KNOWN AS THE PHILIPPINE NURSING ACT OF 2002

Introduced by Senator Binay

To the Committees on Civil Service, Government Reorganization and Professional Regulation; Health and Demography; and Finance

Senate Bill No. 1169, entitled

AN ACT PROVIDING FOR THE REPRESENTATION OF SENIOR CITIZENS IN THE LOCAL SANGGUNIAN, AMENDING FOR THE PURPOSE PERTINENT PROVISIONS OF THE LOCAL GOVERNMENT CODE OF 1991, AS AMENDED

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Introduced by Senator Lapid

**To the Committees on Local Government;
and Finance**

Senate Bill No. 1170, entitled

AN ACT DECLARING CITY OF
ANTIPOLO AS THE CAPITAL OF
THE PROVINCE OF RIZAL AMEND-
ING FOR THE PURPOSE ACT
NO. 137, AS AMENDED

Introduced by Senator Revilla, Jr.

To the Committee on Local Government

Senate Bill No. 1171, entitled

AN ACT EXEMPTING THE IMPORT-
ATION OF MEDICAL SUPPLIES
AND EQUIPMENT FROM CUSTOMS
DUTY AND VALUE-ADDED TAX

Introduced by Senator Marcos

To the Committee on Ways and Means

Senate Bill No. 1172, entitled

AN ACT CLARIFYING THE RULE ON
IMPOSITION OF INTEREST ON
OBLIGATIONS CONSISTING OF
LOAN OR FORBEARANCE OF
MONEY

Introduced by Senator Binay

**To the Committee on Banks, Financial
Institutions and Currencies**

Senate Bill No. 1173, entitled

AN ACT ENSURING THE FUNDA-
MENTAL EQUALITY OF MEN AND
WOMEN UNDER THE LAWS ON
MARRIAGE AND FAMILY RELA-
TIONS, AMENDING FOR THIS
PURPOSE EXECUTIVE ORDER
NO. 209, OTHERWISE KNOWN AS
THE FAMILY CODE OF THE
PHILIPPINES, AND FOR OTHER
PURPOSES

Introduced by Senator Binay

**To the Committee on Women, Children,
Family Relations and Gender Equality**

RESOLUTIONS

Proposed Senate Resolution No. 215, entitled

RESOLUTION DIRECTING THE APPRO-
PRIATE SENATE COMMITTEE TO
CONDUCT AN INQUIRY, IN AID
OF LEGISLATION, INTO THE
REPORTED RED-TAGGING AND
HUMAN RIGHTS VIOLATIONS
COMMITTED BY THE NATIONAL
TASK FORCE TO END LOCAL
COMMUNIST ARMED CONFLICT
CREATED UNDER EXECUTIVE
ORDER NO. 70, SERIES OF 2018

Introduced by Senator De Lima

**To the Committees on Justice and Human
Rights; and Public Order and Dangerous Drugs**

Proposed Senate Resolution No. 216, entitled

RESOLUTION RECOGNIZING AND
COMMENDING THE OUTSTAND-
ING WOMEN IN THE NATION'S
SERVICE (TOWNS) 2019 FOR THEIR
POSITIVE CONTRIBUTION AND
DEDICATION IN STRENGTHENING
NATION BUILDING

Introduced by Senator Angara

To the Committee on Rules

**COMMITTEE REPORT NO. 18
ON HOUSE BILL NO. 4228**

(Continuation)

Upon motion of Senator Zubiri, there being no
objection, the Body resumed consideration, on Second
Reading, of House Bill No. 4228 (Committee Report
No. 18), entitled

AN ACT APPROPRIATING FUNDS FOR
THE OPERATION OF THE GOVERN-
MENT OF THE REPUBLIC OF THE
PHILIPPINES FROM JANUARY ONE

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TO DECEMBER THIRTY-ONE, TWO THOUSAND TWENTY, AND FOR OTHER PURPOSES.

Senator Zubiri stated that the parliamentary status was still the period of interpellation.

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

BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)

Upon motion of Senator Zubiri, there being no objection, the Body reconsidered the submission of the budget of the Bases Conversion and Development Authority.

MANIFESTATION OF SENATOR ANGARA

Senator Angara presented the budget of the Bases Conversion and Development Authority amounting to P15.496 billion.

INTERPELLATION OF SENATOR DRILON

Preliminarily, Senator Drilon placed on record that the submission of the budget of the BCDA was reconsidered per request of Senator Go. He then asked how much was the capital outlay of the agency to construct the facilities for the Southeast Asian Games. Senator Angara replied that the capital outlay was P10.564 billion, while the Philippine Sports Commission (PSC) has P682 million capital outlay or a total of around P11.246 billion.

Asked on the total cost of hosting the Games on top of the P11.246 billion, Senator Angara replied that the country would incur additional P5.3 billion, for a total cost of P16.5 billion.

On whether he was aware of any confidential budget in the SEA Games, Senator Angara replied in the negative.

Asked for the breakdown of the specific expenses of BCDA, totaling P11.246 billion, Senator Angara explained that from the P10.564 billion capital outlay of BCDA P2.1 billion was for the aquatic center, which has a 2,000 seating capacity with a training pool; P3.36 billion for the athletic stadium with warm-up track with a 20,000-person capacity; P1.77 billion athletes' village with 2,000 gross floor area

which could accommodate 1,000 athletes; and P1.24 billion for the river park corridor and parks, including roads.

Senator Drilon recalled that sports activities like SEA Games usually have torchbearer to light the cauldron to signify the start of the Games. He then asked if a cauldron was constructed in the stadium and who was its designer. Senator Angara replied that there would be a cauldron which was designed by the late architect Francisco "Bobby" Mañosa.

On whether it bidding was conducted to get the services of Architect Mañosa, Senator Angara replied that the cauldron design cost was covered under the capital outlay of the PSC budget in the amount of P4.48 million, the reason the BCDA head was not familiar with it.

Asked on the dimension of the cauldron, Senator Angara replied that it is three meters in diameter and 50 meters in height.

Senator Drilon questioned why such cauldron would cost P4.48 million, and if the cost for its design was reasonable. Senator Angara said that he had no knowledge if there was a bidding. Senator Drilon said that the PSC could be asked about it when their budget is brought before the Body for consideration.

On whether it was true that the foundation of the cauldron cost P13.44 million and its construction cost was P32 million, Senator Angara replied in the affirmative.

Noting that the total cost of the cauldron was P50 million, Senator Drilon said that at P1 million per classroom, the whole amount could construct 50 classrooms. He asked if such is reasonable and a correct prioritization, given that the country lacks classrooms and that the cauldron would only be used once. Senator Angara replied that according to the BCDA head, the cauldron is a symbol of the country as it stands at the entrance of the athletic stadium. Senator Drilon agreed, but he asked if it was appropriate and valid to just to do away with 50 classrooms to build a P50-million cauldron. He clarified that he was not talking about overpricing but about the propriety of doing such. Senator Angara said that it was Congress which appropriated the money for the project, and how it would be distributed. Senator Drilon agreed, saying that it was based on the representation

that the total amount of P10.546 billion was needed for capital outlay but they did not know that P50 million would be spent for an oversized cauldron.

Senator Angara assumed that the government was envisioning an impressive hosting which would showcase Philippine ingenuity, using Filipino creative designers and performers.

Senator Drilon said that no matter how good the intention was, it was still hard to justify a P50 million *kaldero* which is equivalent to 50 classrooms, not counting the amount of money involved in the hosting of the Games. He then suggested that a special audit be made by COA.

Senator Angara surmised that a special audit is resorted to when the normal audit is insufficient. Thus, he believed that he could only endorse the suggestion of Senator Drilon if the COA finds out in its normal audit that funds allotted to the conduct of the Games have been misused.

Asked to confirm the statement of the BCDA that the expected maintenance cost of the facilities after the Games would be from P150 million to P200 million, Senator Angara answered in the affirmative.

Senator Drilon noted that P50 million was quite a gap between the high and the low estimates. He then asked for a more realistic estimate. Senator Angara replied that the annual estimate for maintenance is P188 million — P50 million for the aquatic center, P120 million for the athletic stadium, P8 million for the warm-up track, and P10 million for the Athletes' Village.

Asked whether the amount of P188 million listed in the budget for 2020 would be the maintenance cost of the stadium and how the amount would be sourced out, Senator Angara affirmed, saying the amount intended for the purpose is lodged in the budget of the BCDA.

Senator Drilon said that according to Senator Recto, the purpose of creating the BCDA was to dispose of the military lands for the purpose of funding the AFP Modernization Program. Asked whether the goals of the BCDA was diverted into some other economic activities not originally contemplated when the BCDA law was crafted, Senator Angara pointed out that one of the goals of the BCDA is to raise money for

the military aside from looking for ways to convert Clark, Subic Bay, and other lands into alternative productive reservations and extensions.

But Senator Drilon pointed out that the BCDA would now own a facility which is funded not of its own resources but from its budget in the amount of P188 million per year.

Asked whether the government needs to allot a budget of around P200 million annually for the maintenance of the P10.5 billion stadium, including a P50-million *kaldero*, Senator Angara believed that the vision of the BCDA is to privatize the operations and maintenance (O&M) of the facility. He said that the government has entered into some agreements to such effect, thus economizing in the process.

Asked to explain the term "privatize" since the word is broad and general and could also mean either selling or leasing out the property to the private sector, Senator Angara explained that the BCDA is looking at leasing the use of the facility as well as those around it so that the government would get a payment.

Senator Drilon believed that no private sector would be risking a P50 million monthly rental in order to lease the facilities because P15 million alone covers the maintenance costs; thus, the private entity that would rent the facility should be looking at a revenue of more than P188 million a year, to start with, or to round it off, P200 million a year as a revenue stream in order to make the business venture viable. He said that he does not know any businessman or any prospective joint-venture partner who would be willing to risk paying a P200 million monthly lease without any clear path to recovering the investment.

Asked whether the BCDA chairman can cite a businessman who is willing to invest or rent the stadium, Senator Angara replied that talks are ongoing with the three biggest developers in the country. He, however, refused to reveal their company names so as not to jeopardize the ongoing negotiations. He said that according to the BCDA head, the three big developers have been working closely with the Asian Development Bank even before the project started. As regards the post-Game usage of the facilities, he said that the ADB has calculated almost P300 million which could be raised in a year, broken down to

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revenue for ticketed events which could reach P50 million; P20 million from sponsorships; P5 million from facility rentals; P5 million from concession items; and P216 million from real estate development where the bulk comes from. He added that the payback period time is around 4.6 years.

As regards the expected revenue of P80 million to be earned from the sports facilities, Senator Angara explained that it is bundled with other real estate as part of the package.

Senator Drilon stated that the bulk of the capital outlay, or a total of P10.5 billion, was spent on the building of the stadium but the revenue expected annually is estimated to reach about P80 million per year.

Senator Angara explained that the model was adopted in other countries like the Singapore Sports Hub where the sports facility and its adjoining real estate development could be packaged to make it profitable.

Asked whether the adjoining real estate could also stand alone and can generate the same kind of revenue, for instance, the Athletes' Village which, he surmised, would be sold after the Games, Senator Angara replied that the athletes will have priority in the use of the facilities. He added that athletes from other countries are also welcome in the area to hold their trainings if the climate in their respective countries is not favorable.

Senator Drilon maintained that as a layman and having seen budgets over the years, he could not see the rationale and viability of the grand design even if the sports events call for the attendance of foreign athletes.

Asked to confirm whether the BCDA intends to privatize the operation and maintenance of the sports facilities through a public-private partnership, Senator Angara answered in the affirmative.

Asked whether the ADB in its study requires that a further analysis would be done to design the appropriate structure and risk allocation for the sports facilities, Senator Angara replied that the study is ongoing, of which the ADB is an active participant.

Asked to confirm the recommendation of the NEDA Secretary that a feasibility study should be done before the start of the project but which the

BCDA did only after the project was finished, Senator Angara answered in the affirmative, explaining that the feasibility study was conducted before the project and another feasibility study on how the facility would be put to good use is ongoing.

Asked whether the feasibility study would show that it is not feasible to maintain the facility and to have arrangements which would enable the government to have a maintenance cost passed on to the private sector, Senator Angara conveyed the BCDA's confidence that the operations and maintenance required of the facility would be tendered by the first quarter of 2020.

Senator Drilon said that he would ask the BCDA on the target of the turnover when Congress deliberates on the 2020 budget.

Asked how many sporting events after the SEA Games are projected to transpire yearly in order to come up with the targeted P50 million revenue for spectator admission for ticketed events and the P5 million sports facilities rental, Senator Angara admitted that the number of events calendared to take place in the stadium has not been specified.

As to the indicative list of prospective sponsors that would earn the expected revenue of P20 million, Senator Angara said that the market-sounding initiatives conducted revealed that there is much interest in the sponsorship. He said that the construction of the stadium is the first big sports construction initiated by the BCDA in a while. Thus, he believed that there is a relatively mature market for the facility.

Senator Drilon asked whether the market includes the *kaldero*, as he believed that no one would dare rent a cauldron that big. Senator Angara replied that the cauldron is part of the package.

Senator Drilon stated that he would want to meet the person who has interest in renting the cauldron of such size.

Asked whether a cost-benefit analysis of the capital investment for the facilities was done, Senator Angara replied in the affirmative. He said that he would furnish Senator Drilon with a copy as requested.

Senator Drilon also asked whether the personnel tasked to maintain the facility are already in place,

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noting that the maintenance of the stadium would require expertise in maintenance as well as those for sports events marketing, program, and planning schedule. Senator Angara replied that it would be provided by the private O&M operator.

Senator Drilon said that he still has other questions that basically pertain to the Philippine Sports Commission which is under another committee. He said that the other items he was concerned about could be tackled at the appropriate time.

Asked if the BCDA could recall that it built 21 ASEAN villas at Clark in 2017 at a cost of more than P600 million and which were designed to be used by President Trump, President Putin, and other heads of state attending the ASEAN summit, Senator Angara answered affirmative, adding that the villas were already sold on a leasehold of 50 years which would realize for the government P1.05 billion or an average of P20 million to P21 million per year for 21 villas for 50 years. He clarified that the figure was just an approximate because not all leases were for 50 years. Some, he said, were for a shorter period with a different arrangement. He added that there were some that were not paid per year but were prepaid.

On whether the revenue of one villa per year is about P1 million, Senator Angara replied in the affirmative, adding that the maximum payment period is actually 10 years even if the lease is for 50 years so the government could earn back the money earlier.

Senator Drilon asked what would be the yield on the P600 million that was used for the construction of the villas, saying that he was looking at the same process that would be used in the proposed joint venture of lease of the sports facilities. Senator Angara replied that the BCDA would get roughly P100 million a year if the P1.05-billion lease value is divided by 10 years, or if it is further divided by 21 villas, the yield would roughly be P5 million per villa in a period of 10 years.

Asked if the villas were actually used by the heads of states, Senator Angara replied in the affirmative, saying that some heads of state and several foreign ministers such as Prime Minister Aung San Suu Kyi of Laos and the prime minister of Malaysia stayed there. He said that he could provide a copy of the lease contracts signed for the villas.

INTERPELLATION OF SENATOR MARCOS

Senator Marcos reiterated her request for Secretary Dizon to provide the Senate a copy of the Asian Development Bank (ADB) study. She asked if there was indeed a loan grant for the ADB. Senator Angara clarified that the ADB was the transaction's adviser, the reason for a feasibility study on their part.

Given that it has been several months since the request for some documents was made, Senator Marcos urged that she be provided as well with the post-SEA Games scenario—whether on the Philippine Sports Academy or on the sale of the villas.

As regards an alleged foundation under the Philippine Sports Commission to which certain funds of the BCDA were siphoned, Senator Angara said that he has no personal knowledge of any foundation, and neither was the BCDA head involved in any foundation related to the SEA Games. He clarified that what went through the BCDA was only for the facilities, a list of which he could provide.

Senator Marcos said that there should be no problem if it was broken down into infrastructure and other development projects. However, since the allegations of a foundation continued to rise, she asked that it should be investigated to find out where it came. Senator Angara agreed, assuring Senator Marcos that all the documents requested would be provided.

FURTHER INTERPELLATION OF SENATOR DRILON

Senator Drilon draw the Body's attention to a joint venture agreement document, the New Clark City, Government Administrative Project Phase 1—Engineering, Procurement and Construction Agreement between the NGAC Phase 1 Joint Venture and the MTD Capital Berhad. He cited item 8.1 which, he said, was a pertinent portion of the Joint Venture Agreement between the BCDA and the MTD Capital Berhad, which reads: "Ownership of the sports facilities shall vest in the BCDA or the entity it shall name upon full payment of annual instalments of P2.2 billion." He then asked what the provision meant and who would own the facilities.

Senator Angara explained that based on the turnkey agreement, it is still the joint venture partner who would own the facilities until full payment is made, at which time, the BCDA becomes the owner

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of the facilities. He added that the BCDA, after providing all the documents showing completion of the project, is waiting at the moment for the DBM to release the money.

Asked if the shift in ownership would happen in five years, Senator Angara replied in the negative, saying that it could be fully owned by the BCDA immediately after payment.

On whether the BCDA intends to avail of the privilege of paying it in installment for five years, Senator Angara stated that the DBM decided to avail of the straight payment to save on interest. He affirmed that the construction of the facilities was funded out of a loan from MTD Capital Berhad.

On whether it would appear as a loan repayment in the budget, Senator Angara clarified that the loan was between the private proponent and the bank. He said that the ownership would be transferred to the BCDA once the BCDA pays fully its Malaysian joint venture partner. He also clarified that the loan was not a foreign-denominated payment and that there was no sovereign guarantee as it was not a loan but a turnkey contract.

FURTHER INTERPELLATION OF SENATOR MARCOS

Senator Marcos stated that she was mystified by the involvement of the MTD Berhad, known as Alloy MTD Philippines Inc. in Manila, as she revealed that there was a P9.5-billion loan which the MTD borrowed from the DBP. Asked if the arrangement was that BCDA would pay DBP as sourced from the GAA, Senator Angara replied in the affirmative, clarifying that the legal contemplation is that BCDA would pay MTD which would pay the DBP.

Senator Marcos said that she found it a little perplexing that the Malaysian company stepped in when there was an assumption of risk that the funds would be syndicated locally. She then asked for more information on the loan agreement. Senator Angara assured Senator Marcos that she would be provided with the relevant information.

MANIFESTATION OF SENATOR GO

Senator Go stated that he does not intend to ask questions on the budget of the Bases Conversion and Development Authority since he voted for the approval

of its budget. However, he suggested that the submission of the 2020 budget of the BCDA be recalled as it appeared that there were still some questions needed to be answered.

He recalled that during the deliberations on the 2020 budget of the Philippine Sports Commission, questions on the involvement of the BCDA in the development of the New Clark City Sports Hub and the upcoming Southeast Asian Games were hurled at him instead of addressing them to the agency's sponsor.

Senator Go reiterated his full support for the development of the New Clark City especially on the sports hub which, he believed, would greatly benefit the athletes. He also believed that it was a good investment as the facility would be very useful for the country beyond the 2019 SEA Games, because government would provide world-class sports facilities for the use of the athletes in the country during sports events, during practices and trainings. Saying that people should say "yes to sports; no to drugs," he maintained that the athletes should be offered and provided with facilities that would invite them and other young people to join sports, which is one of the effective strategies to keep them away from vices.

Senator Go noted that Senator Drilon should have addressed his concerns to the sponsor of the BCDA budget because what he was sponsoring was the PSC budget.

Senator Go also asserted that while he agreed with Senator Drilon's call for assurance that the amount invested for the hosting of the SEA Games would not be put to waste, the questions should have been asked to the proper sponsor as he could only answer queries regarding the PSC budget. He also mused why nobody interpellated nor objected to the approval of the BCDA budget.

He noted that one of the most important legislative measures is the national budget to ensure that the taxpayers' money would be spent prudently and wisely. Thus, he recommended recalling the submission of the BCDA budget to address transparency in the use of its funds. Noting BCDA's flagship project which is the New Clark City, he stated that it is a huge government investment that would improve sports facilities and provide livelihood and economic benefits around Clark.

POINT OF ORDER OF SENATOR DRILON

Senator Drilon raised a point of order on the ground that the manifestation of Senator Go was completely off tangent as it has nothing to do with the budget of BCDA.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 12:30 p.m.

RESUMPTION OF SESSION

At 12:35 p.m., the session was resumed.

MOTION TO STRIKE OFF THE RECORD

Upon resumption, Senate President Sotto qualified the point of order raised by Senator Drilon. He said that the statements made by Senator Go which were not related to the BCDA budget would be stricken off the record.

Upon motion of Senator Drilon, there being no objection, the comments of Senator Go which had nothing to do with the BCDA budget were stricken off the record.

MANIFESTATION OF SENATOR GO

Senator Go admitted that he still has to learn the art of legislation and policymaking from veteran senators who have mastered the parliamentary debates. Nevertheless, he promised to do his best as a new legislator.

INTERPELLATION OF SENATOR GO

Asked by Senator Go to clarify the BCDA's source of income aside from the subsidy it receives from the General Appropriations Act, Senator Angara said that the BCDA earned from the disposal of its assets, *i.e.*, former military bases, aside from earnings generated by its operations.

Asked how the sports facilities would enhance real estate development in New Clark City, Senator Angara replied that the BCDA is packaging sports facilities along with the adjoining real estate to make the area more attractive to developers.

Asked to cite countries with advanced sports facilities that achieve returns for their use, Senator Angara mentioned the Singapore Sports Hub, a stadium with retractable roof that could hold any sports from cricket and rugby matches to concerts like the U2 concert that would be held there in a few weeks. Another example, he said, is Queen Elizabeth Olympic Park in London, and Optus Stadium in Australia.

Asked if there were sports facilities that turned into white elephants after hosting the Olympics or the Asian Games, and if it was possible that the facilities in the Philippines would suffer the same fate, Senator Angara admitted that while there were some sport facilities and stadiums in other countries which were abandoned and ruined, the New Clark City has a private operator who would maintain and operate the transition. He said that the New Clark City was a planned investment and a flagship project of the government which aims to decongest Metro Manila aside from providing a community for Filipino athletes.

Asked if the project could tie up with the PSC for year-long sports activities instead of holding sports events in Metro Manila which has traffic congestion and sports facilities that were scattered in various venues, Senator Angara agreed to the idea. He said that aside from the private entity that would operate the facilities, other areas would be open for public use.

Asked if the BCDA has successfully implemented other PPP projects which were similar to their current plan, Senator Angara replied in the affirmative, saying that the BCDA projects include the Bonifacio Global City, Newport City, and other properties which were previously owned by the government but now have successful developments.

Regarding the update of President Duterte's plan to lease out military properties to help fund the pension of retired military personnel, Senator Angara noted that all military properties were leased according to the President's wish, saying that no land was sold ever since Chairman Dizon took office. As to other projects which were being implemented by the BCDA aside from sports facilities, he disclosed that during the committee hearings, the BCDA presented the National Government Center (NGAC) which would host facilities of the Philippine government; in fact, the Supreme Court and the BSP already transferred some of their facilities there.

National Government Center (NGAC) which would host facilities of the Philippine government; in fact, the Supreme Court and the BSP already transferred some of their facilities there.

Asked how many locators and business in the vicinity would benefit from the New Clark City project. As to how many families would be housed in the government housing program of NGAC, Senator Angara stated that over 1,500 locators around Clark would benefit from the project between 700 - 1,000 families would benefit from the housing program.

Asked what transportation programs were put in place to ensure connectivity of the New Clark City to other areas given that it is located in Tarlac province and near the boundary of Pampanga, Senator Angara said that there is the Subic-Clark railway plan and the Manila-to-Clark railway plan which are part of the Build, Build, Build Program. He said that the Manila-Clark would be available by 2022, Subic-Clark in 2024, and a bus rapid transit by 2020.

Senator Go asked the Sponsor to inform the BCDA president that President Duterte would want the projects to be functional and fully operational as soon as possible. He then congratulated the BCDA for having a vision and for investing in a much-needed smart, green, and resilient city as he looked forward to the successful hosting of the Southeast Asian Games using the newly-built facilities in the New Clark City.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri reminded the members of the BCDA and the PSC to have the facilities fully utilized, properly used, and not serve as white elephants – expensive facilities but without use or value – as what happened in the past with other government facilities.

Senate President Sotto asked on the reason why the Philippines was chosen as the host of the Southeast Asian Games. Senator Zubiri explained that it was not actually the Philippines' turn to host but that one of the SEA Games countries did not accept the hosting, so the task was offered to the Philippines. He said that he was originally the head of the Multi-Agency Task Force for the SEA Games preparations in 2017, upon the request of Senator Go, Executive Secretary Salvador Medialdea, and PSC Chairman Butch Ramirez; however, the Marawi Siege was ongoing at that time, so the task force was not prepared given that there were only two years left

before the hosting, and so they decided, through an official action by the President, to no longer host the SEA Games and the funds went to the Marawi Siege rehabilitation. He said that it was when former Senator Alan Peter Cayetano became Secretary of the Department of Foreign Affairs, he was asked to lead the move to host the games in the Philippines again.

He affirmed that it was not really the Philippines' turn to host, saying that the last time that the country hosted the SEA Games, which is held every two years with 11 countries hosting in rotation, was in 2005. He said that it was Brunei Darussalam's turn to host as the Philippines was set to host in 2027 yet.

On whether he was saying that it would be deemed unwise for the Philippines to host the SEA Games. Senator Zubiri replied in the negative clarifying it was unwise to host the Games in 2017 because of the Marawi Siege, but with the assurance of the DFA Secretary Cayetano, he believed that the country could do this time. He added that as a member of the National Sports Association, he would want to make sure that the hosting of the Sea Games would be as seamless, painless, and as productive as possible. He believed that the Philippines is prepared and is ready to host the SEA Games.

SUBMISSION OF THE BUDGET OF THE BASES CONVERSION AND DEVELOPMENT AUTHORITY

Upon motion of Senator Zubiri, there being no objection, the budget of the Bases Conversion and Development Authority was deemed submitted for consideration of the Body.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 12:52 p.m.

RESUMPTION OF SESSION

At 2:09 p.m., the session was resumed with Senator Villanueva presiding.

NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Senator Angara presented the budget of the

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National Economic and Development Authority (NEDA) amounting to P10,066,889,000.

INTERPELLATION OF SENATE PRESIDENT SOTTO

At the outset, Senate President Sotto stated that his interpellation would focus on one commission under NEDA, the Commission on Population and Development (POPCOM).

Senate President Sotto stated that the POPCOM was under NEDA from 1991 to 2023; it was transferred to DOH from 2004 to 2018 before it was returned to the NEDA by virtue of Executive Order 71.

Asked on the reason for the transfer, Senator Angara explained that the intent was to link population planning with development, with emphasis on population management as a quality of life issue. He said that the POPCOM had previously been working on adolescent health and population policy under the DOH.

Senate President Sotto pointed out that POPCOM proposed a budget that was 69.30% lower than its original request from the Department of Budget and Management. He sought details on the programs of the agency that were affected by this decrease. Senator Angara replied that the responsible parenthood program which targets three million women could be most affected by the budget cut because it would only be able to reach 1.2 million women.

Asked why its budget was reduced and whether it would not affect the primary mandate of POPCOM as the central policy-making, planning, and coordinating body on the population program, Senator Angara said that the agency did know the exact reason, and surmised that it could be due to the scarcity of resources.

Since the capital outlay of the POPCOM would be most affected by the decrease as only 20% of its original request was included in the budget, Senate President Sotto asked what specific items and projects were supposed to be undertaken by the agency. Senator Angara said that the repair of warehouses and the procurement of vehicles for logistics purposes would be affected by the budget cut.

Senate President Sotto noted that a big portion of the 2019 POPCOM budget, as well as its 2020

budget, was allocated to financial assistance/subsidy given to implementing partners such as LGUs, civil society groups, and other stakeholders to intensify demand generation and service provision for modern family planning. He then asked how the financial assistance or subsidy would help in promoting population control. Senator Angara stated that POPCOM goes around the country to inquire from the women about their need for family planning services, provides financial assistance to the LGU because of logistical requirements, and works with some NGOs especially in areas where the local population office is not so active or knowledgeable.

Asked on the utilization rate of the 2019 allocation for financial assistance/subsidy, Senator Angara said it was 99%. He said that the average per beneficiary is P100.

Asked on the modern family planning programs being implemented by the agency, Senator Angara said that it includes both artificial and natural family planning.

Asked for the reason behind the 166% increase in the 2020 MOOE item for training and scholarship expenses, Senator Angara replied that it would be used for the training of local population officers in local government offices, as well as for marriage counselling and pre-marital counselling, which are capacity-building activities for both the personnel and beneficiaries. He explained that these are yearly activities because of attrition when some personnel leave, and there is a standing directive from the DILG, DOH, and DSWD to give free marriage orientation and counselling.

At this juncture, Senator Lacson asked about the present population growth rate and whether the passage of the RH Law had an impact on the population growth rate of the country. Senator Angara said that the current population growth rate is at 1.7%, down from the 2% rate recorded before the implementation of the law. He stated that the percentage translates to between half a million to a million from the projected population.

As regards the utilization rate of the P10.3 million allocation for the travel expenses of the POPCOM, Senator Angara replied that it was approximately 75%.

Senate President Sotto noted that for 2020, the POPCOM proposed an increase of P2,449,000 for

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its travelling expenses or a total of P12,797,000 budget allocation. Senator Angara explained that it was spent on local travel, especially to what they considered as “geographically isolated and disadvantaged areas.”

Citing a 2018 COA audit report that the utilization of P409,000 by POPCOM was irregular, unnecessary, excessive, extravagant, or unconscionable, Senate President Sotto sought details on that particular expense. Senator Angara replied that some of the POPCOM personnel took business class tickets domestically since the economy class had been sold out; however, the personnel were made to pay the fare difference. Senate President Sotto suggested that POPCOM report the payment to COA.

Senate President Sotto recalled that POPCOM Executive Director Juan Perez III issued a statement in August 2019, that the POPCOM considers teen pregnancy to be a national emergency because the number of teen pregnancies continued to rise, citing the 50% increase in pregnancies among 10 to 14-year old children since 2011, totalling to 2,000 cases, with about 30 to 50 of these cases involving 10-year olds. He expressed concern over a sweeping statement made by the POPCOM head that one 10-year old girl gives birth every week. Senator Angara clarified that according to POPCOM, there is a 10 to 12-year old in the archipelago who gives birth every week.

Senate President Sotto cautioned the POPCOM against making such sweeping statements because it is a known tactic of the Planned Parenthood Federation to scare people. He recalled that during the debates on the RH bill, a similar statement proliferated—eleven mothers die every day. Senator Angara stated that the statement was based on PSA and civil registry data.

Senate President Sotto also cited a CNN International statement about the spread of HIV in the country—35 HIV cases per hour, even though it actually meant that there were 35 cases “per day.” Senator Angara stated that there are 31 reported HIV cases per day, or 11,300 reported HIV cases a year.

Asked by Senate President Sotto what particular item in the budget aims to solve the problem of teen pregnancies, Senator Angara said that the DepEd has an Adolescent Health and Development Program and sexuality education in schools with an

allocation of approximately P53 million, of which 50% of the financial assistance goes to adolescence education. He admitted that the amount would not be enough to remedy the national social emergency of teen pregnancy, saying that there has to be an inter-agency effort to solve the problem.

As regards the steps that are being done by the various government agencies relative to the teenage pregnancy problem, Senator Angara said that the agencies are working with DepEd to ensure a comprehensive sex education program.

In closing, Senate President Sotto noted that the POPCOM was hoping that NEDA Secretary Pernia would study the possibility of bringing back the agency to DOH.

INTERPELLATION OF SENATOR DRILON

Asked by Senator Drilon on the projected revenue growth of the country in 2020, Senator Angara said that in 2020, revenues are expected to grow at about 12% or around P386 billion, of which P377 billion would pertain to tax collection. Senator Drilon assumed that the amount would include collection of taxes from the gaming industry.

Asked whether the NEDA agrees with the OSG statement in the day’s paper that POGOs could not be taxed, Senator Angara replied in the negative. He said that the government was, in fact, trying to tax the sector, as he recalled that a few months back, Finance Secretary Dominguez was quoted as saying that the government was losing at least P2 billion a month due to the nonpayment of income taxes by POGO workers. He said that even NEDA Secretary Pernia and Presidential Adviser Dizon disagreed with the reported opinion of the OSG that POGOs should not be taxed. He also recalled Senator Villanueva’s persistence that for every worker that comes in, a certain amount of tax should be charged.

Since the OSG opinion was clearly inconsistent with the policy of government increasing the tax base as a percentage of GDP, Senator Drilon asked what the NEDA, as the government’s planning office, intends to do regarding said contrary opinion of the OSG. Senator Angara said that the NEDA plans to appeal to the OSG to reverse its opinion.

On the matter of infrastructure projects, Senator Drilon stated that current and past administrations

always had a menu of infrastructure projects, of which some were identified as priority, and others as flagship projects, and the Duterte administration, at its birth, made a public list of priority projects. He then asked what the so-called priority or flagship projects of the administration were, as he recalled that during the hearing of the Development Budget Coordinating Committee (DBCC), they included a table of 75 flagship infrastructure projects in their presentation, of which based on the records of the NEDA, 46 projects worth P1.6 trillion were in the so-called "implementation stage." He asked what was meant by "implementation stage" in relation to the projects.

Senator Angara said that according to the NEDA Secretary, the NEDA Board-approved projects under the "implementation" stage were those in one of the following stages: financing, budgeting, detailed engineering, or procurement.

Senator Drilon then asked Senator Angara to confirm that those projects that were still at implementation stage have not so far contributed to the GDP because none has been disbursed yet. He recalled that during the hearing, the NEDA asserted that there were only nine projects which have commenced construction and for which actual disbursements were made. He said that clearly, as admitted by the NEDA through Senator Angara, before a government expenditure is considered as a contribution to the GDP or the economy, there must be actual disbursements, thus simple financing and design are not disbursements.

Senator Angara pointed out that when a contract has been obligated, there already is a contribution to GDP even though it may not be fully performed but has commenced.

For his part, Senator Drilon said that "obligated" means that it has been awarded. Senator Angara said that obligated means that it has been awarded and has commenced.

Senator Drilon said that "implementation," when referring to budgeting and detailed engineering, means that no amount has been obligated yet. He said that it is only when construction has started that one can say that the amount has been obligated.

Senator Angara explained that there are certain stages after the project has been obligated and has

started, yet the money may not have been disbursed in full. He said that since the project has been started by a private contractor, there is already a contribution to the economy and, under that definition, nine are under construction.

Asked by Senator Drilon whether the new list released by Mr. Dizon, which says "recommended list of projects for inclusion in the infrastructure flagship programs," has been approved by the NEDA, Senator Angara replied in the affirmative. He said that according to NEDA, 11 of the 100 projects have yet to undergo a feasibility study, 89 other projects were either undergoing construction or would commence in six to eight months, and 34 are ongoing implementation or construction. He clarified that additional priority projects were included on top of the 75 ongoing projects.

Asked to identify which ones were projects that were already ongoing before the administration started and which ones were the projects of the present administration, Senator Angara cited the projects and the stages at which they are at present: 11 feasibility studies; 34 under implementation; 32 to commence construction in six to eight months; and 23 in advanced stages of government approval by the NEDA Board. He explained that projects in the advanced stages of approval are those already being deliberated on by the Investment Coordination Committee (ICC).

Senator Drilon stated that he has been in the bureaucracy long enough to attest to the fact that the ICC takes anywhere from six months to a year to deliberate on a project, depending on its complexity, and he predicted that the 23 projects in the ICC are not to be implemented soon.

Senator Angara said that the NEDA was confident that the 23 projects would hurdle government approval.

Senator Drilon challenged the NEDA to apprise him of the status of the 23 projects on November 18, 2020. He said that flagship projects were assumed to make a big impact in terms of value and cost.

Senator Angara believed that since the present administration was already nearing its homestretch, it would hasten all actions.

As to the amounts requiring ICC approval, Senator Angara stated that such projects are valued

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at P2.5 billion or higher as stipulated in EO 230; projects below P2.5 billion but require either a PPP or foreign borrowing; and joint venture projects costing P2.5 billion or below.

On whether a negotiated project would have to pass through ICC, Senator Angara replied that it is not necessary since it does not go through procurement.

Asked how many of the 75 projects were scrapped, Senator Angara stated that 28 projects were deferred because they were projects under DPWH.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 2:57 p.m.

RESUMPTION OF SESSION

At 2:58 p.m., the session was resumed.

Upon resumption, Senator Angara enumerated some of the 28 projects that were scrapped: Metro Manila BRT Phase III; Metro Manila BRT Line 2; Bohol-Leyte Link Bridge; Cebu-Bohol Link Bridge; Cebu-Negro Link Bridge; Leyte-Surigao Link Bridge; and Luzon-Samar Link Bridge.

At this juncture, Senator Villanueva relinquished the Chair to Senate President Sotto.

Asked to comment on Secretary Pernia's statement that the government would shift to implementing PPP projects, Senator Angara replied that the administration just wanted to avoid the possibility of a huge contingent liabilities arising on the part of the government. He stated that as a matter of policy, government guarantees are allowed.

As to whether the PPPs of the administration have government guarantees, Senator Angara explained that most government constructions do not have guarantees, not even ridership in the case of transport projects.

As regards unsolicited proposals, Senator Angara stated that there were 15 projects which were submitted to NEDA for further review after

the initial vetting conducted by the implementing agencies.

At this juncture, Senator Drilon inquired about the unsolicited proposal of Udenna and Chelsea Holdings worth P150 billion.

SUSPENSION OF SESSION

Upon request of Senator Drilon, the session was suspended.

It was 3:04 pm.

RESUMPTION OF SESSION

At 3:04 pm, the session was resumed.

Senator Drilon stated that the Udenna and Chelsea Holdings made an unsolicited proposal of P150 billion for the Cebu Monorail System and the Davao International Airport projects. He then questioned how the vetting process was conducted and how the company won the right to build the projects. Senator Angara replied that both projects have not gone through the ICC.

Senator Drilon noted that a number of airports – domestic and international – are getting unsolicited proposals as a new mode of financing. He then inquired about the policy shift instead of having the project bidded out. Senator Angara explained that most of the projects were bundled. He explained that because NEDA did not want one operator to handle all the airports, they unbundled them. He said that instead of bidding out, the government allowed unsolicited proposals.

Senator Drilon recalled that about a couple of years ago, the Iloilo International Airport (IIA), built in 2007, was allotted P500 million by the Civil Aviation Authority of the Philippines (CAAP) from its corporate funds for the expansion of the airport; but suddenly the funding was stopped because the IIA was going to be part of the bundle of airports. He noted that with the shift in policy, the airports were then unbundled and their financing was instead done through unsolicited proposals. In the meantime, he lamented, the IIA, already congested, could hardly accommodate 2.5 million passengers per year which used to be 1.5 million. He then asked if the needed P500 million for the airport expansion was no longer available because of the policy shift.

Senator Angara replied that the policy shift happened because the CAAP did not want one operator to control so many airports, given that if something happens to that entity, there would be implications that would affect national interest. He clarified that the CAAP was ready to fund the IIA's expansion but then the airport was included as one of the airports that would be expanded through an unsolicited proposal; and that there was already a submission of an unsolicited proposal for IIA which is with the DOTr at present. Senator Drilon said that he would ask the DOTr officials about the matter when the agency's budget is considered before the Body.

To the observation that under the law, an infrastructure project shall not be accepted or considered eligible as an unsolicited proposal unless it involves a new concept or technology, and whether the projects complied with this new requirement, Senator Angara replied that the projects were vetted for new technologies and that the IIA would have to go through the DOTr's evaluation whether they have a new technology.

Senator Drilon asked if the NEDA could not shift back to its bidding policy which, he believed, is a faster remedy.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 3:15 p.m.

RESUMPTION OF SESSION

At 3:17 p.m., the session was resumed.

As regards switching back to bidding, Senator Angara said that it was really the call of the implementing agency and in the case of the Iloilo International Airport, there is the option to go back to unsolicited bidding if its expansion has been delayed.

On the eligibility for unsolicited proposals, Senator Drilon noted that under RA 7718, the infrastructure projects listed as priority by the government "shall not be accepted eligible as an unsolicited proposal unless it involves new concept or technology." He said that he was trying to apply the standard and to understand what new technology or concept is in the new international airport that would make it eligible

as a project for unsolicited proposal, and going through that list he found a number of them such as the Ninoy Aquino International Airport; Manila International Airport; Bacolod-Silay International Airport; Iloilo International Airport; C5-MRT 10 Project; Fort Bonifacio-Makati Skytrain; MRT-11; LRT 6 Cavite Line A; Modified LRT 6 Project-Phase I in Niog-Dasmariñas and Phase II in Dasma City-Tagaytay; Bohol International Airport; Kalibo International Airport; Cebu Monorail System; Laguindingan Airport; Davao International Airport; TPLEX Extension Project; and the Cavite-Tagaytay-Batangas Expressway Project, not qualified for the unsolicited proposal because they failed to comply with the requirement which is new concept or technology. He pointed out that the concept of putting them under unsolicited proposal status only delayed their expansions. Thus, he suggested that they be subjected to bidding. Senator Angara replied that the suggestion would be taken into consideration as the presidential adviser said that he would meet with the DOTR post-haste.

On whether there would be another revision of the flagship projects, Senator Angara said that it would just be about the mode of execution.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 3:25 p.m.

RESUMPTION OF SESSION

At 3:25 p.m., the session was resumed.

INTERPELLATION OF SENATOR POE

At the outset, Senator Poe said that her line of questioning would just be a follow-up of Senator Drilon's inquiries regarding expansion projects.

Senator Poe asked whether the new technology proposed by a consortium has been approved by NEDA, when it would be finally implemented or if the projects were still under evaluation. Senator Angara replied that the bid proposal submitted by the consortium has been approved by the Investment Coordination Committee (ICC) and was awaiting the NEDA Board approval anytime that day.

Asked why it took so long to approve the bid, Senator Angara replied that it had something to do

with the contingent liabilities to the government, which the consortium has agreed to lessen in order to facilitate the approval.

As to when the rehabilitation would start, assuming the proposal would be approved that day, Senator Angara replied that the next process would be the Swiss challenge which takes 60 days.

Asked about the latest possible date that the proposal could be approved by the NEDA Board, Senator Angara said that the NEDA Board is scheduled to meet at the end of the month, after which the 60-day Swiss challenge period begins which is from December to January, and by February the contract is expected to be awarded.

Asked whether the groundbreaking for the construction of the Bulacan airport has already been done since there were reports that it was put on hold to iron out some glitches, Senator Angara said that the contract has been awarded to San Miguel, a private proponent that would decide when the groundbreaking would be held.

As to the reason why the groundbreaking did not push through despite the fact that the contract has already been awarded, Senator Angara explained that the proponent has 18 months to get financing for the project.

Asked whether it is standard procedure to award contracts even without a guaranteed financing, Senator Angara answered in the affirmative.

As to the timeline of NEDA with regard to the schedule of the groundbreaking of the Bulacan project, Senator Angara replied that it is expected to happen soon.

Senator Poe recalled that in the TWG meeting, the NEDA representative said that the Roadmap 2, or the Philippine Transportation System Master Plan, was only partially approved pending the review of the project list and that the deadline had lapsed on August 28, 2019. She supposed that all the actions of the DOTr as well as of the DPWH were hinged on the transportation system master plan by NEDA.

Senator Angara assured that he would furnish Senator Poe with a copy of the masterplan as requested.

As to the reason for the delay since the masterplan

was done August 28, Senator Angara explained that the JICA study, which the NEDA commissioned, was done but the study was yet to be translated to a detailed roadmap by third quarter of next year.

Asked how much have been spent on all of the commissioned studies for the roadmap since 2014, Senator Angara replied that the studies were part of one grant; on the part of the NEDA, it only contributed the usual manpower component and the budget needed. He confirmed Senator Poe's fear that without the roadmap, other projects in the Build, Build, Build program would be affected.

Senator Poe then appealed to the NEDA to get things done immediately. She called on NEDA to prioritize infrastructure projects that have to do with easing congestion, stating that special powers are not needed because NEDA only needs to act quickly.

INTERPELLATION OF SENATOR VILLANUEVA

Senator Villanueva stated that being from Bulacan, he has not heard of any construction being undertaken in the province as far as the airport is concerned. Senator Angara explained that the contractor was given 18 months to comply with the financing of the project. He said that from whatever standpoint, either from the government or the private sector, all have aligned interest to have the project done right away.

Senator Villanueva expressed his support to the project, saying that he was more than willing to do anything and everything in order to pursue the project because it would create a lot of jobs in the province.

Asked on the policy of the administration as regards gambling – especially online gambling like POGOs – and other related services and how it could be a sustainable and reliable contributor to the revenues of the government and as a driver of economic growth, Senator Angara said that the current administration was only continuing what the past administration has done—to allow their operation but with regulation.

Senator Villanueva then asked what efforts were done as regards regulating online gambling, noting reports that POGO operators in the country are asking for tax exemptions. Senator Angara replied that the country's economic managers do not agree with the policy of not taxing their activities as part of regulation.

Senator Villanueva asked if NEDA has monitored the number of POGOs and other related establishments that have set up office in the Philippines, noting that they have been in existence in the country for about five years already. He also asked how many foreign direct investments have entered the Philippines through the industry. Senator Angara admitted that the NEDA does not have data on the industry but information can be requested from PAGCOR which is the main government regulator of gambling.

To the contention that the NEDA should be aware of the direct investments entering the country through online gambling, Senator Angara said that the NEDA would request the data from PAGCOR.

Senator Villanueva also asked for the percentage of POGO investments to the overall foreign investments in the country as he surmised that foreign investments far outweigh the investments coming from POGOs. He said that it was important to note what has been happening in the last five years particularly reports about illegal foreign workers, criminalities and money laundering.

Senator Angara assured that the data requested would be furnished to Senator Villanueva.

INTERPELLATION OF SENATOR RECTO

Senator Recto noted that the budget of the NEDA was roughly about P9.5 billion the following year, P7.2 billion of which was with the Philippine Statistics Authority (PSA).

As to when the law on the National ID System (NIS) was passed, and how much was its budget for next year since part of the plan was to allot P100 million in four years, Senator Angara replied that P4 billion was the projected budget for the entire system, of which only 89% was used. He said that in 2018, P2.4 billion was placed in the Unprogrammed Funds, which is short of P5.6 billion required of the project.

As to the effect of the shortfall on the plan to provide 14 million IDs the following year, Senator Angara admitted that the budget of P2.4 billion could only cover 6.3 million Filipinos, while the target was to cover 14 million Filipinos and resident aliens if the P5.7 billion budget is complete.

Senator Recto remarked that by year 2020, there would already be 110 million Filipinos.

Senator Angara admitted that the target was far from being achieved, but he predicted that there would be an exponential escalation of the issued IDs starting May next year.

Noting the lack of resources for the NIS to go full blast, Senator Recto urged the PSA to exert extra focus since the NIS is one of the flagship projects of the administration.

MANIFESTATION OF SENATOR MARCOS

Senator Marcos stated that she and some of her fellow senators were clearly unhappy and discouraged by the slowness and the delays in the NEDA Board approvals, and she wondered whether the NEDA needed to hire more qualified consultants in order to speed up the process.

Senator Angara replied that the newly appointed presidential adviser on flagship projects would furnish Senator Marcos with the requested information.

Senator Marcos placed on record that she have yet to receive the data she requested during the first hearing of the Senate Committee on Economic Affairs on the targets and actual accomplishments contained in the Socioeconomic Report of 2018. She said that she has the printed book without any indication of new numbers; thus, she was unable to input any of the accomplishment reports.

Senator Angara said that NEDA would provide Senator Marcos with a copy.

Senator Marcos urged the NEDA to participate in the discussion regarding the Foreign Investments Act, a priority measure mentioned by the President in his State-of-the-Nation Address and which the House of Representatives has already passed. She lamented that the Committee already conducted two hearings but the NEDA never turned up.

SUBMISSION OF THE BUDGET OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY AND ITS ATTACHED AGENCIES

There being no other interpellations, upon motion of Senator Zubiri, there being no objection, the budgets of the National Economic and Development Authority and its attached agencies, namely, the Office of the Director-General, the Philippine National Volunteer

Service Coordinating Agency, the Public-Private Partnership Center of the Philippines, the Philippine Statistical Research and Training Institute, the Philippine Statistics Authority, the Tariff Commission, the Commission on Population and Development, together with the Philippine Institute for Development Studies, were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 3:50 p.m.

RESUMPTION OF SESSION

At 3:55 p.m., the session was resumed.

DEPARTMENT OF INFORMATION AND COMMUNICATIONS AND TECHNOLOGY (DICT)

Senator Lacson presented the 2020 budget of the Department of Information and Communications Technology (DICT) and its attached agencies amounting to P7,720,099,000 broken down as follows: P6,863,464,000 for the Office of the Secretary; P11,261,000 for the Cybercrime Investigation and Coordination Center; P229,596,000 for the National Privacy Commission; and P615,778,000 for the National Telecommunications Commission.

Thereupon, he acknowledged the presence of the former senator and present DICT Secretary Gregorio Honasan.

INTERPELLATION OF SENATOR POE

Referring to the salient point of the rollout of the common towers in the Philippines issued by the DICT, Senator Poe noted that the main objectives are: to build and convert at least 2,500 common towers in DICT-owned properties located in hard-to-access areas as identified by the Mobile Network Operators (MNOs) and common towers in other government agency properties; to optimize operations capital expenditures in terms of supporting infrastructure and to free more funds for investment in core network; and to promote the development of service innovation.

As regards the 180 existing towers owned by the DICT, Senator Poe asked how many would

need upgrading or converting before being deemed appropriate for sharing among two or more MNOs, and how close they are to the deal of having 2,500 common towers. Senator Lacson replied that all 180 towers need upgrading and that the common tower providers would shoulder the undertaking.

Senator Poe stated that based on the rules of the DICT, they are not allowed to collect lease or rental of ITCs or MNOs for the construction of towers; however, they would be allowed to receive compensation in kind. Asked what types of compensation these are, Senator Lacson replied that it is bandwidth services that can be used for public access to WiFi.

Asked if there exists a particular document or agreement stating what compensations in kind are, Senator Lacson replied that the consultation for the agency's rule-making policy on the shared passive ICT infrastructure is still in process.

Senator Poe recommended that the DICT be clear on the types of compensations in kind to avoid confusion and to make sure that the ones that would avail of the lease and the rental of the towers would eventually be able to comply and fulfill those compensations.

Asked for examples of mobile network operators, Senator Lacson cited Globe Telecom and Smart Communications.

Senator Poe stated that independent tower companies may not necessarily be a telecommunications provider and that they are just the ones that were contracted to build the towers. Senator Lacson affirmed, disclosing that aside from Globe Telecom and Smart Communications, there is a third one called Dito Telecommunity which is new.

As for the qualifications to be satisfied by an independent tower company in order to be granted with the authority to be an independent tower company provider, Senator Lacson said that while not yet final, the guidelines on how to qualify could be found in the DICT website which include financial qualifications, technical qualifications and mode of engagement, among others.

Asked where to apply to get a license or permit, Senator Lacson stated that application could be done online through the DICT website, and he affirmed that the MNOs and ICTs would select from the

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2,500 common tower sites, which have already been identified.

Asked if the 2,500 common towers site have to be a DICT property or the property of other government agency, Senator answered in the affirmative, and he acknowledged the possibility of a spacious camp accommodating two towers.

Senator Poe presumed that the logic behind not collecting rent or lease for the said towers is for the MNOs with money to save for capital expenditure. Asked what guarantee they would have that the MNOs savings would be used to improve their services, Senator Lacson replied that the DICT would make sure that they would and it would be clearly spelled out in the policy.

As regards Dito Telecom which was previously Mislattel Telecom, Senator Poe recalled that its franchise was approved overwhelmingly in the Senate because the understanding was that more competition leads to more options and better and less expensive service. She noted that Dito Telecom committed to cover 37% of the population and provide 25 Mbps minimum average internet speed in year one of its operations, and 84% of the population and 55 Mbps minimum average speed by year five. She the asked whether the claim of DICT Acting Secretary Rio was correct that Dito Telecom would need around 2,500 to 3,000 cell sites to be able to meet its commitments for its first year of operation which would end in July 2020. Senator Lacson replied in the affirmative.

Senator Poe stated that as of October 2019, Dito Telecom has partnered with Skycable, the latter to provide assistance through its unused fiber optic cables in Metro Manila, while Singson's LCS Group of Companies would help Dito Telecom put up towers.

Asked on the number of cell sites already constructed and completed by Dito Telecom, Senator Lacson replied that he could not provide the figures since all of it were still ongoing. He allayed Senator Poe's fear that the telecom company might not be able to complete the 2,500 cell sites before the first year of operations ends in July 2020, assuring that the company could put them up in just two months as these are all pre-fabricated.

Senator Poe cautioned that part of the franchise agreement is that there would be a corresponding

penalty for every noncompliance which is a separate agreement even with the NTC. She then asked if there are penalties in place that would motivate them to comply with the agreement and to fully deliver.

Senator Lacson noted that the performance security of Dito Telecom for the first year is P25.704 billion; for year two - P10.7 billion; for year three - P8 billion; for year four - P5.3 billion; and for year five - P2.7 billion. He said that if Dito Telecom could not substantially provide cell sites for the first year, after a grace period of six (6) months, it would have to pay a fine of P25.704 billion.

Asked how many megabits per second (Mbps) was promised by Dito Telecom by July 2020, Senator Lacson said that the company committed to deliver and average internet speed of 27 Mbps for year one, and by year five, 55 Mbps.

Asked if there is an escrow account where the penalties are deposited, Senator Lacson stated that there is a bank account that offers a bank guarantee.

Asked how much of Dito Telecoms' capital expenditures had already been obligated or spent in the obligated funds to meet its first year commitments, Senator Lacson stated that the DICT will find out the figures from Dito Telecom since there are no records yet.

Senator Poe also inquired if Dito Telecom's franchise included underserved and unserved areas across the country, noting that utilizing government-owned properties would benefit the public. Senator Lacson replied in the affirmative, as he also confirmed that the DICT and the NTC were aware that there was an agreement between Dito Telecom and the AFP to set up cell towers inside military camps as reported in the news.

Asked if the DICT secretary, who was a former military officer, has any apprehensions on the safety of military camps where cell sites would be built, Senator Lacson stated that the MOA was already taken up during the deliberation of the DND budget, and that the draft was still being reviewed by Secretary Lorenzana who promised to submit the final MOA before the end of the month.

Asked whether the MOA would also need the approval of the DICT, Senator Lacson said that while DICT was consulted about the project, its

approval would only come from the DND Secretary. Senator Poe questioned how the AFP could assure that safeguards are in place regarding the building of cell sites inside military camps when they are not technical people. She believed that the DICT was more qualified to assess and provide the software, capability, and intelligence to ensure that the installation of cell sites would not interfere with national security. Senator Lacson disclosed that the DND is closely coordinating with DICT concerning its technical inputs inside military camps.

To Senator Poe's reminder that Dito Telecom would be in partnership with China Telecom in setting up cell towers, Senator Lacson assured that the DICT Cybersecurity Unit would take care of such concerns. Senator Poe hoped that the situation would be taken into account since the mere presence of a foreign national inside military camps without being vetted could pose a possible threat.

As to who would be answerable for the installation of free internet service pursuant to Republic Act No. 11311 which provides free WiFi in all terminals, stations, rest areas, and RO-RO terminals, Senator Lacson said that under the IRR, the installation of free internet service would be closely coordinated between DITC and DOTr.

Asked who would shoulder the subscription fees of free internet service, Senator Lacson said that the terminal operator pays for the subscription of public WiFi in bus terminals; in the case of RO-RO terminals, the DICT would be in charge of the WiFi subscription. He further disclosed that during the committee hearing, the NEP budget of DICT, except for automatic appropriations, was P3.674 billion only, or 0.13% of the P4.1 trillion total national budget. Considering its importance to economic development, he said that the Committee increased DITC budget in the Senate version to P7.7 billion. Thereafter, he enjoined his colleagues to make individual amendments so that more funds would be added to the DICT budget, or to allow the agency to use the special provision on spectrum user fees (SUF) which are annual collections from mobile service providers. He stated that the SUF collection was P2.3 billion in 2017, and P3.7 billion in 2018. Meanwhile, upon the request of DICT Acting Secretary Rio, he stated that he proposed to amend the special provision by removing the cap for 2019 so that the amount collected from SUF would be given to DICT but unfortunately, said amendment was vetoed by the

President. Nonetheless, he said that he would reiterate the proposal to amend the special provision on SUF for 2020.

Senator Poe stated that the importance given to DICT is indicative of how the government perceives development in the country for the coming years because for the country to achieve full economic growth, there must be an improved internet infrastructure to enhance cellular service as most companies encourage telecommuting. She said that without enough enforcement power due to lack of budget, it would be difficult to encourage companies to improve their service or performance.

Asked how much increase was needed for DITC's infrastructure program, Senator Lacson stated that he recommended increasing the budget to P29 billion to practically complete the funding program for internet infrastructure especially since the Philippines is lagging behind in terms of internet service.

Asked how much is actually needed so that the flagship project could productively work, Senator Lacson stated that the project requires an additional P23 billion. He said that if only the proceeds from spectrum users could be harnessed, the projected collection of P3.8 billion to P3.9 billion for 2020 added to DBM's P1.4 billion earmark would help accomplish the project.

At this point, Senator Poe thanked Senator Lacson for answering her queries, and reminded the DICT to be on top of the rollout commitments made by Dito Telecom considering that the main reason their franchise was approved was their thrust to provide better and reasonably priced telecommunications service.

INTERPELLATION OF SENATOR RECTO

Asked by Senator Recto on the four offices of the DICT, Senator Lacson cited the Office of the Secretary, Cybercrime Investigation and Coordination Center (CICC), National Privacy Commission (NPC), and National Telecommunications Commission (NTC).

To the observation that the Cybercrime Investigation and Coordination Center has the smallest budget among the four offices, Senator Lacson explained that the reason was that the office has not been organized yet, and that the department had already made two appeals to the DBM. Being one of DICT's most important mandates, he said that the CICC is an

attached agency for policy and program coordination which is chaired by the DICT Secretary.

Senator Recto expressed concern that with the CICC not yet organized, the government would be blind to any cyberattack in the country. Asked what agency monitors cyberattacks in the country, Senator Lacson cited the Cybersecurity Bureau of the DICT.

Asked if there is available data on the number of cyberattacks from foreign and/or domestic sources that were monitored in the current year, Senator Lacson said that there have been 13 million local cyberattack incidents, particularly by the Malware virus that spread through USB flash drives, resulting in 37.4% or seven million users attacked online; on the other hand, 15% of users encountered cyber threats.

As regards cyberattacks on Philippine banks, Senator Lacson stated that the top attack trends comprise of the banking Trojans - 4.1% of the 13 million cyberattacks; Ransomware - .4%; cryptomalware - 15.6%; and mobile - 13.2%. Thus, he emphasized the need to implement the Cybersecurity Management platform by organizing the CICC.

Asked if there have been cyberattacks on basic utility services like water and electricity, Senator Lacson replied in the negative; however, banks which are fourth on the list have 4.1% incidence of cyberattacks.

Asked if there were cyberattacks on airports, seaports, and transport terminals, Senator Lacson replied that there was none.

Asked why only P11 million was allocated to cybercrime investigation out of the P7.7 billion total budget for DICT, Senator Lacson stated that the Cybersecurity Management has P600 million.

Senator Recto manifested the importance of DICT particularly in the area of cybersecurity, as he hoped that its program would commence next year.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Information and Communications Technology, including the Office of

the Secretary, Cybercrime Investigation and Coordination Center, National Privacy Commission, and the National Telecommunications Commission was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

With the permission of the Body, the Chair suspended the session.

It was 4:30 p.m.

RESUMPTION OF SESSION

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

REQUEST OF SENATOR DRILON

For purposes of the debate on the budget of the Philippine Sports Commission the following day, Senator Drilon requested the presence of PHISGOC officials. He stated that the PHISGOC is not a government agency but a foundation, that received P700 million in public funds. Thus, he believed that the people have the right to know the purpose for the fund. He requested that Mr. Ramon Suzara, the chief operating officer of PHISGOC, be present to ensure that his queries are adequately answered.

Senate President Sotto directed the Committee on Finance to inform PHISGOC and Mr. Suzara of the request of Senator Drilon.

SUSPENSION OF SESSION

Upon motion of Senator Lacson, the session was suspended.

It was 4:35 p.m.

RESUMPTION OF SESSION

At 4:37 p.m., the session was resumed.

COMMISSION ON HUMAN RIGHTS

Senator Lacson presented to the Body the proposed appropriations for the Commission on Human Rights for fiscal year 2020 amounting to P863.138 million broken down as follows: P830 million for the Commission on Human Rights Proper; and P32.8 million for the Human Rights Violations Victims Memorial Commission.

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INTERPELLATION OF SENATOR GO

Senator Go asked how much of the CHR's budget would be used for the investigation of all forms of human rights violations involving civil and political rights. Senator Lacson said that around P50 million to P75 million would be utilized for that purpose.

Senator Go also asked how much of the budget would be used by the CHR to provide legal aid and preventive measures to the underprivileged Filipinos residing in the Philippines and abroad whose human rights have been violated or need protection, particularly since a significant portion of the families affected by the drug menace are OFW families. He said that those families approve of the hard stance adopted by the administration to address the drug problem as it gives them peace of mind and assurance.

At this point, Senator Go showed a video clip depicting the current situation of the menace caused by illegal drugs.

Asked by Senator Go how much of the budget of the CHR was being used to defend criminals, Senator Lacson said that according to the CHR, they do not have a budget to defend criminals but they have budget for human rights victims.

Senator Go said that featured in the video were distraught families of victims of the drug menace. He asked how much of the CHR budget may be used to assist and help private individuals attain justice and mend shattered families to become whole again. Senator Lacson said that the CHR has allocated P8 million for financial assistance, but he clarified that the amount does not include whatever claim the victim or the family may get should they win their case, or any other indemnification due them, or help and assistance from other government agencies. He said that in his defense of the CHR's budget year-in and year-out, he has always requested additional budget which the members of the Senate have granted in the past in order for the CHR to effectively achieve its mandate. He reported that from May 2016 to November 2019, the CHR assisted 2,628 cases involving 3,112 victims.

Senator Go stated that the scope of the investigatory functions of the CHR covers all forms of human rights violations involving civil and political rights, whether committed by public officers, civilians, or rebels, but he observed that the CHR has been

kind to criminals. Senator Lacson said that everyone is included in CHR's mandate as long as there are human rights violations.

Asked by Senator Go whether the CHR went to the victims featured in the video, Senator Lacson said that the problem of CHR is that if their investigation involves ordinary people, it does not gain prominence in the media, noting that the media is more interested to report on cases involving law enforcers.

Senator Go likewise opined that the CHR seemed to be more inclined to sending the police to jail rather than the criminals. Senator Lacson replied that it was not meant that way, but that the cases involving ordinary people were simply not appealing to media. He assured Senator Go that the CHR gives the same attention to a case, whether it involves law enforcers or ordinary criminals. He said that among the cases that they have investigated included the bombing of the Jolo Cathedral, and the Zamboanga Siege. He said that the CHR also extends financial assistance to victims.

Senator Go opined that the CHR seemed focused only on the due process and rights of drug lords and criminals. Asked if it is possible to ask questions directly from CHR Chairman Gascon, Senator Lacson replied that if Senator Go was not satisfied with his answers, the Rules of the Senate may be suspended to allow him to directly ask questions from the CHR Chair.

SUSPENSION OF THE RULES OF THE SENATE

Upon motion of Senator Zubiri, there being no objection, the Body suspended the Rules of the Senate to allow CHR Chairman Chito Gascon to respond directly to the queries of Senator Go.

QUESTIONS OF SENATOR GO

Following is the full exchange between Senator Go and CHR Chair Gascon:

Senator Go. To Chairman Gascon, *isang tanong lamang po.*

Ano ang mas importante sa inyo, buhay ng mga inosenteng Pilipino o buhay ng mga kriminal?

Mr. Gascon. *Sang-ayon po sa mandato ng*

gaw

Commission on Human Rights, *ang tungkulin niya ay karapatan ng lahat. Ang ibig sabihin, ang mga biktima ay may mga karapatan, pero maging ang mga salarin o mga suspected criminals, sang-ayon sa ating Bill of Rights, ay mayroong minimum treatment required. At iyon ang aming sinisigurado sa aming mandato na ipaalala sa law enforcement agencies na dapat pangalagaan ang mga biktima ng krimen pero dapat din siguraduhin ng law enforcement na sinusunod ang batas sa pagtrato ng mga preso.*

The President. Does the chairman not believe that when one committed a heinous crime, he has given up his human rights?

Mr. Gascon. Mr. President, again, according to our Constitution, all persons are guaranteed the right to due process. So, if there is a crime, definitely, the State must move in to punish the criminal. Because we are a state and we are a system of laws, that criminal must be punished in accordance with the rule of law.

The President. So, the answer to my question is in the negative.

Mr. Gascon. Yes, Mr. President. When someone commits a delict or an offense.

The President. No, I am not talking about an offense, I am talking about a heinous crime.

Mr. Gascon. A heinous crime, yes, Mr. President. Every person is entitled to due process, according to our Constitution.

The President. Unfortunately, I do not share the thinking of the chairman.

Senator Go, please proceed.

Senator Go. Mr. Chairman, *napapansin ko lamang, mas hinahabol ninyo iyong mga law enforcement agencies tuwing mayroon silang napapatay na mga kriminal. Even the President of the Philippines ay hinahabol at binabatikos ninyo kapag maraming namamatay na kriminal.*

Bakit hindi ninyo muna pagtuunan ng pansin ang mga katulad nitong mga inosente na naging biktima ng karumal-dumal na krimen dahil sa drugs na iyan. Iyon naman ang habulin ninyo at bigyan ninyo ng pansin.

Mr. Gascon. *Salamat po, Senador, and we take your comments under advisement. Mr. President, ang iyong Commission on Human Rights ay hindi law enforcement institution, monitoring agency po kami. Ang aming pakay ay mai-paalala sa ating mga partners sa gobyerno, ang law enforcement, halimbawa, na ang*

kanilang maaaring gawin dapat sang-ayon sa batas.

Ngayon po, iyong mga biktima, kung mayroong mga biktima, sa kaya ng maaabot namin, ay ginagawa namin ang lahat para matulungan sila. In fact, marami pong naseserbisuhan ang aming Women's Right Center na mga victims of domestic violence under our VAWC Law, iyong Violence Against Women and Children. Under Violence Against Women and Children, mayroon po kaming Women's Right Center na nagko-coordinate sa iba pang mga ahensiya na nagbibigay serbisyo sa mga biktima, including DSWD, PNP, et cetera. Nakikipag-ugnayan po kami para siguraduhin na silang mga victims of VAWC ay natutugunan ng appropriate state institution.

Senator Go. As of today, does the gentleman have any data on how many families or individuals have been victimized by suspects under the influence of drugs?

Mr. Gascon. Mr. President, *siguro iyong data na iyon, available po iyan sa Philippine National Police. Of course, we have constantly been requesting information and data from our partners in the Philippine National Police so that we can, of course, do our part.*

Senator Go. Did the gentleman conduct any investigation relative to these crimes? If yes, how did the gentleman effectively address this problem?

Mr. Gascon. Should these cases be brought to our attention, we send out our investigation teams, then they conduct investigations with the victims, question and answer, and submit a report. And, often, what we do is make referrals to the appropriate agencies that are in a better position to provide assistance. And, of course, we provide legal aid until such time—*na kasi ang nagbibigay po ng primary legal aid for victims of crime ay iyong PAO. So, kung dumating po sa amin, we will assist until mayroon ng appropriate public attorney na pupuwedeng tumulong sa kanila. Maliit lamang po iyong aming legal aid services, Mr. President.*

Senator Go. *Puwede ba nilang maisumite rito sa Senado iyong report nila?*

Mr. Gascon. *Opo, Mr. President.*

Senator Go. Thank you.

Anyway, this drug problem has been here since time immemorial. *Bakit parang ngayon lamang nag-iingay ang CHR? Did the gentleman do anything to help stop the drug problem*

before? *Napakarami ng human rights abuses due to illegal drugs. Alam nating lahat iyan pero bakit parang lumalabas na nabuhay lamang ang CHR these past few years. Nasaan sila dati?*

Let me clarify, Mr. President, I am all for due process and investigating abuses. I am all for accountability, *pero huwag sana selective*. There are two sides to a fence; *tingnan natin parehas*. *Huwag tayong mag-focus sa isang side lamang kasi* there are always multiple versions of the truth. We must be neutral.

Mr. Gascon. I agree with the gentleman, Mr. President. There are often many sides to a particular incident, there are many stories, and all those stories and narratives should be articulated, Mr. President. Please be assured that we do not take sides.

Senator Go. So, the gentleman will be neutral?

Mr. Gascon. Yes *po*. *Iyon po ang mandate*. The Commission on Human Rights is supposed to be an independent, nonpartisan, and oversight institution *sang-ayon sa Saligang Batas*. So, we call out any violations where we see it.

Ang nangyari lamang po siguro, naging matingkad sa panahong ito, and I have to say, Mr. President, since naitayo iyong Philippine Constitution noong 1987—32 years na po iyong Commission on Human Rights—kami po ang ika-limang version. There have been six other chairs prior to me and there are many other commissioners. We try and do our mandate as best as we can. *Siguro sa panahong ito lamang dahil naging matingkad po ang kampanya ng administrasyon laban sa krimen at laban sa droga*. Kami naman po ay parang referee, *nagbabantay lamang po*. *Pipito lamang kami para sabihin, "Teka, baka mayroon na tayong nalalampasan na nakalagay sa ating Saligang Batas."* Kung mali man, *tuloy po iyong serbisyo publiko, pero kung mayroong dahilan para imbestigahan na may paglabag, hindi po ba dapat gawin natin? Katulad ng nangyari po sa pagpaslang kay Kian delos Santos at iyong tatlong pulis na sangkot doon ay nadala sa korte at na-convict*. Gusto lamang po naming siguraduhin na sa lahat ng mga ginagawa sa police operations ay sumusunod lamang sa nakatakda sa Saligang Batas.

Senator Go. So, *magiging patas at neutral kayo, promise iyan?*

Mr. Gascon. Promise *po*, Mr. President.

Senator Go. No further questions, Mr. President. Thank you.

INTERPELLATION OF SENATOR DELA ROSA

Senator Dela Rosa asked on the reaction and opinion of the CHR regarding the GCTA Law, particularly on the reported possible release of former Calauan Mayor Antonio Sanchez which created a public uproar but which saw no reaction from the CHR. Supposing the law was not faulty and the IRR was religiously implemented by the BuCor but the public was so outraged by the supposed release of Mayor Sanchez, he asked whether the CHR would side with the public or would go for the release of Mayor Sanchez.

Senator Lacson said that the CHR acknowledges the GCTA Law as a laudable law; however, the CHR also believes that those who had committed heinous crimes should not be allowed to avail of the benefits under the GCTA Law.

Senator Dela Rosa maintained that the BuCor only followed the IRR, which was silent on heinous crime offenders. He then asked if the CHR would go for the legal or the popular sentiment of the public supposing the decision of the BuCor was legal.

Senator Lacson stated that the CHR was in full agreement with Senator Dela Rosa. He believed that it was but proper for the DOJ to correct the IRR, and exclude those who were convicted of heinous crimes. He also conveyed the CHR's desire to correct the impression that they kept mum about the issue, citing a September 4 press release of the CHR condemning the GCTA. He surmised that nobody could have taken notice of the press release. He stressed that the CHR agrees with the Senate that those who committed heinous crimes should not be qualified to avail of the GCTA Law.

Asked by Senate President Sotto if the rights of Mr. Sanchez were forfeited when he committed the heinous crime, Senator Lacson stated that the CHR believes that criminals should be held accountable and punished; however, the CHR also maintains that because of their humanity, they still have the right to live. He expressed the view, however, that such convicts have limited human rights even when in jail. He said that personally, he believed that Mr. Sanchez should not be qualified. He added that since the law is flawed, it should be amended by providing that those who have been convicted of heinous crimes should not be qualified to avail of the GCTA Law.

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He clarified that the CHR's position is that those who have been convicted of heinous crime should be disqualified from availing of the GCTA Law. He maintained that due to the gravity of the offense, convicts charged of heinous crimes should not qualify for the GCTA. He said that, to a certain extent, convicts of heinous crimes should still be afforded basic human rights – living conditions, food, right to life, medical needs, among others. He said that if Mr. Sanchez was deprived of food by the jail guard and died of starvation, the guard would be held liable for his death.

Agreeing with Senator Lacson, Senator Dela Rosa clarified that his insistence for the death penalty is only for druglords because they kill the future of the youth. He stated that during his term at the BuCor, he met with heinous crime convicts who have completely turned their lives and have dedicated their time as pastors to fellow inmates. However, he said that because the IRR would be changed to disqualify convicts of heinous crimes, they will never have a second chance in life. He lamented that because of public uproar, the issue was politicized and it disqualified those who deserve a second chance. He reiterated that while he is for death penalty, in its absence, a person convicted of a heinous crime but has completely turned his life around during incarceration deserves another chance to breathe the air beyond the walls of Bilibid.

Senator Lacson clarified that with or without uproar, his position would have been the same, that “as water cannot rise above (higher than) its source,” in any law, no matter what a person's opinion is, that person will still follow the law.

On another matter, Senator Dela Rosa recalled that on August 27, 2019, during the hearing of the Committee on Public Order and Dangerous Drugs on the spate of killings in Negros Island, CHR Region VII Director Atty. Arvin A. Odron stated that the commission has started its own investigation on the matter. He then inquired about its findings.

Senator Lacson replied that the investigation was still ongoing.

Senator Dela Rosa stated that during the hearing, Atty. Odron gave the committee the impression that he did not have problems with the military and the police and that they have a very good working relationship. However, he said that Atty Odron needed

help from lawyers in the central office. He then inquired if the matter of having more lawyers has been addressed.

Senator Lacson replied that the CHR was addressing the matter despite the lack of funds.

Asked if the killings continued after the Senate hearing, Senator Lacson replied in the affirmative. Senator Dela Rosa revealed that during the hearing, the AFP and PNP claimed that those killed were apparent members of the NPA who were part of a list of anti-communist groups. He then asked if those killed after the first incident were part of the list. Senator Lacson said that the commission would look into the list.

As to the number of investigators assigned to look into the incident, Senator Lacson stated that there were two investigators in Negros Island; one in Negros Oriental and another in Bacolod. He said that if the CHR as well as the security forces would not be active in Negros Island, then everyone in the hit list would be killed and the people would no longer trust the government. Thus, he said that the CHR has to play a very active role in the investigation of the Negros Island killings and hoped that its representatives would do their job so that the government and the NPA would no longer be pointing fingers at each other. He believed, however, that it was the KAGUBAK death squad that was responsible for the killings.

Senator Dela Rosa noted that the P312 million budget of the CHR included the P50 million increase proposed by the Committee on Finance. He then asked for details on the accomplishments of the agency's Human Protection Program since P22 million of the budgetary increase would be allotted for that purpose. Senator Lacson gave the following information: new complaints documented—6,582 cases for 2018, and 3,129 cases for 2019; resolved for the first semester of 2019, 396 cases; legal assistance; financial assistance amounting to P3 million plus which involved 562 beneficiaries; medico-legal services; counseling; and medical assistance.

Asked on the number of lawyers employed by the CHR as well as how many more were needed, Senator Lacson replied that the Commission has 150 lawyers all over the country or about three lawyers per region.

As regards the lack of lawyers in the agency, Senator Lacson replied that the CHR could only

offer low-entry level salaries for its lawyers due to its meager annual budget.

Senator Dela Rosa explained that his queries were aimed at ensuring that the CHR has adequate qualified personnel to fulfill its mandate of promoting the protection, respect for, enhancement of the people's civil, political, economic, social and cultural rights. He added that he would fully support any proposal to add more funds to the agency.

INTERPELLATION OF SENATOR GORDON

Preliminarily, Senator Gordon noted that even though the CHR is the guardian against abuses of constitutional rights and of individuals, the Philippines has been getting flak from the international community over reports of people being abused, killed or imprisoned. Relative thereto, he expressed concern and took umbrage over the growing number of killings because, to him, people have the right to be safe and protected. He lamented that despite the laws that have been enacted precisely to address this concern, citing in particular his bill on bigger motorcycle plates which was enacted into law in the previous Congress, the LTO has not implemented it while scores of people have been killed by motorcycle riding gunmen. Asked what the CHR's position is, Senator Lacson replied that the agency had been investigating vigilante killings which accounts for 1,083 of its cases from May 10, 2016 to November 2019.

Senator Gordon asked whether the CHR had ever taken up the issue of the drug-related killings with the authorities. He said that the drug war has no common visible enemy but only extradited and dispersed individuals called "drug lords" who even used kids who became unintended victims because they ended up being killed. He said that he was glad that the Committee of Senator Lacson was able to solve the killing of Kian delos Santos and that the perpetrators were convicted. He urged the CHR to try harder to get more evidence and win the trust of the people instead of being a source of information for groups who attack the country's reputation while presenting themselves as international human rights organizations. He believed that the Blue Ribbon Committee, its staff and the whole Senate had been exemplary in making sure that the people they had investigated were put in jail because they were able to obtain evidence against them. However, he said that he did not see similar effects on the part of the

CHR. Senator Lacson replied that the CHR has its own Witness Protection Program (WPP) and even provides financial assistance and other resources to its witnesses.

Senator Gordon recalled that when he was chair of the Committee on Justice and Human Rights, the Senate provided bulletproof vests for the witnesses who had initially attended the hearings with their faces covered as a way of assuring them that they would be protected by the government. Senator Lacson said that it would be hard to convince people to come out as witnesses once the fear factor comes into play. Senator Gordon noted that the fear factor was being further promoted. He pointed out that the military and the police who are allowed to carry guns in order to protect the people should be investigated when they violate the social contract between the State and the citizens by using their weapons to kill or intimidate others. He believed that people should not accept killing as the solution. To illustrate, he said that he opted to take up law and understand how he could get justice for the assassination of his father rather than killing his murderers.

Culturally and historically, he said that the Filipinos have been raised on the belief that one could not go against the rich, the powerful or the elite since they could get away with murder. He said that the Commission on Human Rights is not expected to solve the problem of human rights abuses but it could start by doing little things and in the process, educate the people so that the Philippines would not be regarded as a rogue country by other nations that do not experience the same kind of problems.

MANIFESTATION OF SENATOR TOLENTINO

At this juncture, Senator Tolentino requested for the suspension of Rules to allow him to direct his questions to the chairman of the Commission on Human Rights.

Senate President Sotto stated that the suspension of the Rules of the Senate was continuing to allow the Commission on Human Rights chairman Chito Gascon to respond directly to queries.

QUESTIONS OF SENATOR TOLENTINO

Following is the full exchange between Senator Tolentino and Commissioner Gascon:

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Senator Tolentino: Thank you. *Ang tanong ko lamang po sa kagalang-galang na Commissioner on Human Rights, ito po ay sa mga nagdaang mga nakaraang araw. Siguro po nagtataka rin iyong ating mga kababayan.* Why is it that whenever a human rights issue would come out in the press, there seems to be a proliferation of international NGOs trying to have their own opinion, trying to dissect the problem of the Philippines, and trying to promote their own ideas, whether coming from the west or from whatever source. *Ang tanong ko po diretso kay Chairman Gascon: Mayroon po bang mga linkages—directly or indirectly, formally or informally—ang Commission on Human Rights sa ibat-ibang foreign international NGOs na gumaganap sa daigdig ng human rights?*

Mr. Gascon: *Sa international NGOs na concern sa human rights, mas informal po.* From time to time we receive email. *Iyong mga lumalabas sa publiko, tinatanggap din po namin. Madalas po nasa form po ito ng mga petition.* And of course, *dahil formally nare-receive namin itong mga messages, ay dinadaan po namin sa aming sistema. Mayroon po kaming unit, ang tawag sa kanya ay international obligations monitoring division. Itong international obligations monitoring division, isang maliit lamang na unit ito.* Actually, *ito iyong unit na nagmo-monitor ng regular reporting ng Philippine government sa kaniyang obligations under international human rights law.*

Senator Tolentino: I understand.

Mr. Gascon: We have signed nine of the 10 human rights treaties and from time to time, we are asked to make reports. So, *ang Commission on Human Rights, as the oversight watchdog institution on human rights...*

Senator Tolentino: Yes, I understand. *Ang sinasabi ninyo po, ito iyong mga international commitments natin, mayroon kayong isang maliit na unit.* And I am sure, that is part of your budget *na minomo-monitor kung nagko-comply tayo.*

Mr. Gascon: Yes po.

Senator Tolentino: *Baliklad po. Ang tinatanong ko: Bakit mayroong ibang international NGOs na, apparently, tayo naman ang mino-monitor. Mayroon po ba tayong agreement, directly or indirectly, para po tayo ay i-monitor nila. Lahat po ba ng pumapasok sa inyong mga email messages, kung ano man iyong social media platform na ginagamit ninyo, ay form ng monitoring natin o monitoring nila? Tayo po ba ang mino-monitor kasi ang nakalagay po dito,*

Article XIII, Section 18 (7) of the Constitution human rights: "Monitor the Philippines Government's compliance with international treaty obligations on human rights."

Mr. Gascon: That is right.

Senator Tolentino: It presupposes our obligation and the duty of the Commission on Human Rights to monitor whether we are complying or not.

Mr. Gascon: Yes.

Senator Tolentino: *Ang tanong ko po, why is it that other international NGOs are apparently monitoring us? Mayroon po ba kayong agreement sa kanila? "I-monitor ninyo naman kami. Kapag nagkamali kami, kalampagin ninyo kami." Mayroon po bang ganoon?*

Mr. Gascon: *Wala po kaming agreement with them. But we have interacted with them. They come to the Philippines and when they come, they normally ask meetings with us. But we also encounter these human international human rights NGOs sa Geneva po.*

Senator Tolentino: I am sure when you attend congresses, various fora internationally, you meet NGOs, you exchange calling cards and build up linkages. *Wala pong mali doon. Ang tinutumbok ko ngayon, puwede po ba tayong bigyan ng Commission on Human Rights ng listahan kung sinu-sino itong mga iba't-ibang international NGOs na kanilang nakadadaupang-palad, at apparently, ngayon ay bahagi na rin ng usapang human rights? Hindi po kasama iyong International Commission on Human Rights sa Geneva. Iyong iba't-ibang human rights organizations. There is sa Human Rights Watch Asia, a Human Rights Watch Geneva. These foreign institutions apparently are meddling "in human rights affairs in the country." Puwede po bang bigyan ang ating Senado, ang komiteng ito na pinamumunuan ni Senador Lacson, ng listahan ng lahat ng inyong linkages, resources, insofar as human rights issues are concerned?*

Mr. Gascon: Yes. *Maaari po namin kayong mabigyan ng listahan ng mga nakaugnay namin. Hindi po lahat ng international human rights NGOs ay umuugnay sa amin. Pero iyong mga bumibisita, humihingi ng meeting, o na-engkwentro namin, halimbawa, sa UN Human Rights Council meeting sa Geneva ay mayroon naman kaming, katulad ng sabi ninyo, mga exchange of calling cards, and so on. Maaari naming maibigay po iyon.*

Senator Tolentino: There is nothing wrong with that. There is nothing wrong with linking with

other government or nongovernment institutions and organizations. In fact, it will broaden the perspective of the Philippine Commission on Human Rights. *Ang susunod ko pong tanong: Tumatanggap po ba kayo ng tulong financial or otherwise, donations, and researches, dito sa inyong mga international NGOs na kakilala?*

Mr. Gascon: *Sa mga international NGOs, hindi po. Pero mayroon kami sa kasalukuyan, patapos na nga po, na G2G na assistance galing sa European Union at saka sa Spanish aid agency. Ang tawag po rito ay "GO JUST." Mayroong two components sa human rights. Tapos mayroon din sa DOJ at sa Supreme Court, at saka sa DILG. Isang proyekto po iyan na may programa sa justice sector side at may programa sa human rights sector side. Pero pondo mula sa mga private na direkta sa amin ay wala. Pero ang nangyayari po ay minsan mayroon kaming mga proyekto na parang nag-aambagan. Halimbawa, mayroong seminar o mayroong forum.*

Senator Tolentino: *Ganito po iyon. I am aware of your linkage with the European Human Rights Commission or whatever organization is that, mayroon pa ho itong mga sub-organizations, sub-groups composed of European international human rights groups na probably roon nila dini-direct at dinadaan naman kung ano iyong funding support na puwedeng ibigay sa kanilang mga kakilalang mga human rights organizations, whether government or nongovernment. Is that correct? Have you availed of that?*

Mr. Gascon: *Sa nongovernment po, hindi.*

Senator Tolentino: The availment probably will not just be in direct grant of financial support, but probably allowing you to join an international convention, international fora, an international symposium concerning human rights. *Tumanggap na po ba kayo ng ganoon?*

Mr. Gascon: *Mayroon pong mga ganoong imbitasyon.*

Senator Tolentino: *At sinasagot nila iyong expenses, iyong eroplano, iyong hotel, iyong convention fees, para maka-attend kayo sa isang international human rights forum kung saan pag-uusapan ang iba't ibang issues sa buong daigdig concerning human rights.*

Mr. Gascon: *Opo. Nagaganap po iyong mga ganyan.*

Senator Tolentino: And may I ask from the good gentleman, during this international exposure, *ano po ang nangyayari dito?* Do you participate objectively, giving the correct perspective as to the exact, precise human rights situation in the

Philippines is concerned, or you just learn from them and probably follow some models that they have perfected in their own jurisdiction. *Hindi ko na po babanggitin kung anu-anong bansa iyon. And probably, I am are trying to speculate, when you return, ito iyong i-apply natin sa Pilipinas kasi ito iyong ginawa roon sa bansang nakasama natin doon sa international convention. Tama po ba iyon?*

Mr. Gascon: *Dialogical po iyong process. Mayroon po kaming dala na mga lessons and learnings from here, at mayroon din po from other parts of the world.*

Alam ninyo po, mayroong iba pang mga CHR's all over the world. So, madalas, nagmi-meeting iyong mga CHR's ng iba't ibang bansa. Nagsi-sharing ng best practices.

Halimbawa rito sa Southeast Asia, sa sampung ASEAN countries, lima sa sampu, mayroon ding Commission on Human Rights. Madalas, mayroon ganoong sharing of information. And from time to time, mayroon ding mga human rights advocates at NGOs, human rights defenders na private sector na dumadalo po sa mga meetings na ito.

Senator Tolentino: *Salamat po. Pero nagtataka lamang po ang Representasyong ito, and this Representation is really puzzled. A few months ago, September 24, to be exact, and this is on record, during the 42nd session of the United Nation's Human Rights Council in Geneva, Switzerland, the Philippines, our government, was hailed—pinarangalan, kinilala—for its achievements in several, crucial human right fronts. The Special Rapporteur on the right to developments, Mr. Saad Alfarargi of Egypt, lauded the socioeconomic achievements of the Philippines that uplift the dignity of the Filipinos, and he emphasized that development is a pivot in human rights, promotion, protection, and fulfilment by the State. Apparently, Mr. Alfarargi noted the lack of communications coming from their side in promoting and projecting the positive aspects of the human rights situation in the Philippines.*

Ang humalabas po, sila pala iyong may pagkukulang. Bakit hindi sinasabi na napakarami ng achievements ng pamahalaan? And to name a few, alam naman po siguro ito ni Chairman na bahagi ng kanilang trabaho ay iyong sa Section 18 ng ating Saligang Batas, under subsection 1, and I quote, "...all forms of human rights violations involving civil and political rights." How come up to this point of the gentleman's tenure, we have yet to hear from the Commission on Human Rights positive

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aspects as regards the economic, civil, and political rights achievements of the government, of the country?

And to name a few, we never heard something about access to public education, when, in fact, the 17th Congress—part of the 17th Congress is Senator Lacson—approved the Universal Access to Quality Tertiary Education Act. That is a human rights achievement. We never heard something from them when Congress passed the Anti-Trafficking in Persons Act several congresses ago. We never heard something from the Commission on Human Rights when Congress passed Republic Act No. 7610, the Child Discrimination Act.

So, *ang ibig ko pong sabihin, napakalaking daigdig po itong human rights*; we have 30 rights under the Universal Declaration on Human Rights, and we never heard anything about the 29 other rights. If I may ask a yes or no question, direct to the gentleman, do we have a right to vote in the Philippines?

Mr. Gascon: *Ano po iyon?*

Senator Tolentino: Do we recognize the right to vote in our country?

Mr. Gascon: Yes.

Senator Tolentino: Yes. So, that is a compliance with our international commitments. Do we have a right of fair trial?

Mr. Gascon: Yes.

Senator Tolentino: The gentleman is a lawyer. Do we have a right to government services?

Mr. Gascon: Yes.

Senator Tolentino: The Congress even passed the Ease of Doing Business Act during the 17th Congress. We have a right to public education. Do we have the right to use public facilities, yes or no?

Mr. Gascon: Yes. *May tungkulin po ang pamahalaan na—iyong tinatawag sa human rights na...*

Senator Tolentino: Do we have the right to assemble? If I will compress this into the five basic human rights: Freedom of religion, do we have that here?

Mr. Gascon: Yes.

POINT OF ORDER

At this juncture, Senator Gordon raised a point of order on the ground that the Senate has always followed an age-old tradition not covered by the

Rules, that it should be the sponsor who would answer the issues asked regarding the budget of the agency.

Senate President Sotto explained that the Body had earlier approved a motion to suspend the *Rules* to allow the chairman of the Commission on Human Rights to directly answer any queries.

As to whether the suspension of the Rules of the Senate would apply only to the Commission on Human Rights, Senate President Sotto replied in the affirmative.

Also, Senator Lacson stated that earlier there was motion of lack of communication and he suggested slashing P600 million from the DOF budget for advertising and realigning it to CHR.

Senator Tolentino assured Senator Gordon that he was mindful of the human rights of the chairman of the Commission on Human Rights.

Senate President Sotom opined that the CHR may not need any budget for advertising because all it has to do is to tell media about the human rights achievement of the administration.

QUESTIONS OF SENATOR TOLENTINO (Continuation)

Senator Tolentino: One more point. *Uulitin ko po*, Five Basic Human Rights Principles: freedom of religion—do we have that?

Mr. Gascon: Yes

Senator Tolentino: Freedom of speech?

Mr. Gascon: Yes.

Senator Tolentino: Freedom of assembly?

Mr. Gascon: Yes.

Senator Tolentino: Freedom of the press?

Mr. Gascon: Yes, these are all in the Constitution.

Senator Tolentino: No. But are we observing it in our country right now?

Mr. Gascon: The observance is, let us say, mix...

Senator Tolentino: Freedom to petition the government?

Mr. Gascon: There are, of course, remedies available to the citizens which they can avail of.

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Senator Tolentino. They can file an anonymous complaint before the Ombudsman. What I am saying is this, *lahat naman po ito ay ginagampanan, siguro mayroong violations, katungkulan po ng Commission on Human Rights, kagaya ng sinabi ni Senator Lacson na bahagi ng kanilang tungkulin*, and I quote: "Establish a continuing program of research, education..." Education is information; and information, to enhance respect for the primacy of human rights. *Ang hiling ko po, sana sa kanilang communication's method ay dapat ilabas din nila iyong milestones natin sa human rights—mayroong libreng edukasyon, mayroong libreng hospitalization, at marami pang iba. Hindi po siguro mahirap iyon, Commissioner Gascon.*

Mr. Gascon: Yes.

Senator Tolentino: But I am of the view that they probably would not just need a budget for communications but they should probably project the right communications.

Mr. Gascon: Yes.

Senator Tolentino: For our country.

Mr. Gascon: Yes.

Senator Tolentino: *Salamat po.*

Mr. Gascon: If I could just respond. *Iyong pong mga sinabi ninyo na dapat naming gawin. Actually, mayroon po kaming puwedeng ipakita sa inyo na ginagawa namin. Kung titingnan po ninyo closely iyong aming Facebook page, Twitter, at iba pa, mayroon kaming isang programa at marami na pong lumabas na tinatawag naming social media cards. Ang tawag po namin doon ay OK cards—"Obligasyon + Karapatan." Kung titingnan po ninyo, ito po ay isang stamp of approval of all of these many measures that the gentleman mentioned.*

We continue to perform our oversight functions; we speak out when we see human rights violations. But we also speak up, praise, and acknowledge many good things that have come out. They will see these in this folder and I could show them during the break.

Senator Tolentino: Just show and leave me a copy.

SUBMISSION OF THE BUDGETS OF THE COMMISSION ON HUMAN RIGHTS AND THE HUMAN RIGHTS VICTIMS' VIOLATIONS MEMORIAL COMMISSION

There being no other reservation for interpellation,

upon motion of Senator Zubiri, there being no objection, the budgets of the Commission on Human Rights and the Human Rights Victims' Violations Memorial Commission were deemed submitted for the Body's consideration.

Likewise, the suspension of the Rules was deemed terminated.

MINDANAO DEVELOPMENT AUTHORITY

Upon motion of Senator Zubiri, there being no objection, the Body proceeded to consider the 2020 budget of the Mindanao Development Authority.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:11 p.m.

RESUMPTION OF SESSION

At 6:15 p.m., the session was resumed.

SUBMISSION OF THE BUDGET OF THE MINDANAO DEVELOPMENT AUTHORITY

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Mindanao Development Authority was deemed submitted for the Body's consideration.

PRESIDENTIAL LEGISLATIVE LIAISON OFFICE

Upon motion of Senator Zubiri, there being no objection, the Body proceeded to consider the 2020 budget of the Presidential Legislative Liaison Office.

At this juncture, Senator Zubiri acknowledged the presence of Secretary Piñol in the gallery.

SUBMISSION OF THE BUDGET OF THE PRESIDENTIAL LEGISLATIVE LIAISON OFFICE

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Presidential Legislative Liaison Office was deemed submitted for the Body's consideration.

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SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY

Upon motion of Senator Zubiri, there being no objection, the Body proceeded to consider the 2020 budget of the Southern Philippines Development Authority.

SUBMISSION OF THE BUDGET OF THE SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Southern Philippines Development Authority was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:18 p.m.

RESUMPTION OF SESSION

At 6:22 p.m., the session was resumed.

OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS

Upon motion of Senator Zubiri, there being no objection, the Body proceeded to consider the 2020 budget of the Office of the Presidential Adviser on the Peace Process.

MANIFESTATION OF SENATOR ZUBIRI

At this point, Senator Zubiri lauded the efforts of the Presidential Adviser on the Peace Process, General Galvez who, he said, is one of the most capable OPAPP secretaries the agency has had, who has been working hard to keep the peace with the MILF and other armed groups in Mindanao, and who has been fully supportive of the implementation of the Bangsamoro Organic Law.

Senator Zubiri recalled that during the OPAPP anniversary, General Galvez was successful in bringing together the MILF and the MNLF in one place for a very historic meeting with Chief Minister Murad and Chairman Misuari.

Asked by Senate President Sotto asked if General Galvez would support the lifting of martial law once the Anti-Terrorism Act is passed, Senator Lacson replied in the affirmative.

SUBMISSION OF THE BUDGET OF THE OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Office of the Presidential Adviser on the Peace Process was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:23 p.m.

RESUMPTION OF SESSION

At 6:26 p.m., the session was resumed.

MANIFESTATION OF SENATOR ZUBIRI

At this juncture, Senator Zubiri stated that there was a request from Senator Cayetano to first take up the cultural agencies because there would be a lot of questions for the Commission on Higher Education. He then asked the National Commission for Culture and Arts, the National Historical Commission of the Philippines, the National Library of the Philippines, the National Archives of the Philippines, and the Commission on the Filipino Language, together with the Cultural Center of the Philippines and the Development Academy of the Philippines, to proceed to the VIP Gallery.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:29 p.m.

RESUMPTION OF SESSION

At 6:29 p.m., the session resumed with Senate President Pro Tempore Recto presiding.

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NATIONAL COMMISSION FOR CULTURE AND ARTS

Senator Cayetano presented the 2020 budget of the National Commission for Culture and Arts amounting to P91,661,000.

INTERPELLATION OF SENATE PRESIDENT SOTTO

At the outset, Senate President Sotto stated that he has always been very supportive of the NCCA budget and that, in fact, recently, it came to his attention a program presented by the Asia Pacific Performing Arts Network (APPAN). Asked if APPAN has a proposed budget in the 2020 General Appropriations Act, Senator Cayetano stated that there was no allocation for APPAN because the request for the program was only received after the budget process has commenced.

Thereupon, Senate President Sotto proposed to place P12 million for the triple events on women, the promotion of world theater, and preparation for the 50th Earth Day celebration in accordance with Presidential Proclamation No. 1262 dated March 21, 2007. Senator Cayetano thanked Senate President Sotto and accepted his proposal.

INTERPELLATION OF SENATOR ZUBIRI

Senator Zubiri said that during his recent meeting with Iloilo mayors, the mayor of Miag-ao mentioned to him about the NCCA funding for the repair and preservation of Miag-ao Church as a World Heritage Site. Asked if there was such a fund, Senator Cayetano explained that the World Heritage sites in the country are being mapped in batches based on the budget, expertise, and absorptive capacity of LGUs. She said that the first baroque church which was considered as a World Heritage Site was Paoay, then Santa Maria, and the next would be Miag-ao.

On the timeframe for the repair of Miag-ao Church, Senator Cayetano assured that it would be accomplished in the Duterte administration.

On a related matter, Senator Zubiri said that during the period of amendments, he would propose some amount to fund a research study on arnis, which would be initiated by UP professors who are into arnis, that would document the history of arnis,

a national martial art and sport, with Lapu-Lapu being considered its founder and leader of the arnis movement in the country. He hoped that as the national team of arnis, as part of the National Sports Association (NSA), competes in the SEA Games in a few weeks, the NCCA could shield the NSA from any politicking and would ensure a fair and honest assessment of arnis as a martial art. Senator Cayetano agreed, saying that Senator Villanueva has, in fact, also placed research funds in every SUC so that they could be tapped by those needing such research and information.

Senator Zubiri stated that arnis, kali, or eskrima is considered the national martial arts and sports of the Philippines pursuant to Republic Act No. 9850 which was passed in 2009 mandating the NCCA to be in charge of the historical facts of national martial arts. At the proper time, he hoped that there would be a bigger fund to allow the historical recording of arnis and to even publish a book about it to be spread throughout the world as originating from the Philippines. Senator Cayetano agreed, saying that it could also start more documentation on other Philippine sports.

INTERPELLATION OF SENATOR GORDON

Asked by Senator Gordon if the NCCA is a coordinating and grant-giving executive agency which seeks to preserve, develop and promote Philippine arts and culture, Senator Cayetano replied in the affirmative.

Senator Gordon recalled that years ago, he read an article from the *Atlantic Charter* which reported that the education in the Philippines was culturally damaged. He asked if such concern was addressed by the NCCA, noting that as an agency assigned to set policy directions, it should give people an idea of how it should endeavor to make the country better—like improving work ethic, values which should have been corrected a long time ago, and even the culture of fear that one is helpless and weak.

Asked on NCCA's vision, Senator Cayetano stated that the agency aims to improve the research on culture across the country, the values of which would be channeled and disseminated by the DepEd among the youth. Senator Gordon remarked that DepEd has almost 600,000 teachers with an administrative machinery running against disasters,

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building schools, and other faculty issues such as being prepared for the future of IT. He clarified that he was referring to something more basic like the energy of one's spirit, one's soul, and one's dignity—that innermost thing in a person's heart and soul that allows him/her to solve things. He hoped that the NCAA knows how difficult and challenging their task is, particularly in cultivating a sense of nationalism and propagating real Filipino spirit. He said that the claim of having a small budget in the agency should not be a problem, as he recalled that when he was Tourism secretary, even with limited funds, he was able to utilize the culture and values of the people to initiate DOT plans and programs. He said that the NCCA should undertake the same to make the Filipinos more conscious that it can, and the country can, as a people.

Senator Cayetano said that she would also want the NCCA to take a stronger role in nation-building and to impart in every Filipino a sense of pride, a sense of hope, and a sense of need to work hard for their own future. She acknowledged the notable projects of the NCAA, including cultural mapping all over the country; empowering all sectors in every community, especially senior citizens and youth leaders; coming together of historians and the academe to trace all cultural, natural and historical heritage sites and creating their own narratives to be kept in the national repository as a local and national treasure; and teaching the concept of School of Living Traditions (SLT) where a living master/cultural barer or culture specialist teaches his/her skills and techniques in doing a traditional art or craft.

Senator Gordon recalled that when he was secretary of Tourism, NCCA was given P50 million to preserve the Ifugao culture and the Banaue Rice Terraces but he never received any report from the NCCA. However, with the cultural mapping program, he hoped that the NCCA is stepping towards the right direction and that they should not let others define the Filipinos' identity, or else they would become cultural and intellectual pygmies, or one without ambition. He said that the achievements of Singapore and Japan in bringing pride to their countries are what the Philippines lacks, which is the reason for the NCCA's existence. He recalled that when he delivered a speech at the International Convention on Detention Prisoners, he purchased the paintings made by the inmates and encouraged other ambassadors to do the same. He said that NCCA must take notice of the Filipino's inner soul, minds, attitudes and values.

Senator Gordon took note of key historical events and figures like the Fall of Bataan and Lapu-Lapu, and he pointed out that the Filipinos were among the first to beat colonial invaders from the west. He also believed that in the same way that Statue of Liberty became America's symbol as the land of opportunity, the NCCA should also build a monument for Lapu-Lapu similar to the statue of the Filipino soldier in South Korea since Lapu-Lapu could be considered as the sentinel of freedom and the first Asian to beat the colonial invaders. He also hoped to see programs where the NCCA, in coordination with the CHED and DepEd, could tackle the sociological, the cultural, the physical, the psychological way of propagating such mindset among the youth. As an example, he said that the Japanese not only beat the Russians in 1905 in the Battle of Tsushima but also hosted the Olympics which is a symbol of prosperity in any first world country 20 years after its defeat in World War II.

To the suggestion to honor and make Lapu-Lapu more known, Senator Cayetano said that the NCCA suggested renaming Mactan Airport as Lapu-Lapu Airport, along with printing a P2,000 bill featuring the hero and putting up a museum for him in Cebu. However, Senator Gordon said that Lapu-Lapu is not only a story but a symbol of a race that would not allow itself to be conquered by invaders. Comparing the imagery projected by Lapu-Lapu and Rizal, he stated that the former represents the Filipinos' struggle against foreign tyranny while the latter highlighted their ability to be the intellectual equals of their colonizers. This, he said, defined what it means to be a Filipino.

Senator Cayetano gave assurance that she would follow up on the agency's proposed projects.

Senator Gordon stated that it was time to emphasize to NCCA that their task is bigger, and that it was time to turn the country around.


SUSPENSION OF SESSION

With the permission of the Body, the Chair suspended the session.

It was 7:03 p.m.

RESUMPTION OF SESSION

At 7:03 p.m., the session was resumed with Senate President Sotto presiding.

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SUBMISSION OF THE BUDGET OF THE NATIONAL COMMISSION FOR CULTURE AND THE ARTS

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the National Commission for Culture and the Arts was deemed submitted for the Body's consideration.

NATIONAL HISTORICAL COMMISSION OF THE PHILIPPINES

Senator Cayetano presented the budget of the National Historical Commission of the Philippines amounting to P350,904,000.

INTERPELLATION OF SENATOR DRILON

At the outset, Senator Drilon asked on the mandate of the National Historical Commission of the Philippines. Senator Cayetano quoted Section 5 (General Mandate) of RA 10086, on long-term goals, to wit:

- (a) conduct and support all kinds of research relating to Philippine national and local history;
- (b) develop educational materials in various media, implement historical educational activities for the popularization of Philippine history, and disseminate, information regarding Philippine historical events, dates, places and personages;
- (c) undertake and prescribe the manner of restoration, conservation and protection of the country's historical movable and immovable objects;
- (d) manage, maintain and administer national shrines, monuments, historical sites, edifices and landmarks of significant historico-cultural value; and
- (e) actively engage in the settlement or resolution of controversies or issues relative to historical personages, places, dates and events."

Asked how many historical sites had been restored and conserved in the past twelve months, Senator Cayetano said that the completed projects include churches and the heritage structures in Bohol and Cebu that were destroyed by the 7.2 earthquake in 2014, the COA building in Iloilo, the Sheik Karimol Makhdom Mosque in Tawi-Tawi, Horneda house in Sabtang in Batanes, and others. Senator Drilon confirmed that the NCHP had been busy restoring historical sites.

Senator Drilon cited the efforts done by NHCP Chairman Escalante, among them the restoration of the 1930 building of the University of the Visayas, the Elizalde building and museum, and the churches in Cebu and Bohol which were destroyed by the earthquakes. He lauded the office for truly looking at their mandate and for tying to fulfil what they are obligated to do under the law.

Asked by Senator Drilon to spread into the record the significant edifices with historical significance that were saved by the NHCP from destruction through the issuance of cease and desist orders, Senator Cayetano said that two of the buildings are the Philam Life Building along UN Avenue and the Army & Navy Club along Roxas Blvd.

INTERPELLATION OF SENATOR GORDON

Asked by Senator Gordon whether the NHCP or the NCAA has anything to recognize and acknowledge in the victories of the Muslims before the revolution, Senator Cayetano said that historical markers have been erected to recognize their work and to immortalize them.

Asked if writers have been encouraged to write about the lives and the exploits of Muslim heroes, among them Sultan Kudarat of Maguindanao, Datu Uto of Sironon, Cotabato, Amai Pakpak of Marawi, and Datu Bago of Davao. Senator Cayetano said that the agencies are coordinating with their counterparts in BARMM for the data, specifically dealing with the scholars of MSU in Iligan and Marawi. She said that the proposed funding for research was accepted by the Senate Committee on Higher, Technical and Vocational Education chaired by Senator Villanueva and would be used for the purpose.

Asked by Senator Gordon whether something was being done in preparation for the 500th year anniversary of the rediscovery of the Philippines, Senator Cayetano said that the NHCP has a comprehensive project proposal of activities for the national quinquennial commemoration, entitled "500 years of Valor and Victory."

Senator Gordon suggested the continuance of the light and show project in Intramuros, which started from the pre-Lapu Lapu era to the Spanish era, on to the Spanish-American War, the Filipino-American War, the Japanese Occupation, all the way down to the present times.

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SUBMISSION OF THE BUDGET OF THE NATIONAL HISTORICAL COMMISSION OF THE PHILIPPINES

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the National Historical Commission of the Philippines was deemed submitted for the Body's consideration.

SUBMISSION OF THE BUDGET OF THE NATIONAL LIBRARY

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the National Library was deemed submitted for the Body's consideration.

SUBMISSION OF THE BUDGET OF THE NATIONAL ARCHIVES

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the National Archives was deemed submitted for the Body's consideration.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON THE FILIPINO LANGUAGE

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Commission on the Filipino Language was deemed submitted for the Body's consideration.

CULTURAL CENTER OF THE PHILIPPINES

Senator Cayetano presented the budget of the Cultural Center of the Philippines. She said that for 2020, the budget of the CCP is P358,015,000.

INTERPELLATION OF SENATOR DRILON

Asked by Senator Drilon on the amount allocated for the outreach programs of the CCP, Senator Cayetano said that there was P3 million under the NEP but the Subcommittee recommended an additional P7 million, or a total of P10 million.

Senator Drilon said that he raised the issue because the projection of an Imperial Manila was something that provinces and cities outside it have

to contend with. He said that the perception could somehow be responded to by the outreach programs done by the CCP when it brings national artists and groups to perform in audiences outside of Metro Manila, like when he brought the Philippine Philharmonic Orchestra (PPO) to perform in Iloilo for free where he was joined by Senators Villanueva, Zubiri, and Angara who appreciated it so much that they have also become exponents of the outreach program.

Senator Cayetano said that even with the additional P7 million, and assuming that each outreach program would have a P1 million billion budget, the amount may not be enough considering that there are already eight senators who requested that their regions or provinces be visited. She requested that the amount be increased.

Senator Drilon said that he saw no objection to the request for the very laudable project of bringing classical music and other cultural events to the provinces. He said that the PPO has been to Antique three times already.

Asked by Senate President Sotto if Cebu was included in CCP's outreach program, Senator Cayetano said that the CCP has an upcoming outreach program in Cebu and Bohol on March 27, 2020. Reiterating that the P10 million allocated for the outreach program may not be enough to cover a 75-piece orchestra, she proposed an additional P100 million budget for the CCP.

Senator Drilon requested the Committee to see how it could find fiscal space to be able to augment the budget of the outreach programs. He commended Mr. Nick Lizaso for spearheading such aspect of the CCP operations and hoped that there would be more of the activity.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri said that he was planning to propose a P5 million budget for a similar outreach program in Bukidnon especially for the IPs of Bukidnon—the Manobos, Talaandigs and Matigsalugs—during the Kaamulan Festival.

Senator Zubiri also commended CCP's efforts to promote the national culture and the art and he also saluted the men and women of CCP for bringing the orchestra around the country.

Senator Zubiri expressed his full support to the proposal of Senator Drilon to increase the CCP's budget for its outreach program to provinces in the Philippines.

MANIFESTATION OF SENATOR VILLANUEVA

Having been a part of the Senate delegation that witnessed the wonderful concert project of the CCP in Iloilo, Senator Villanueva believed that the same could be done in Bulacan. He informed that Body that in July, the Philharmonic Orchestra performed in his home province and created an impact among Bulaqueños because it not only showcased Philippine culture but also the talents of the members of the Philharmonic Orchestra, several of whom were from Bulacan. He expressed his full support for any augmentation on the budget of the CCP and he believed that P50 million was nothing compared to the impact that it would create to society.

Thereafter, Senator Villanueva commended Mr. Nick Lazaro for doing a great job with the outreach program, which is a laudable project.

Senate President Sotto stated that it would be up to Senator Lacson to look for additional funding for the CCP.

MANIFESTATION OF SENATOR DRILON

Senator Drilon noted that not only because people love to listen to good music, but also because the outreach program of the CCP includes interaction with the university students involved in music, through seminars wherein music students of universities are given the chance to play alongside the orchestra, creating an osmosis of enthusiasm whenever a student and a professional play together. He stressed that it is a good program that does not limit the orchestra's performances to the Cultural Center of the Philippines. He believed that such an outreach program is very important for people to appreciate what the Philippine arts and culture scene would be like.

Asked by Senate President Sotto if the Philharmonic Orchestra knows how to play the song "*Magkaisa*," Senator Cayetano replied in the affirmative.

SUBMISSION OF THE BUDGET OF THE CULTURAL CENTER OF THE PHILIPPINES

There being no other reservation for interpellation,

upon motion of Senator Zubiri, there being no objection, the budget of the Cultural Center of the Philippines was deemed submitted for the Body's consideration.

DEVELOPMENT ACADEMY OF THE PHILIPPINES

Senator Zubiri presented the budget of the Development Academy of the Philippines.

SUBMISSION OF THE BUDGET OF THE DEVELOPMENT ACADEMY OF THE PHILIPPINES

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Development Academy of the Philippines, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 7:34 p.m.

RESUMPTION OF SESSION

At 7:49 p.m., the session was resumed with Senator Villanueva presiding.

COMMISSION ON HIGHER EDUCATION AND STATE UNIVERSITIES AND COLLEGES

Upon motion of Senator Zubiri, there being no objection, the Body proceeded to considered the budgets of the Commission on Higher Education and State Universities and Colleges.

Thereupon, the Chair recognized Senator Cayetano, sponsor of the measure, and Senate President Sotto for his interpellation.

MANIFESTATION OF SENATOR CAYETANO

Senator Cayetano presented to the Body the budget of the Commission on Higher Education in the amount of P51,363,560,000, and the budget of the State Universities and Colleges in the amount of P67,318, 621,000.

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INTERPELLATION OF SENATE PRESIDENT SOTTO

Senate President Sotto informed the Body that he filed Senate Bill No. 1 in the 18th Congress, entitled "Medical Scholarship Program," which seeks to grant Filipino aspiring doctors to get medical scholarships in any of the state universities and colleges (SUCs). In this regard, he also informed the Body that the Cebu Normal University (CNU) has entered into a consortium with the Vicente Sotto Memorial Medical Center (VSMMC) on the establishment of a College of Medicine and that the application had been submitted by the CNU to the Commission on Higher Education (CHED). He said that the Commission *en banc* has yet to consider the application, much less include it in their agenda. He then asked for an assurance that their application could be taken up by the commission. Senator Cayetano replied that their application was currently being evaluated by the Office of Program Standards and would be forwarded to the Commission *en banc*. Senate President Sotto assured Senator Cayetano that the CNU and VSMMC are the best in Region VII.

Senator Cayetano said that in anticipation of the enactment into law of Senate Bill No. 1 she had already put in P167 million for the subsidy of medical students in SUCs because it has zero budget in the NEP. She agreed that providing funding for the students was the right thing to do.

Senate President hoped that Senator Cayetano would be a coauthor of the proposed measure. Senator Cayetano expressed pleasure to be so.

INTERPELLATION OF SENATOR LACSON

Initially, Senator Lacson said that he had consistently fought to delete duplicative programs in every appropriations measure, one of which was the *Tulong Dunong* Program, and he was glad that in 2019, his call was finally heeded when the funds under the program was integrated into the budget for Universal Access to Quality Tertiary Education (UAQTE) or RA 10931, which was passed in 2017 and implemented in 2018 and 2019. He then asked how many students applied for tertiary education subsidy (TES).

At this juncture, Senator Villanueva relinquished the Chair to Senate President Sotto.

In response, Senator Cayetano said that 1.5 million students applied for TES, but only 400,000 were granted subsidy because of the funding gap.

Asked how much was needed to maximize the grant of the TES, Senator Cayetano replied that the current budget based on the proposal of Senator Recto was P43,879,786,000 under the Senate version which, according to the CHED chair, would only cover 400,000 students, similar to that of the previous year.

Senator Lacson asked if the P3.285 billion of the P8.5 billion increase under the Senate version was for the TES. Senator Cayetano replied that the P8.5 billion was a lumpsum amount which would be allocated by the UniFAST Board.

Asked how much of the P8.516 billion would be for the TES, Senator Cayetano said that it would depend on where the student would enroll; if in a public school, P40,000 per year would be provided because the tuition is free; while in a private school, the allocation would be P60,000 per year.

Senator Lacson noted that based on the figure from the LBRMO, the P3.285 billion would be for the TES; hence, he suspected that the P5.23 billion fund would go to the *Tulong Dunong* Program. He said that he raised that concern because Special Provision No. 3 of the 2020 CHED budget was very explicit that the TES would cover the existing or ongoing grantees under the *Tulong Dunong* Program. But Senator Cayetano said that such provision was already in the 2019 appropriation.

Senator Lacson pointed out that the provision that he cited was never followed because some congressmen were still broadcasting the *Tulong Dunong* Program as shown on their Facebook posts dated November 19, 2019. He asked why the program was still ongoing if Special Provision No. 3 has already been implemented in 2019. He said that even if the item was not be there, there was an amount which could not be accounted for because it was hidden in the lumpsum amount of P8.5 billion. Assuming that the P3.2 billion of the P8.5 billion would fund the TES, he stated that there was still the P5 billion plus which he feared might be used for the scholarship grants of some legislators. He asked how the CHED could monitor or even supervise the scholars when they would not even know who they are, because it is the congressmen themselves who

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are vetting the applicants for their own scholarship programs. Senator Cayetano replied that every potential beneficiary has to apply with CHED, and the agency would know once the beneficiaries would apply to it directly. She stressed that the beneficiaries should be official applicants of CHED.

On whether there were scholars outside of CHED or outside of the UAQTE, or RA 10931, Senator Cayetano replied that there are at least 400,000 scholars that should be accommodated based on the existing budget of P8.5 billion, the same budget of the previous year.

Asked if she would agree to putting the P8.5 billion lumpsum into the P43.8 billion fund, Senator Cayetano replied in the affirmative.

Asked whether the P5.230 billion fund would be returned to the original allocation of P43.879 billion, Senator Cayetano replied that Chairman Prospero de Vera has assured her that the fund should just be under the TES. Senator Lacson said that during the period of amendments, he would propose an amendment to Special Provision No. 3 in order to clarify it.

INTERPELLATION OF SENATOR RECTO

At the outset, Senator Recto asked on the budget of CHED in the 2019 GAA and its the proposed budget under the 2020 NEP. Senator Cayetano replied that it was P51,363,560,000 in 2019 and under the NEP, it was P39,000,600,000. Senator Recto noted that the difference between the 2019 GAA and the 2020 proposed budget of CHED was roughly a cut of P11.6 billion.

Asked how many students would lose their scholarships because of the P11.6 billion cut, Senator Cayetano replied that it varies depending on where the students are enrolled—either in public or private schools—and that there are also medical students with much higher tuition fees. She added that the amount they are given could be used for tuition, books, transportation, among others.

Senator Recto then asked if the budget cut was restored and if there are still students who would not be able to continue studying after putting back the amendments. Senator Cayetano replied that as to new applicants or applicants who did not make the cut, they are still waiting for scholarships.

Asked whether an additional increase in the budget is expected for 2020 considering that the K-12 program would enter its third year, Senator Cayetano replied that she had been asking every single day about the possibility of increasing the budget but she was always told that the amount was the same.

Senator Recto stated that the budget of CHED should be increased especially that the K-12 program would be entering its fourth year. Senator Cayetano said that she was not aware that such cycle was already covered.

Senator Recto said that there would be no graduates yet because the first batch of those under the K-12 program is entering third year the following year.

Senator Cayetano surmised that CHED did not anticipate that they would be able to get any extra funding, thus, they worked with what was allotted to them, assuming that there will be students who will graduate and a new group will come in.

Senator Recto asked whether the CHED desires to have additional resources to ensure that the intent of the law for poor deserving students to have access to education is followed. He believed that the law is not just for students who lack financial resources but also for those who deserve it by merit. Senator Cayetano answered in the affirmative, narrating how in the town of San Remigio in Cebu where she joined a triathlon competition, a student, who lives 50 or 70 kilometers away from a local college, could still go to school considering the daily back and forth transportation expenses. She stated that there are students who truly need additional funding to get to college.

Senator Recto said that at the appropriate time, he would work with Senator Cayetano as regards giving additional resources to tertiary education as what was done in the committee report. Senator Cayetano expressed his appreciation to Senator Recto for the initiative.

Asked how many students are currently enrolled in college in both public and private institutions, Senator Cayetano replied that an estimated three million students are in the tertiary level. She affirmed that 1.5 million students benefitted from the subsidy under the Universal Access to Quality Tertiary Education.

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Asked how many tertiary institutions would close down if CHED does not provide additional assistance funding for TES, and whether the CHED is aware of the problem, Senator Cayetano replied that CHED is currently working with COCOPEA to get the data requested.

Asked on the percentage of students in the K-12 program that was subsidized through the GASTPE, Senator Cayetano agreed to Senator Recto's assumption that the figure is 70%.

Senator Recto said that COCOPEA is the DepEd's partner in the program which benefits graduating elementary and high school students.

Asked how many of the beneficiaries of GASTPE would want to proceed to college, Senator Cayetano replied that the learners' reference number is being worked out to be used in the K-12 program and at the same time as reference number for college.

Senator Recto lamented that the current education system of the country is fragmented as it is being handled by DepEd, TESDA, and CHED, and the job of Congress is to put them together for a more holistic approach.

Senator Cayetano said that she has also raised the same concern during the committee hearings. She noted that there are a number of different programs amounting to P35 billion spread out through voucher program over four programs: 1.1 million voucher for private junior high students; 1.2 million for private senior high students; 58,000 for non-DepEd public high schools students; and 90,000 joint delivery vouchers for senior high school students in Technical-Vocational-Livelihood specializations.

Asked whether the number of students in the program represents 50% of the total number of students in high school, Senator Cayetano replied in the affirmative. She pointed out that for tertiary education, 52% are in private educational institutions, 40% are in SUCs, and 6% are in LUCs.

Asked whether the students studying in private institutions are safely assured of completing their courses, Senator Cayetano replied that they are assured at least for the following year.

Senator Recto recalled that many would not be able to continue because there would not be enough

applicants if the original proposal was followed, the reason why it was corrected.

Asked whether the requirements of PGH which is under the University of the Philippines, have been satisfied based on the cut in the previous GAA, Senator Cayetano noted that Senator Recto was referring to the subsidy in the amount of P100 million which is currently at P25 million. She said that as regards their equipment, the PGH is hoping to incorporate the corresponding amount in the budget. She affirmed that the budget was increased in the committee report by P270 million.

Asked whether the PGH still needs additional budget, Senator Cayetano said that the agency still needs the amount of P600 million. She expressed willingness to consider Senator Recto's proposal at the appropriate time.

Noting the varying number of student population of the different SUCs, Senator Recto asked how the DBM allocates resources to SUCs since nine of them has received zero capital outlay. He also asked on the standards that the DBM follows in determining the budget of the SUCs and on the amount allocated for the SUCs for 2020. Senator Cayetano replied that the total appropriation for SUCs is P67 billion, while UP would get about P17 billion which includes about P3 billion for the PGH.

As regards the remaining P50 billion allocation for the SUCs, Senator Cayetano replied that they have submitted their proposals and the standards that they should apply include absorptive capacity. However, she lamented that after being chairperson of the Committee on Education for three years, she has witnessed the SUCs fighting a battle that they could never be win; thus, she filed a bill which is Build, Build, Build for Education to prioritize the laying out of infrastructure plans for education in the next few years so that the SUCs would not have to be going back and forth haggling for bread crumbs. She stressed the need for a long-standing policy on infrastructure for education. She stated that even before her bill is enacted into law, there is already RA 11396, which is the SUC Land Use Development And Infrastructure Plan, the reason why she sadly made a decision not to make major amendments. She said that she used the term "sadly" because she has always wanted to push the matter and that she would want the SUCs to comply and come up with their plans so that funding could be provided. She said,

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her idea was that the amount to spend to improve higher education should already be decided regardless of the amount requested. She affirmed that the student population should always be the indicator, adding that other indicators include geographical location, number of campuses, course offerings, and the need of the national and regional level.

As to why nine universities have a zero capital outlay, Senator Cayetano said she had no idea why but if she had to make an effort and fund the universities, she would have; however, she was told that the reasons why the nine universities have zero capital outlay were three of them had late and incomplete submissions; one failed to comply with the Building Code and to secure the building permits; another failed to secure the certificate of compliance from the Mines and Geoscience Bureau and Land Management Bureau; and one has a low utilization rate. Senator Recto asked Senator Cayetano to provide at the appropriate time a copy of the requirement and the submission of the nine SUCs. Likewise, he said that he would just approach Senator Cayetano to show her the allocations so she can take a look at the student population because there seems to be no standard.

Senator Cayetano disclosed that SUCs, in fact, also determine priorities on their own and may defer from CHED. However, although given a leeway, she asserted that there must be a standard to follow.

On another matter, Senator Recto said that given the universal access to quality education, universities presently have 100% collection efficiency since it is the State that pays the tuition fee unlike in the past when they collect fees from parents and do not have 100% collection efficiency. Of the amount given to the SUCs, he asked how much and what percentage goes to capital outlay and to PS for the coming year.

Senator Cayetano stated that under the law that governs SUCs, it is the board that determines how they would use the tuition fee collected.

Asked if it is necessary to pass a law and to consult the SUCs and the CHED on what the number should be, Senator Cayetano replied that the reason why she filed the bill on Build, Build, Build was that she wanted to set standards for all the SUCs. Senator Recto proposed that they put

a certain percentage of the collection in the capital outlay in the 2021 budget if not in the 2020 budget.

As regards the cash in bank of the SUCs, Senator Recto said that the SUCs would roughly have P24 billion in their accounts. Senator Cayetano related that the CHED does not know the amount of the SUCs' balance in the bank.

Senator Recto pointed out that all local government units and all SUCs have a cash balance beginning and end which are in the BESF. What they do not have, he said, is the cash balances of the national government. He maintained that the SUCs would have roughly an ending balance of P24.8 billion.

As to his earlier proposal to have a certain percentage from the tuition fee collected from CHED go to capital outlay for the dormitories, Senator Recto hoped that he, the CHED and the SUCs could work together on it in the future. Senator Cayetano said that she does not mind if it could actually be included within the 2020 budget.

Senator Recto suggested that they test it with the general provision and start conservative, initially at 10% and see if it could be increased to 20% or 30%. In fact, he recalled that aside from what SUCs collect from parents in the past, they also have subsidies from the national government for PS, MOOE and capital outlay. Saying they have 100% collection efficiency from the government, he reiterated that a certain percentage should go automatically to their capital outlay since their PS and MOOE are already subsidized. Senator Cayetano said that she will ask them to give a recommendation on a conservative number.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva manifested that he was no longer pursuing the questions that he would like to raise and that he would just like to associate himself with the statements made by Senator Recto. He likewise expressed support for Senator Recto's initiative regarding the issue as currently discussed. However, on the issue of the levelling of SUCs, he asked that they revisit it and the parameters that were used.

Senator Villanueva also expressed support for the budget of the Commission on Higher Education



and all the 114 state universities and colleges throughout the country, especially for the research and development efforts of the SUCs. Adverting to his presentation, he noted that the R&D budget of around P2 billion for SUCs only constitutes 11% of the total national R&D budget or 0.01% of the GDP, meaning, it is underfunded even as it is a key tool to further boost the country's ranking in global innovation index. Moreover, he said that the country's R&D expenditure is still lower than the ASEAN neighbors and in a way lower than developed countries. Referring to his slide, he pointed out that the percentage for R&D budget of Singapore is about 2.22%; Vietnam, 0.53%; and the Philippines, only 0.01%. Moreover, he said that the percentage for R&D budgets of developed countries like South Korea and Japan are 4.55% and 3.2%, respectively. Relative thereto, he said that with the help of Senator Angara and Senator Cayetano, he would introduce an amendment in the 2020 budget to include at least additional P1 million per SUC. He noted that P3 million was given to the UP System for research, rewards and incentives to motivate students and members of the faculty of the university to engage in research and write exemplary research papers. However, he clarified that the grant should be limited to innovative research such as smart analytics and technologies that address problems in health access, manufacturing, transportation or disaster vulnerability, renewable and clean alternative energy, biotechnology and nanotechnology for food and nutrition security, policy research for inclusive nation building, and research studies that will address the development needs of the region where SUCs belong to.

Although aware that it is relatively a small amount to improve the share of R&D budget to GDP, Senator Villanueva hoped that the amendment he proposed would bring about even little changes in the research environment of the faculty, researchers, students, and future scientists, and would motivate them to craft evidence-based solutions to the country's pressing problems. He also encouraged the Commission on Higher Education to spearhead efforts to organize and conduct an annual national conference where shared research outputs, especially that of students from the different parts of the country, will be awarded and be given much deserved recognition.

Senator Cayetano suggested that they compute how much it would take for the country's level of

investment in research to at least reach the level of the country with the second lowest rank. Senator Villanueva said that he was willing to coordinate and work with her regarding the matter.

MANIFESTATION OF SENATOR ZUBIRI

At this juncture, Senator Zubiri commended the CHED for allowing the operation of extension campuses in Bukidnon, which was not possible under Chairperson Licuanan. He related that Bukidnon's ranking in terms of poverty incidence dropped from No. 4 in the 2015 PSA survey to No. 19 because of the interventions he employed as well as of the extension campuses made possible by the CHED and the BSU. He noted that with the interventions, Bukidnon graduated from the Top 10 with 21% of its people already out of the poverty scale and with poverty index dropping from 53% to 32%.

Referring to his slide, Senator Zubiri showed the photos of the 12 extension campuses placed all over Bukidnon to reach more people. Although they have no *Tulong Dunong* program, he said that what they did was they constructed additional classrooms in campuses and added personnel, especially in the far-flung provinces to accommodate indigenous peoples (IPs), rebel returnees and senior citizens, among others. In fact, he noted that Bukidnon presently has 4,000 new college students because of the said program, and that there are plans to add more classrooms under the budget of Bukidnon State University for the coming year to reach at least 10,000 new students. He believed that there would be no need for *Tulong Dunong* because everyone has an equal chance to apply and to be accepted as a new college student. Given the success of such program in areas like Bukidnon, Agusan del Sur, Surigao, and in Eastern or Western Mindanao, he believed that it could be a guide or template for other regions. He stressed that in Bukidnon, the largest province next to Palawan and Isabela, the program helped students to graduate from high school and proceed to college because there is the BSU campus in the area. He believed that with the campus extensions, these students have no more excuse not to pursue tertiary education. He again expressed his gratitude to CHED for allowing the campus extensions. He then asked them to double the number of classrooms and teachers in the coming year and he be allowed again to make the proper interventions.

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As regards the Anti-Hazing Law that was enacted in the previous year, Senator Zubiri revealed that the law, according to Senate President Sotto, still has no IRR. He then asked Senator Cayetano if there is a timeline for the implementation or the release of the IRR, whether this quarter or the next. Senator Cayetano said that there is already a draft IRR which would be the subject of public consultations that should be undertaken within a month.

Senator Zubiri thanked Senator Cayetano, saying that the release of the IRR on the Anti-Hazing law would benefit students and non-students who are joining sororities, fraternities, and community-based organizations and would assure parents that the children would come home safe and sound. He also mentioned that the Benguet State University (BSU) and Central Mindanao University (CMU) are planning to put up farm schools for the masses, saying that tertiary education would not be a success if the poverty rate in the country is not reduced.

INTERPELLATION OF SENATOR GORDON

Senator Gordon noted that in the proposed 2020 budget submitted to the DBM, a request for P230 million fund for linear accelerator to detect cancer especially for poor patients was included but was not in the GAA or the NEP. He disclosed that there are two linear accelerators at PGH, one at Chinese Medical Center, and one at St. Lukes Medical Center which he believed only the rich could have access to.

Senator Gordon remarked that the Philippine General Hospital is the people's general hospital, the hospital of the people, and he asserted that there must be a cultural mindset that aims to run an institution with utmost capabilities and equipment par excellence for the poor.

Asked how many patients go to PGH for cancer treatment, Senator Cayetano stated that there are 650,000 patients being treated for various ailments, 60,000 of whom seek cancer treatment.

Asked how many linear accelerators the PGH should have, Senator Cayetano said that based on the studies of IFC-World Bank, there should be six linear accelerators. She stated that the agency is currently looking at the PPP model but that it would take three

years to get at least three linear accelerators considering that one equipment costs P230 million, or a total of P690 million. However, she believed that if the senators would work together to add more funds, it would be possible to purchase two or three linear accelerators. Senator Gordon suggested to purchase one at a time, saying that the Body could restore P230 million, for one linear accelerator.

At this juncture, Senator Drilon suggested that the Body start with P60 million, as he recalled that earlier, there was a P100 million allocation for the CCP outreach program which was reduced considering his conversation with Mr. Lizaso who only asked for P50 million. He said that since there was P10 million lodged in the subcommittee, only P40 million would be needed to satisfy the budget requirement of the CCP insofar as the outreach program is concerned.

With Senator Drilon giving up P60 million from the CCP funds, Senator Cayetano stated that only P170 million more would be needed to purchase one linear accelerator, which proposal would be submitted to the mother committee.

Senator Gordon clarified that the budget of the PGH should be kept intact as proposed, and he thanked Senator Drilon for scratching off P60 million from the CCP budget so that the Body could start putting funds in the PGH budget.

Senator Angara assured that the Committee on Finance would look for funds for PGH, noting that the biggest addition in the budget was for the higher education sector as recommended by Senators Recto and Cayetano.

Asked why CHED created rules that limited medical schools to 50 medical students, and whether the group who drafted the rule was part of competing institutions, Senator Cayetano explained that the medical schools were just trying to observe the 1:50 professor-to-student ratio as the number of faculty is not enough to accommodate more students. Still, she assured that she would address Senator Gordon's concern regarding the limitation in medical schools.

MANIFESTATION OF SENATOR CAYETANO

At this point, Senator Cayetano noted Senator Binay's request for information as to where the

share of CHED on travel tax was being used, and the tourism-related projects in SUCs which would be submitted in writing.

MANIFESTATION OF SENATOR GORDON

Senator Gordon manifested his continuing objection to resource persons being allowed to answer considering that as a tradition, it should be the sponsor who should answer queries during the period of interpellations. He believed that observing the practice has held the senators in good stead; thus, it would also be good practice if the new senators would study the budget of their sponsored agencies to prepare them for plenary deliberations.

Senate President Sotto noted that the original Rules are in place which provide that it could be suspended with the unanimous consent of the Body just what transpired earlier when nobody objected to Senator Zubiri's motion to suspend it. He suggested that Senator Gordon be present in the Chamber to object to the motion, saying that it would be a debatable issue if the Body agrees to his continuing objection in the absence of a motion.

Senator Zubiri assured that he would remind the Body of Senator Gordon's continuing objection whenever a senator would make a motion to suspend the Rules. Senate President Sotto reiterated that someone should stand to object the motion to suspend the Rules. He explained that the motion to suspend the Rules needs unanimous consent, but an ongoing objection cannot be registered since no such motion had been made in plenary. Senator Gordon clarified that he had immediately raised an objection or point of order regarding the suspension and that he wanted it to be withdrawn.

To be strict about the process, Senate President Sotto explained that only the Committee on Rules can oppose a request for a suspension of the Rules.

SUBMISSION OF THE BUDGETS OF THE COMMISSION ON HIGHER EDUCATION AND STATE UNIVERSITIES AND COLLEGES

There being no other reservation for interpellation, upon motion of Senator Zubiri, the being no objection, the budgets of the Commission on Higher Education, and the State Universities and Colleges were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

With the permission of the Body, the Chair suspended the session.

It was 9:12 p.m.

RESUMPTION OF SESSION

At 9:20 p.m., the session was resumed.

COMMISSION ON ELECTIONS

Senator Hontiveros presented the budget of the Commission on Elections for 2020. She stated that the COMELEC is the government institution tasked to oversee the conduct of free, orderly, fair and clean democratic exercise of electing the country's leaders. For 2020, she said that the Committee and the General Appropriations Bill had recommended to give the agency a P3,838,206 budget, which is P5,774,958,000 lower than the FY 2020 National Expenditure Program. She explained that the huge reduction came after Congress decided to postpone the Barangay and SK Elections, originally scheduled next year to a later date; hence, the GAB transmitted to the Senate had deducted the original amount intended for the electoral exercise and re-allocated the same to other government programs and projects.

Senator Hontiveros said that the Committee proposed no change to the agency's budget as they did not see the reduction to be a hindrance to the agency's operations and its priority programs which, she hoped, would include improving the registration and participation of Filipinos living overseas. She informed the Body that when the COMELEC presented its status of fund utilization for 2019 (as of September 9, 2019) the Commission originally earmarked P1 billion from 1 September—31 December 2019 as "Preparatory SK and Barangay Elections 2020". She believed that this amount could be re-allocated for other priority programs and projects, such as its campaign to increase overseas absentee voter turn-out, the continuing registration of first time voters, in preparation for the 2020 elections, among others, and could be used to augment the agency's budget.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON ELECTIONS

There being no reservation for interpellation,

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upon motion of Senator Zubiri, the being no objection, the budget of the Commission on Elections was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 9:22 p.m.

RESUMPTION OF SESSION

At 9:25 p.m., the session was resumed.

DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT

Senator Hontiveros presented the budget of the Department of Human Settlements and Urban Development (DHSUD), as well as the budget of the Housing Settlements Adjudication Commission (HSAC). She said that these agencies were recently created by Congress and that the transition prevented the DBM from proposing a budget that corresponds to the new mandates of these two agencies.

Senator Hontiveros stated that the IRRs of the new law were only formalized in August 2019; the organizational structure and staffing program was still in its final stages of approval at the DBM, yet the President needed to submit the NEP by the end of July 2019. She added that senior officials for the new agency as well as the staff would also have to be appointed first. She also conveyed the DBM's desire for Congress to approve a budget that is not too different from the combined budgets of the HUDCC and HLURB from GAA 2019, with the bigger amount being retained by HSAC, and the smaller amount being retained for the DHSUD.

She explained that the budget was inadequate for three reasons: first, additional budgets are required based on the HUDCC's estimates that an additional amount of P800 million would be needed if it were to hit the ground running in January 2020; second, the DHSUD has new mandates for which new budgets and budget line items would be required; and third, of the two agencies, DHSUD prospectively has the bigger staffing to implement the new mandate. She noted, however, that based on the NEP and the GAB, the DHSUD would receive a smaller budget compared to HSAC. Also, she pointed out that there

were no budgets proposed for the overhead costs and operations of new regional offices; thus, the proposed DHSUD-HSAC budget, which were merely patterned after the HLURB and the HUDCC budgets, would need to be revisited shortly after the approval of the budget.

Senator Hontiveros made of record the assurance of the DBM officials that it has a mechanism that would address those challenges. She hoped that the Chairman of the Finance Committee in charge of the DBM budget could also provide more information about the following: first, upon approval of the Organizational Structure and Staffing Pattern (OSSP) within November 20, 2020, the DBM provides the funds for the personnel once these are appointed; and second, upon submission by November 29, 2020 of proposed program formats and budgets, through a special budget request, the DBM contingent fund would also provide for the funds needed for overhead costs of the various offices and also for the operations of the DHSUD programs that would be underway in 2020.

Senator Hontiveros stated that the DHSUD has an initial description of programs with corresponding success indicators and work and financial plans which amount to a little less than P300 million and correspond to key mandates under DHSUD that include proposals for inventory management; management and disposal of public lands for the purpose of housing; the creation of the housing beneficiaries; master list; and the operation of a public housing which, among other things, would establish coherence between the different shelter agencies and continue the work of supporting LGUs in the development of their local shelter plans.

She said that the DBM anticipates that bringing the OSSP to life, including the placement and hiring of 1,120 staff for DHSUD and 456 staff for HSAC, could take up to six months, during which time funds would already be made available for agency operations.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri called on the Secretary to fast-track the rehabilitation of Marawi because the problem could create more rebels if it remains unresolved.

Senator Hontiveros assured Senator Zubiri that the matter was discussed in the subcommittee hearing with the DHSUD and the key shelter agencies as well

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as the Senate's Special Committee on Marawi Rehabilitation as part of the housing mandates in 2020.

MANIFESTATION OF SENATOR MARCOS

Preliminarily, Senator Marcos requested updates on the construction of houses for the *Yolanda* victims in Tacloban, Eastern Visayas, and other areas. She said that its sixth anniversary has passed and there seemed to be quite a backlog in terms of evacuation and permanent housing.

Senator Hontiveros said that the *Yolanda* corridor as of November 2019 has 341 projects ongoing, 175 with issues, and 176 completed projects. She said that the completed projects account for 52% of the total number of projects, and the ongoing with issues account for 48%. She said that the rest of the details could be provided in writing to Senator Marcos by the key shelter agencies.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT AND ITS ATTACHED AGENCIES

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Human Settlements and Urban Development, along with the Office of the Secretary, Human Settlements Adjudication Commission, National Home Mortgage Finance Corporation, National Housing Authority, and the Social Housing Finance Corporation, was deemed submitted.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 9:35 p.m.

RESUMPTION OF SESSION

At 9:37 p.m., the session was resumed.

OTHER EXECUTIVE OFFICES

Senator Hontiveros presented the budgets of the Philippine Racing Commission, P185,293,000; Film Development Council of the Philippines, P215,068,000; Home Guaranty Corporation, P500,000,000; and Philippine Postal Corporation, P500,256,000.

INTERPELLATION OF SENATOR DRILON

Asked by Senator Drilon on the purpose of the P500 million for the Home Guaranty Corporation, Senator Hontiveros said that the amount would support its operations in providing credit guaranties for banks, developers and other financial institutions. Without the HGC, she said that the interest rates faced by borrowers would otherwise be too high, making loans unaffordable for poorer households. She noted that the P500 million proposed for 2020, consistent with the GAB, is the same level as the previous year's support for HGC. She said that the outstanding guaranty of the HGC as of 2018 stood at P199.53 billion, accounting for 133,207 housing units. She confirmed that there had been instances in the past where the guaranty was called upon by the banks which issued the loans.

Asked how much was called upon by the banks for failure on the part of the borrowers to pay the loans extended to them, Senator Hontiveros said that the call rate in 2018 was zero, in 2017, 0.0014%, and in 2016, 0.0034%.

Asked whether it was the same corporation that was lending or issuing guaranties to various housing projects wherein a number of assets were foreclosed, Senator Hontiveros replied in the affirmative. However, she said that the incidents occurred in the 1990s.

Asked how much the national government has written off as assets receivable which could no longer be collected, Senator Hontiveros replied said there were no write-offs on the part of the national government.

Asked by Senator Drilon whether the current agency was formerly called Home Guaranty Corporation, Senator Hontiveros said it is currently known as Philippine Guaranty Corporation.

Senator Drilon asked if it was the former corporation that, in the past, had book entries representing its huge liability that were erased through a financial maneuver. Senator Hontiveros said that according to PhilGuaranty, they are a healthy corporation which has been remitting dividends since 2013 up to 2018, with a total magnitude so far of P1,805,019,175.

Asked on the budget of the Philippine Postal Corporation (Philpost) for 2020, Senator Hontiveros

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said the amount is P500,256,000. She affirmed that it is a government-owned and -controlled corporation (GOCC) and that the amount is a subsidy. On whether the corporation has been operating profitably or at loss, she said that it has been operating at a profit since 2016 and that they have been remitting to the national government which in 2018 was in the amount of P44 million.

Senator Drilon inquired as to why it was still being subsidized by government if it was already making profits. Senator Hontiveros said the national government subsidy to Philpost is a reimbursement for expenses incurred in providing franking privileges to various offices, such as the Judiciary, the DOJ, and the Comelec. She said that the subsidy would cover the cost of P7,274,000 franked mails from January to December 2018.

INTERPELLATION OF SENATOR LACSON

Asked by Senator Lacson whether the Philippine Racing Commission (Philracom) was generating revenues from the Manila Jockey Club franchise, Senator Hontiveros replied in the affirmative. She said that for the current year alone, it has generated P1.5 billion for direct taxes from three racing clubs.

Asked how much it has contributed to the Dangerous Drugs Board (DDB) pursuant to RA 9165 which mandates that 25% of the earnings of the racing clubs should go to them, Senator Hontiveros said that according to Philracom, the contribution to the DDB is remitted directly by the racing clubs and not through it.

Senator Lacson said that he would want to know how much was being remitted for the drug dependents. Senator Hontiveros said that the Committee and the Philracom did not have the needed data at the moment. However, she gave assurance that it would be submitted to Senator Lacson's office the next day.

SUBMISSION OF THE BUDGETS OF THE PHILIPPINE RACING COMMISSION FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES HOME GUARANTY CORPORATION AND PHILIPPINE POSTAL CORPORATION

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the Philippine Racing

Commission, Film Development Council of the Philippines, Home Guaranty Corporation and the Philippine Postal Corporation, were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 9:51 p.m.

RESUMPTION OF SESSION

At 9:54 p.m., the session was resumed.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri apologized to the officials and staff of the different departments who have been waiting. He stated that while many of the departments would want to be ahead of the other departments, it was difficult to jump the line because the sponsors get upset if other agencies bypass those which are next in line. He said that Secretary Locsin has been waiting since lunch time. He added that as a former member of the House of Representatives, he would know the budget process very well.

DEPARTMENT OF FOREIGN AFFAIRS

Senator Gordon presented the budget of the Department of Foreign Affairs for Fiscal Year 2020 in the amount of P24,216,840,000.

He premised his presentation with a quotation from the late US President John F. Kennedy on the importance of foreign affairs, that "domestic policy can defeat us, foreign policy can fill us." Thus, he said that it was important for the Senate to support the DFA's budget of P24.2 billion, the breakdown of which follows: P8.9 billion or 36.84% for personnel services; P13 billion or 54% for maintenance and other operating expenses; P24.6 million or 0.1 % for financial expenses; and P2.192 billion or 9.05% for Capital Outlay.

He explained that the new appropriations for DFA were subdivided into the Office of the Secretary, P24 billion plus; P112.51 million for the Foreign Service Institute; P5.22 million for the Technical Cooperation Council of the Philippines; and P22.7 million for the UNESCO National Commission of the Philippines.

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Senator Gordon said that for 2020, the DFA will maintain its active engagement with the international community, effectively representing the Philippines' interest abroad to ensure a stable and secure political economic and social environment for Filipinos. He then enumerated the major policy thrusts of the DFA, to wit:

- 1) Contribute to the protection of Philippine territorial integrity and national sovereignty and achievement of a stable security environment;
- 2) Strengthen economic diplomacy to sustain high economic development and achieve inclusive growth;
- 3) Strengthen service delivery programs for overseas Filipinos and continue working for the promotion and protection of their rights;
- 4) Ensure fast accessible citizen-oriented and efficient delivery of consular services;
- 5) Strengthen cultural diplomacy to uplift the image of the Philippines and the Filipinos; and lastly,
- 6) Strengthen the Department of Foreign Affairs as an institution.

Senator Gordon urged the Body to approved the budget of the Department of Foreign Affairs.

INTERPELLATION OF SENATOR LACSON

Senator Lacson noted that every now and then, Presidential Spokesperson Atty. Salvador Panelo would talk about foreign policy or would issue foreign policy statements. He asked the DFA if the department was in agreement with the spokesperson, and if there was an instance when the statement of Secretary of Panelo was contradictory to the DFA Secretary.

Senator Gordon replied that Secretary Panelo has not taken over the position of speaking for the DFA.

Senate President Sotto stated that it would be best to rely on the tweets of Secretary Locsin than listen to the spokesperson.

INTERPELLATION OF SENATOR DRILON

Senator Drilon observed that time and again, there have been two views on foreign policy posted on social media; one by the presidential spokesperson, and the other by the Secretary of the Department of Foreign Affairs.

Senator Gordon supposed that Secretary Panelo has a wider view because he reads media reports and he reacts to them; on the other hand, Secretary Locsin has the more cogent and more studied position because his replies are taken from authoritative agencies and from other sources within the DFA. He agreed with Senator Drilon that the DFA Secretary should be the principal spokesperson on matters of foreign policy.

Senator Drilon stated that other than the President, the Secretary of Foreign Affairs should assert that he is the spokesperson insofar as foreign relations are concerned, and he believed that the DFA Secretary has a very competent pool of advisers who could inform him of the ramifications of any foreign policy pronouncement. He stressed that it would be good for the country if Secretary Locsin would advise the President when it comes to foreign policies.

Senator Gordon stated that Secretary Locsin is more judicious in answering questions because of the important nature of the statements, while Secretary Panelo has an *aire libre* policy that he could answer all questions. He agreed that the Secretary of the DFA should request the President that there be only one spokesman.

Senator Drilon recalled that Secretary Panelo even quoted text messages he received from the Chinese ambassador. He asserted that it would not do the country any good that important policy issues are tackled publicly by somebody who is not the Secretary of Foreign Affairs, or the spokesperson of the secretary or that of the DFA. He said that it would be for the good of the country to have only one policy direction and that such policy should be made public only by the DFA. He said that Secretary Panelo should be reminded that the Philippines deals with other countries on very sensitive issues and that there should be only one spokesperson.

Senator Gordon informed that Body that the DFA is also having problems with the Bureau of Immigration whenever they release statements that the Department does not agree with. He said that the Secretary has already complained about the matter to the President. He opined that it is something that has to be exorcised from the present administration. He said that there are certain protocolar arrangements that must be followed. He underscored that the DFA alone speaks for foreign policy, and only after the Secretary speaks can Secretary Panelo speak.

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Senator Drilon emphasized that message discipline is very critical, especially on the subject of foreign relations. He stated that the intention of the Senate is to spread the matter into the record in the hope that Secretary Locsin would bring out the matter internally in their meetings for the good of the country. He said that there are no politics involved on the matter; only a question of being able to communicate the country's foreign policy correctly.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF FOREIGN AFFAIRS AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the Department of Foreign Affairs – Office of the Secretary, the Foreign Service Institute, Technical Cooperation Council of the Philippines, UNESCO National Commission of the Philippines were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:08 p.m.

RESUMPTION OF SESSION

At 10:09 p.m., the session was resumed.

AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY

Senator Gordon presented to the Body the budget of the Aurora Pacific Economic Zone and Freeport (APECO) for 2020 in the amount of P168,721,000, with P48.7 million provided for maintenance and other upgrading expenses and P120 million for capital outlay.

Senator Gordon said that the APECO is the first green economic zone covering 12,920 hectares located along the eastern pacific seaboard. He said the economic zone, which is dubbed as the gateway to the Pacific, is depicted as the country's first economic zone located in the Pacific coast and the only transshipment port facing the east.

He said that the APECO generated a total revenue amounting to P20.57 million in 2018 and brought in P34.5 million in revenues from 2016 to 2018.

Senator Gordon also explained that APECO houses two locators – JPEC Development Corporation and Lucky Dragon Online Solutions Corporation which provide a total investment of P105 million and employ 350 personnel. In the next three years, he said that the APECO envisions to establish competitive measures that would effectively attract legitimate and productive investment as well as boost employment for the people of Aurora.

SUBMISSION OF THE BUDGET OF THE AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Aurora Pacific Economic Zone and Freeport Authority (APECO) was deemed submitted for the Body's consideration.

AUTHORITY OF THE FREEPORT AREA OF BATAAN

Senator Gordon presented the budget of the Freeport Area of Bataan (AFAB) amounting to P374.8 million all allotted to the freeport's capital outlay.

He said that AFAB, whose mandate is to promote socioeconomic development by attracting investments and creating employment and livelihood opportunities for the people, shall continue to pursue promotion to increase business activities in the freeport which shall be realized by the number of registered locators—141 locators which created 45,020 employment opportunities and generated investment amounting to P29.8 billion.

He then presented AFAB's plans for 2020, to wit: facilities and service improvement; land development; utility improvement; housing; and operational investment, and correspondingly the following projects shall be implemented: construction of new standard factory buildings and rehabilitation of the existing ones; rehabilitation of the AFAB Administration Building; upgrade of the power supply system by constructing an underground electrical system; realignment of waterline and sewer line systems; and renovation of dormitories for freeport area Bataan workers.

He said that the AFAB envisions to become a development catalyst in the country by creating meaningful employment and increase of growth not just in the Province of Bataan, but the whole Central

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Luzon through pioneering efforts in corporate governance and multisectoral collaboration.

As a post script, Senator Gordon said that AFAB Chairperson Emmanuel Pineda was unable to attend the budget hearing due to the recent passing of his mother. He added that the AFAB had exceeded expectations and were getting investments beyond its area. He informed the Body that he had gotten investments with the Taiwanese and that there are plans to build some infrastructure outside that will lead to Subic and AFAB.

SUBMISSION OF THE BUDGET OF THE AUTHORITY OF THE FREEPORT AREA OF BATAAN

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Authority of the Freeport Area of Bataan was deemed submitted for the Body's consideration.

SUBIC BAY METROPOLITAN AUTHORITY

Senator Gordon presented the budget of the Subic Bay Metropolitan Authority (SBMA) for FY 2020 amounting to P793,668,000, all allotted to the freeport's maintenance and other operating expenses.

The rest of Senator Gordon's presentation follows:

SBMA's mandate is to develop the Subic Special Economic Zone into self-sustaining industrial, commercial, financial, and investment center to generate employment opportunities in and around the zone, and to attract and promote productive foreign investments.

In a nutshell, SBMA is tasked to make sure that all adjoining communities affected by the freeport will grow and that the people thereat will benefit from it.

In 2018, the SBMA has contributed a total of P25.3 billion in tax and non-tax collections. On the other hand, its export and import values in 2018 are P1.36 billion and P950.77 million, accordingly. As of August 2019, there are 3,166 companies operating with the freeport employing a total of 135,540 individuals.

The corporate priorities of the SBMA for 2020 are as follows: marketing and promotion, identification of new leased area to capitalize on the exodus of investments from other countries, including China; marketing the Subic

Bay International Airport for general aviation and passenger flights and continuation of the momentum of establishing Subic Bay as a top cruise ship destination in Asia; in terms of physical development, improvement of infrastructure through the completion of the Magsaysay Bridge and the road rehabilitation program inside the facility; in terms of good governance, the mission of the SBMA's citizen's charter is to reflect processing time for all business processes, financial strength, enterprise-wide, risk management, enhancement of credit and collection and maximization of seaport revenues by increasing capacity to handle more cargo volumes, organizational development, organizational development, implementation of SBMA, restructuring plan, and the completion of ISO certification for occupational health and safety.

They have also been after those who have been recalcitrant in terms of payment of rentals and other dues that has supposed to go to SBMA.

SUBMISSION OF THE BUDGET OF THE SUBIC BAY METROPOLITAN AREA

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Subic Bay Metropolitan Area (SBMA) was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:21 p.m.

RESUMPTION OF SESSION

At 10:21 p.m., the session was resumed.

Thereupon, the Chair recognized Senator Gordon, sponsor of the budget of the Legislative-Executive Development Council (LEDAC).

LEGISLATIVE-EXECUTIVE DEVELOPMENT ADVISORY COUNCIL

Senator Gordon presented to the Body the budget of the Legislative-Executive Development Advisory Council (LEDAC) for Fiscal Year 2020 amounting to P4,361,000, of which P3.38 million is provided for Personal Services and P984,000 for Maintenance and Other Operating Expenses.

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He said that good governance and effective collaboration among the legislative and executive branches of the government, as well as the private sector, are the keys to the sustained the economic growth of the country. He explained that the LEDAC was created so that the legislative and executive could work harmoniously and could come up with a concrete and unified development plan for the country.

Senator Gordon then sought the approval of the proposed fiscal year 2020 budget of the LEDAC.

INTERPELLATION OF SENATOR LACSON

At the outset, Senator Lacson asked if P3.377 million of the P3.636 million appropriations of LEDAC was appropriated for Personal Services. Senator Gordon replied in the affirmative, as he also affirmed that the appointment of the three permanent staff of LEDAC took effect on June 30, 2019 and that their salary grade is 22, each with a gross monthly salary of P60,000.

SUBMISSION OF THE BUDGET OF THE LEGISLATIVE-EXECUTIVE DEVELOPMENT ADVISORY COUNCIL

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Legislative-Executive Development Advisory Council was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:28 p.m.

RESUMPTION OF SESSION

At 10:31 p.m., the session was resumed.

CIVIL SERVICE COMMISSION AND THE CAREER EXECUTIVE BOARD

Senator Marcos presented the budget of the Civil Service Commission and the Career Executive Service Board in the amount of P1,692,000,000.00.

SUBMISSION OF THE BUDGET OF THE CIVIL SERVICE COMMISSION AND THE CAREER EXECUTIVE SERVICE BOARD

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budgets

of the Civil Service Commission and the Career Executive Service Board were deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR MARCOS

Senator Marcos stated that the Senate was still awaiting the action taken by the Civil Service Commission as regards two employees who were victims of a spot investigation in the Senate. Also, she said that the CSC was studying the proposal of Senator Tolentino to grant eligibility to barangay officials and of Senator Gatchalian's proposal to endow K-12 graduates with eligibility and kind of position given that private employers are being compelled to hire K-12 graduates.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:33 p.m.

RESUMPTION OF SESSION

At 10:34 p.m., the session was resumed.

CLIMATE CHANGE COMMISSION

Senator Marcos presented the budget of the Climate Change Commission in the amount of P124,023,000.

SUBMISSION OF THE BUDGET OF THE PHILIPPINE CLIMATE CHANGE COMMISSION

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Philippine Climate Change Commission was deemed submitted for the Body's consideration.

PHILIPPINE COMPETITION COMMISSION

Senator Marcos presented to the Body the budget of the Philippine Competition Commission in the amount of P435,100,000 intended for primary agency mergers and acquisitions, bid riggings, and other practices that are clearly uncompetitive.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri asked the Philippine Competition Commission to take a harder stand against cartels in agricultural products, especially rice, as well as against hoarders.

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Senator Marcos expressed hope that the Philippine Competition Commission could give more focus on the agricultural cartels cited by Senator Zubiri since Dr. Balisacan is from the agricultural sector.

Senator Zubiri stated that cartels and hoarding are unfair competition practices for many industries in the agricultural sector.

SUBMISSION OF THE BUDGET OF THE PHILIPPINE COMPETITION COMMISSION

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Philippine Competition Commission was deemed submitted for the Body's consideration.

CAGAYAN ECONOMIC ZONE AUTHORITY

Senator Marcos presented the budget of the Cagayan Economic Zone Authority headed by Secretary Raul Lambino in the amount of P263,029,000.

SUBMISSION OF THE BUDGET OF THE CAGAYAN ECONOMIC ZONE AUTHORITY

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Cagayan Economic Zone Authority was deemed submitted for the Body's consideration.

CREDIT INFORMATION CORPORATION

Senator Marcos presented the budget of the Credit Information Corporation in the amount of P21,648,000 with the hope that the budget would be increased given that its database constitutes nine million borrowers and is still growing.

SUBMISSION OF THE BUDGET OF THE CREDIT INFORMATION CORPORATION

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Credit Information Corporation was deemed submitted for the Body's consideration.

ZAMBOANGA CITY ECONOMIC ZONE AUTHORITY

Senator Marcos presented to the Body the budget of the Zamboanga City Special Economic Zone Authority in the amount of P398,239,000.

SUBMISSION OF THE BUDGET OF THE ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTHORITY BUDGET

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Zamboanga City Special Economic Zone Authority was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:40 p.m.

RESUMPTION OF SESSION

At 10:42 p.m., the session was resumed.

DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

Senator Marcos presented to the Body the budget of the Department of Social Welfare and Development in the amount of P158,406,478,000. She said that the budget includes the allocation for the enhanced coverage of the 4Ps as well as increases in the Supplementary Feeding Program.

Senator Zubiri requested the DSWD to send the Quick Response Teams to Bukidnon and Cagayan de Oro City which recently experience an earthquake to check the situation of the people and to give assistance to those who need it.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT AND ITS ATTACHED AGENCIES

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Social Welfare and Development (DSWD) and its attached agencies, namely, the Office of the Secretary, the Council for the Welfare of Children, Inter-Country Adoption Board, Juvenile Justice and Welfare Council, National Anti-Poverty Commission, National Commission on Indigenous Peoples, National Council on Disability Affairs, and Presidential Commission for the Urban Poor, was deemed submitted for the Body's consideration.

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MANIFESTATION OF SENATOR MARCOS

Replying to the earlier query of Senator Poe as regards the coverage of the feeding program, Senator Marcos stated that the free feeding program which caters to children three to five years old, regardless of nutritional status, encountered several drawbacks especially in its coverage. She said that pregnant women, as well as those who are zero to three years old or are not yet in the day care program, are still not covered, the reason why the Senate increased the budget for the feeding program. She added that there was also some conflict regarding a presidential directive disallowing the downloading of DSWD cash grants to local governments. She believed that cash grants should not cover supplemental feeding, but until such clarification has been made, the disbursement of the said funds have been slow.

As regards the query of Senator Tolentino, Senator Marcos said that there is no exclusive funding for the implementation of the DSWD's Core Shelter Assistance Program (CSAP). She said that the funds are derived from the Quick Response Fund or the Calamity Fund, hence, they should be properly moved to the Department of Human Settlements and Urban Development.

RECALL OF SUBMISSION OF THE DSWD BUDGET

Upon motion of Senator Drilon, there being no objection, the Body recalled the submission of the budget of the Department of Social Welfare and Development.

INTERPELLATION OF SENATOR DRILON

Senator Drilon recalled that pursuant to a joint resolution adopted by both Houses, the amount of about P6 billion for the 4Ps program which has not yet been disbursed would be used to purchase palay in the number of provinces. But he pointed out that when both Houses approved the joint resolution, the Supreme Court already came out with a decision dated October 8, 2019 declaring that a mere resolution or joint resolution cannot amend a law. He stated that the provision for funding of the 4Ps program is under a law, the General Appropriations Act, and therefore, the transfer of these funds to be used for the purchase of palay is not permissible on the basis of the decision of the Supreme Court.

Asked to comment on the decision of the Supreme Court that effectively turned down the resolution of both Houses which authorized the realignment of funds, Senator Marcos concurred with the position of the DSWD on the need to wait for further clarification on the Supreme Court ruling on the case of *Ang Nars Party-List vs. Executive Secretary, et al.* that the joint resolution could not simply amend a law. She added that while the DSWD was all set to sign a MOA with the NHA, they have held all action in abeyance.

Asked whether no purchase of palay has been made, Senator Marcos answered in the affirmative, adding that the P6.9 billion of the rice fund is still with the DSWD.

Senator Drilon asked if it would be academic if the purpose of the purchase was to provide money to the farmers in exchange of the *palay* that they harvested and if there would be deadline for the purchase.

Senator Marcos explained that the usual deadline would be at the end of the year because the amount unspent would naturally be reverted to the General Fund. Hence, she hoped that a bill could be passed instead of a mere joint resolution before the said period.

Agreeing with Senator Marcos, Senator Drilon reiterated that the unutilized funds by the end of the year would be reverted to the General Fund since such funds are for the 4Ps program intended to be transferred by mere resolution for the purchase of *palay*. With the Supreme Court decision, he cautioned that the Senate should not take the risk of the bureaucracy being charged with the offense of malversation for using the funds for the purpose other than which it was intended. He likewise expressed hope for the passage of a law that would amend the General Appropriations Act and allow the use of the said funds, otherwise, it would be reverted to the General Fund unless the DSWD distributes it as cash.

Senator Marcos said that the agency's plan B is actually to distribute the fund in cash if a bill is not passed on time. She said that many of the 4Ps beneficiaries are also farmerfolk in the countryside who were hit by the low prices of *palay*.

Senator Drilon averred that the amendment should originate from the House of Representatives since it is an amendment to the General Appropriations Act. Asked if a bill, to her knowledge, has been filed in

the House of Representatives, Senator Marcos replied in the negative.

Senator Drilon thanked Senator Marcos for her clarifications and expressed no objections to having the budget again submitted for final consideration of the Chamber.

MANIFESTATION OF SENATOR HONTIVEROS

At this juncture, Senator Hontiveros noted the proposed transfer of housing-related funds from the DSWD, DILG, DOTr, DPWH, Pasig River Rehabilitation and DAR to the DHSUD or one of the related key shelter agencies. Relative thereto, she related that her staff received a proposal on the transfer of funds but only from the Pasig River Rehabilitation Commission. Hence, she said that she would also recommend at the proper time the transfer of funds to NHA or whichever appropriate key shelter agency as soon as a copy of the resettlement action plan is provided.

Likewise, she noted that the DSWD budget is for tents and cash assistance for families whose houses have been destroyed or damaged and that there was still no proposal from Senator Marcos to transfer the said funds. She supposed that it was because the DSWD was already at the frontlines and that it needs to deploy the funds during the post-disaster response and early recovery stages.

She also said that the NHA has typically involved itself only during the rehabilitation stage but is not present in the field during the early post-disaster stages. She then asked that this and other nuances be addressed during the period of amendments.

In reply, Senator Marcos disclosed that there is actually no exclusive funding for the implementation of the CSAP; hence, it resulted in the transfer of function for core shelter housing rather than an actual transfer of funds.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Social Welfare and Development, along with the Office of

the Secretary, the Council for the Welfare for Children, the Inter-Country Adoption Board, the Juvenile Justice and Welfare Council, the National Anti-Poverty Commission, the National Commission on Indigenous Peoples, the National Council on Disability Affairs, and the Presidential Commission for the Urban Poor, was deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR GORDON

At this juncture, Senator Gordon informed that Body that he received a call from Senator Go asking if the Body could continue to suspend the Rules in his case because he was not there when it was done. He then asked if the Rules would be allowed to be suspended in that particular instance with respect to the matter of the PHISGOC so that Senator Go could proceed the next day with his presentation.

Senate President Sotto clarified that the Rules provide that it could only be suspended if it is the Committee on Rules or Senator Zubiri, being the Majority Leader, that would move for the suspension. He further clarified that the motion has to be approved by majority of those present provided there is a quorum. For instance, he explained that if somebody moves for a suspension of the Rules the following day but there is no quorum, the Rules could not be suspended and that they would have to adjourn the session as a consequence. He then hoped no other Member would object to the motion the next day.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended until 10:30 in the morning of Tuesday, November 19, 2019.

It was 10:59 p.m.

RESUMPTION OF SESSION

At 10:48 a.m., Tuesday, November 19, 2019, the session was resumed with Senate President Sotto presiding.

OFFICE OF THE PRESIDENT

Senator Go stated that in his two decades of service to the nation, he was blessed to have witnessed the honest, transparent, and corrupt-free leadership of President Rodrigo Duterte. He said that back in 2016, the Filipino people expressed their

desire for a just and honest leader who could deliver real change to the country, and President Duterte was able to fulfill it by laying a governance platform that centers on fighting against illegal drugs, corruption, and criminality. Moreover, he said that the President pursued many programs that put priority the dignity and welfare of people, like the right to have access to better health services.

He said that the accomplishments of the Office of the President were greatly enabled and empowered through the budget that Congress allocated. He said that given the commitment and dedication of the Office of the President, there was no doubt that it would utilize its budget solely for the benefit of the Filipino people.

With the proposed budget of the Office of the President for fiscal year 2020 in the amount of P8,201,318,000, he assured that the interest of the public would be protected by ensuring proper checks and balances so that every centavo would be wisely spent to help and support the Filipinos. Since it is people's money, it is just right that the government gives it back to them, he added.

SUBMISSION OF THE BUDGET OF THE OFFICE OF THE PRESIDENT

There being no interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Office of the President, including the offices under it, The President's was deemed submitted for the Body's consideration.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Zubiri acknowledged the presence in the gallery of House of Representatives Speaker Alan Peter Cayetano and Executive Secretary Salvador "Bingbong" Medialdea.

Senate President Sotto welcomed the guests to the Senate.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:51 a.m.

RESUMPTION OF SESSION

At 11:18 a.m., the session was resumed with Senate President Sotto presiding.

ACKNOWLEDGEMENT OF THE PRESENCE OF GUESTS

Senator Zubiri likewise acknowledged the presence in the gallery of House Majority Leader Martin Romualdez and several other members of the House of Representatives.

Senate President Sotto welcomed the guests to the Senate.

DEPARTMENT OF TRADE AND INDUSTRY

Senator Angara presented the budget of the Department of Trade and Industry and its attached agencies amounting to P9,456,589,000.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF TRADE AND INDUSTRY AND ITS ATTACHED AGENCIES

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the Department of Trade and Industry and its attached agencies, namely, The Office of the Secretary, Board of Investments, Construction Industry Authority of the Philippines, Cooperative Development Authority, Design Center of the Philippines, Philippine Trade Training Center, Center for International Trade Expositions and Missions, and Small Business Corporation were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 11:20 a.m.

RESUMPTION OF SESSION

At 11:24 a.m., the session was resumed.

PHILIPPINE SPORTS COMMISSION (Continuation)

Upon resumption, the Body resumed consideration of the budget of the Philippine Sports Commission.

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MANIFESTATION OF SENATOR GO

Continuing with his presentation of the budget of the PSC, Senator Go delivered the following manifestation, to wit:

I am a strong supporter and believer in sports. Investing in sports will not only help us in keeping our youth away from illegal drugs and other harmful vices. It will also enable us to develop world-class athletes who can bring pride, honor, and medals to our country. We can only do this by having a strong sports development program that is implemented by a likewise strong PSC. But more than this, the PSC must also have the budgetary means so they can in turn pursue programs and activities that would help our athletes. The 2020 PSC budget reflects this goal.

As its sponsor, I have examined and scrutinized their budget proposal. I also made sure that the PSC will not only use its funds for 2020 correctly but they will also follow through their stated goals and objectives.

Unang-una, ang 2020 budget ng PSC ang pinag-uusapan sa plenaryo, hindi budget ng PSC noong 2019, at hindi ang mga isyung kinabibilangan ng PHISGOC (Philippine Southeast Asian Games Organizing Committee). Pangalawa, hindi ako kasama sa nag-approve ng 2019 budget ng PSC sa nakaraang Kongreso noong 2018 dahil hindi pa ako senador noon. Pangatlo, hindi ako ang spokesperson, opisyal o miyembro ng nasabing ahensiya at organisasyon. Bagamat pamilyar sa akin ang mga ito bilang dating miyembro ng gabinete at special assistant to the President, hindi ko masasagot ang lahat nga inyong mga katanungan. As a sponsor of the PSC's budget for 2020, beyond my control na kung paano dini-disburse ang budget nila for 2019. My focus and responsibility is only related to their 2020 budget and I will defend it as its sponsor.

Also, if you do not want to approve the PSC's budget for 2020, then do not. I also do not have much knowledge of the operations of the BCDA and the PHISGOC. *Dahil katulad ng sabi ko, hindi ako opisyal o miyembro ninyon. Kung may katanungan kayo maliban dito, mas mabuti siguro na itanong na lamang ninyo nang direktso sa kanila iyon. Kaya kung may alam kayong mga nangyayaring katiwalian o may agam-agam kayo o kaunting duda, ipaalam ninyo para maimbestigahan natin.*

Kahapon ay naghain ng mosyon na papuntahin ang PHISGOC sa hearing ngayong araw.

Nais ko ring marinig ang mga sagot sa mga mahahalagang katanungan sa kanila. Gaya ng parati kong sinasabi, hindi ako papayag na may masasayang na pera ng publiko up to the last centavo. I will spare no one, kaibigan man o kaaway, kapartido man o kasamahan sa gobyerno, PSC man, BCDA, o PHISGOC, I do not care. I have a sworn duty to protect the people at kung mayroon mang katiwalian sa ating mga sports bodies, ako mismo bilang chairman ng Senate Committee on Sports ang mangunguna sa pag-iimbestiga nito.

Again, willing akong mag-imbestiga kung may mga reklamo. Our anti-corruption campaign is stronger than ever before. I will do everything in my power to ensure that remains true, especially now that I am here in the Senate. I am even willing to take any matter to the President para talagang ma-imbestigahan. So, I not only understand but I also share the sentiments of Senator Drilon that one of the biggest responsibilities as members of Congress is to safeguard public funds.

Pera ng bayan ang nakataya rito so it should be protected. So, let us work together para bantayan ang pondo ng mamamayan at siguraduhing napupunta talaga ito sa tama at naibibigay ito sa ating mga atleta.

Ilang araw na lamang ay opening na ng SEA Games sa November 30. Sana matapos na at mapagpasiyahan na natin ang mga isyung ito para naman makapag-focus na tayo sa SEA Games. Kailangan nating magkaisa para sa ikatatagumpay ng ating mga atleta. "Go for Gold" tayo para sa bayan at para sa Pilipino.

Again, allow me to manifest that I am willing to answer all questions relating to the Philippine Sports Commission budget for 2020 being it sponsor. But if my colleagues in this Chamber insist on asking questions beyond the scope of the PSC budget, then, I think, it would be more prudent to hear answers straight from the horse's mouth.

I, too, want to get to the bottom of things based on the rules and in order not to prolong the discussions here at the expense of the budgets of the PSC and other agencies scheduled today. We can either refer this to another venue or committee or conduct a Senate inquiry so that all issues about the propriety and legality of the PHISGOC organizing the SEA Games can be answered.

Kung mayroong mali, let us put it on record at imbestigahan natin pagkatapos. Or we can simply suspend our Rules and let them answer here and now.

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The PHISGOC, as the organizing committee, is in a better position to give accurate information regarding its involvement in the preparation for the games. PHISGOC is here, represented by no less than its chairperson, the honorable Speaker Alan Peter Cayetano; its Chief Operating Officer, Ramon Suzara; and its other officials, including Philippine Olympic Committee (POC) President, Congressman Bambol Tolentino; and the House leadership. I believe that they are ready and willing to shed light on these pressing matters. They have voluntarily appeared here to put an end to this issue.

Please allow me to take this opportunity to remind my colleagues that we are two weeks away from the formal opening of the SEA Games, with polo competition happening as early as this Sunday. This should be the time for us, leaders of this country, to unite with our fellow Filipinos and rally behind our athletes.

While we are here debating, we have athletes, trainers, game organizers, and thousands of volunteers sacrificing their time to bring glory to the Philippines. They are doing this for the country.

There is a right time for everything. But if we insist that these questions pertaining to the organizing of the 2019 SEA Games has to be answered now for the benefit of the public, then I humbly ask the Committee on Rules, with the indulgence of this Body, to move to suspend the *Rules* to allow PHISGOC to directly answer all questions addressed to them. I wish to manifest this because I believe that the public deserves to know the truth.

ACKNOWLEDGEMENT OF THE PRESENCE OF GUESTS

Senator Zubiri acknowledged the presence in the gallery of the head of the POC, Cong. Bambol Tolentino; PSC Chairman Butch Ramirez; and the head of the PHISGOC, House Speaker Alan Cayetano.

INTERPELLATION OF SENATOR DRILON (Continuation)

At the outset, Senator Drilon expressed his full support for the country's national athletes who would be competing in the Southeast Asian Games which will start in two weeks' time. He stated that he will finish his interpellation on the budget of the PSC and assured the public that he will not stand in the way of the full focus on the hosting by the country of the Southeast Asian Games since the national pride is at stake. He likewise assured the Sponsor that the PSC

budget will be submitted for approval of the Body by the end of the day.

Senator Drilon nevertheless stressed that it is the duty of the senators to ask the necessary questions pursuant to their mandate under the Constitution to scrutinize the budget and check if the objectives under which it was approved were being fulfilled. He explained that his questions on the PSC budget were triggered by various news reports on the controversies surrounding the hosting of the SEA Games. He pointed out that no less than President Duterte initially objected to PHISGOC's hosting of the SEA Games and aired his objection despite the issuance of Memorandum Circular No. 56, directing all government agencies including GOCCs and encouraging LGUs to extend their support to PHISGOC in the preparation, organization and holding of the 30th Southeast Asian Games. He noted that Circular No. 56 was signed by Executive Secretary Medialdea on January 25, 2019.

Specifically, he cited President Duterte's interview with the *Daily Tribune* on 13 July 2019, noting that in the said interview the President indicated the decision for the PSC to host the SEA Games as it has control over the release of the budget for sports and it can determine if purchases related to the event are within bounds of government control and limitations. He further stated that the PHISGOC Foundation only muddles up the issue and that "so many fingers are dipping into the hosting. It should only be the government."

Senator Drilon likewise recalled the statement of the spokesperson of the President that the concerns on corruption do not involve House Speaker Cayetano as he had been appointed to head the committee precisely to address these issues. He then sought clarification regarding the identities of the individuals involved in the SEA Games anomaly. He noted that Circular No. 56 was issued by authority of the President on January 25, 2019, but the President's statement on corruption was made last July 16, 2019.

Senator Go explained that the President signed the memorandum circular because he trusted Speaker Cayetano. He surmised that the President was merely expressing his disdain for corruption in general, but that there was never a decision to remove PHISGOC. Senator Drilon clarified that he was not talking about removing PHISGOC, saying that he believed in the integrity of Speaker Cayetano as they had worked together in the Senate. He said that he wanted to know

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who the President had concluded could be dipping their dirty fingers in the preparation of the SEA games.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 11:46 a.m.

RESUMPTION OF SESSION

At 11:48 p.m., the session was resumed.

Upon resumption, Senator Go surmised that President Duterte could be referring to the previous leadership of the POC when he made his statement on corruption. However, he said that the President has confidence in the leadership of Speaker Cayetano as head of the PHISGOC and Congressman Bambol Tolentino as POC president. Senator Drilon said that there was no question that President Duterte has full confidence in the present leadership of Speaker Cayetano.

Referring to Senator Go's earlier statement that the President "was referring to the previous leadership in the POC," insofar as allegations of corruption were concerned, Senator Drilon asked who was the previous leader in the POC that the President implied to as being involved in corruption. Senator Go refused to name the person, saying that he would only answer the question in an executive session.

Senator Drilon explained that Senator Go was sponsoring a budget of an agency over which the Body was exercising its supervision and oversight. He stated that in the exercise of its authority to appropriate funds, the Body must inquire into the allegations of corruption as it involves public funds, and that the public is entitled to know the circumstances under which the budget was enacted.

Senator Go explained that he was uncertain as to who the President was referring to but that he could be referring to the previous leadership of the POC and not to the entire office.

Senator Drilon said that the previous leadership being referred to was the leadership of Jose Cojuangco. He asked whether Senator Go knew of any corruption under Mr. Cojuangco insofar as the POC was concerned.

Senator Go said that what he knew was what was on the news. He said that he could not speak in behalf of President Duterte and that he would not know if the President was referring to Mr. Cojuangco.

Asked if he was aware of any corruption issue in the POC prior to the leadership of Mr. Vargas, Senator Go cited the pending cases against the previous leadership before the Ombudsman which could be the reason for President Duterte's distrust especially since the President was "allergic" to people involved in corruption and that he was cautious and prudent with regard to the issue of the conduct of the Southeast Asian Games because it involved a huge amount of money.

On to another matter, Senator Drilon asked how much was the budget of the PSC under the 2019 GAA. Senator Go said that under the 2019 GAA, the PSC budget was P5,357,315,000 broken down as follows: P62,179,000 for PS, P4,248,676,000 for MOOE and P1,046,460,000 for Capital Outlay.

Asked about the 2020 budget allocation for the PSC, Senator Go said that under the NEP, it was P171,964,000. He confirmed that the MOOE for the PSC in the proposed 2020 budget was increased by the House of Representatives by P500 million which would be used for the preparation, hosting, training and participation in the 2020 Summer Olympic Games and the 10th ASEAN Para Games.

On whether the President's budget submitted to Congress for fiscal year 2020 did not include the MOOE for training and participation in the 2020 Olympic Games, Senator Go replied that it was already included. If that were so, Senator Drilon questioned why the House had to add P500 million more for the PSC's budget.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 12:03 p.m.

RESUMPTION OF SESSION

At 12:05 p.m., the session was resumed.

Senator Go clarified that the NEP provided a budget of P171,964,000 for the PSC which did not

cover expenses for the Tokyo Olympics and the Paralympic Games. He explained that the original proposal of P106,885,000 in the NEP would be for the day-to-day operations and salaries of PSC personnel.

But Senator Drilon pointed out that the salary was already covered in a separate item with a budget of P65 million.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 12:07 p.m.

RESUMPTION OF SESSION

At 12:10 p.m., the session was resumed.

Upon resumption, Senator Go gave the breakdown of the P106.885 million MOOE: P66.403 million for the amateur sports promotion and development program; and P40.482 million for the general administration and support of the Philippine Sports Hall of Fame enshrinement.

Asked how the additional amount of P500 million was arrived at, Senator Go replied that P50 million is for the 2020 Tokyo Olympics, and P450 million for the ASEAN Paralympic Games because the House of Representatives added P300 million to the original submission of P150 million.

Senator Drilon noted that initially the NEP proposed a budget of P171.964 million, and when it passed through the House of Representatives, it was increased to P971.964 million. He then inquired about the position of the Committee on the additional P500 million.

Senator Go replied that the Committee supports the additional budget of P500 million.

Asked on the breakdown of the Para Games budget, Senator Go enumerated the items and their corresponding allocations, as follows: P50 million, IT and telecommunications; P50.4 million, Games Services; P14 million, Accreditation; P50 million Ceremonies and Cultural Events; P10 million, Medical and Doping Control; P14 million, Marketing and PR; P8.4 million, Protocol and International Relations; P75.481 million, Sports; P15 million, Venues; P21.550 million, Human Resources; P25 million, Security; P78 million, Athlete's Village; P20 million, Other Expenses; and P9,312,500, Local Organizing Committee, for a total of P449,143,500.

As regards the work and financial plan, Senator Go stated that the PSC would submit the document to the Body.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 12:18 p.m.

RESUMPTION OF SESSION

At 12:20 p.m., the session was resumed.

Upon resumption, Senator Go stated that the organizing committee for the Para Games is the Philippine Paralympic Committee (PPC) which is funded by the PSC. He said that the master plan will be submitted by both the PPC and the PSC.

Senator Drilon clarified that the work and financial plan usually accompanies a proposed budget. He stated that he was asking for the work and financial plan because of the P500 million being added to the budget of the PSC.

Senator Go assured the Body that the PSC would submit the document within the day. He said that if there is any controversy that would arise in the future, he is willing to investigate it because he would make sure that every centavo would be accounted for.

Senator Drilon said that he was not asking for an investigation but that he would like to look at the work and financial plan to justify the additional budget of P500 million.

On whether the additional budget of P500 million has a work and financial plan, Senator Go stated that there is a document which the PSC would submit within the day.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, there being no objection, the Chair suspended the session until 1:00 p.m.

It was 12:33 p.m.

RESUMPTION OF SESSION

At 1:28 p.m., the session was resumed with Senate President Sotto presiding.



SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4228

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

FOURTH ADDITIONAL REFERENCE OF BUSINESS

The Secretary 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 18 November 2019, the House of Representatives passed House Bill No. 5437, entitled

AN ACT 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,

in which it requested the concurrence of the Senate.

To the Committee on Finance

COMMITTEE REPORT

Committee Report No. 22, prepared and submitted by the Committee on Electoral Reforms and People's Participation, on Senate Bill No. 1174, with Senators Pimentel III and Marcos as authors thereof, entitled

AN ACT AMENDING SECTION 185 OF THE OMNIBUS ELECTION CODE, AS AMENDED, BY ABOLISHING THE PRINTING OF THE VOTERS INFORMATION AND INSTRUCTION SHEET,

recommending its approval in substitution of Senate Bill No. 1005.

Sponsor: Senator Marcos

To the Calendar for Ordinary Business

COMMITTEE REPORT NO. 18 ON HOUSE BILL NO. 4228 (Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4228 (Committee Report No. 18), entitled

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

Senator Zubiri stated that the parliamentary status was still the period of interpellation.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 1:31 p.m.

RESUMPTION OF SESSION

At 1:41 p.m., the session was resumed.

PHILIPPINE SPORTS COMMISSION (Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration of the budget of Philippine Sports Commission.

Thereupon, the Chair recognized Senator Go, sponsor of the measure, and Senator Drilon for his interpellation.

MANIFESTATION OF SENATOR DRILON

At the outset, Senator Drilon said that he would be asking questions on matters affecting the Philippine Southeast Asian Games Organizing Committee (PHISGOC), the Philippine Olympic Committee (POC), and the Philippine Sports Commission (PSC).

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Senator Drilon said that in the previous day's discussion, Senator Go requested that the Body suspend the *Rules of the Senate* to allow the representatives of PHISGOC, the PSC and the POC to directly answer the questions raised. He said that he had no objection to the suspension of the *Rules*.

Senator Go said that he was there to sponsor the budget of the PSC for 2020 and not to defend the PHISGOC, which is led by its chairman, Speaker Alan Peter Cayetano, who was ready and willing to answer and address any issues raised during the hearing as it was important for the people to clear up matters brought up in the course of the debates. He asked the Committee on Rules to suspend the *Rules* so that Speaker Cayetano could deliver a short manifestation.

Senator Drilon believed that having Speaker Cayetano address the Body was not proper. He said that as agreed upon, the senators could direct their questions to the resource persons of PHISGOC, PSC and POC.

Senate President Sotto said that the connotation of addressing the Body was completely different from answering questions. He said that Senator Drilon may ask questions to the Sponsor who, in turn, could ask a resource person to answer. He said that the correct procedure was for the Sponsor to answer questions from interpellators.

SUSPENSION OF SECTION 121 OF THE RULES OF THE SENATE

Upon motion of Senator Zubiri, there being no objection, the Body approved to suspend Section 121 of the Rules of the Senate to allow the resource persons from the PHISGOC, PSC and PCO to answer the queries of Senator Drilon.

Senate President Sotto said that the suspension of the *Rules* should only be limited to the budget of the Philippine Sports Commission.

Thereupon, the Chair recognized Senator Drilon for his inquiries.

QUESTIONS OF SENATOR DRILON

Following is the full exchange between Senator Drilon and the resource persons from the PHISGOC, PSC and POC:

Senator Drilon: Mr. President, may I address this question to Mr. William Ramirez as PSC chairman.

Mr. Ramirez, how many sports events will take place?

Mr. Ramirez: There are 56 sports and 530 sporting events, Mr. President.

Senator Drilon: So, there are 56 sports. Now, how many of these 56 sports will be held in the new facility in Clark?

Mr. Ramirez: One is track and field and there are a lot of events there, then swimming.

Senator Drilon: What else?

Mr. Ramirez: These are the two main events. But in swimming, there are few events like diving, backstroke, and other aquatic sports, Mr. President.

The same with track and field, there are 28 events. When you say track and field it involves 100-meter dash, 400-meter distance running, 1,000-meter hurdle, pentathlon, and running.

Senator Drilon: So, of the 56 sports events, exactly two will be held in the New Clark City stadium?

Mr. Ramirez: Yes, Mr. President.

Senator Drilon: By the way, how much capital outlay do we have for the New Clark City Sports stadium?

Mr. Ramirez: I cannot answer that, Mr. President, because it was the BCDA that constructed it.

Senator Drilon: All right. We have asked the Sponsor of this previously. Can we just reconfirm, Mr. Sponsor, that P9.5 billion was the capital outlay used for the construction of the facilities in New Clark City?

Senator Go: Yes, Mr. President.

Senator Drilon: It is P9.5 billion.

Senator Go: Yes, Mr. President, P9.544 billion.

Senator Drilon: May I go back to Mr. Ramirez. For a P9.5 billion of a sports facility, we exactly have two sports events that will be hosted in Clark. Is that correct?

Mr. Ramirez: Yes, your Honor.

Senator Drilon: Could we have held track and field in some other facility around Manila?

Mr. Ramirez: We have the 85-year old track and field in Rizal Memorial Sports Complex.

Senator Drilon: Okay.

[Handwritten initials]

Mr. Ramirez: And we are rehabilitating/refurbishing the whole area.

Senator Drilon: Which one?

Mr. Ramirez: That was the very place where we held Asian Games and Southeast Asian Games in the past, Sir.

Senator Drilon: Okay. So, you can refurbish and put to international standards the track and field oval in Rizal Memorial Coliseum. Is that correct?

Mr. Ramirez: Yes, Sir.

Senator Drilon: But instead of doing that, we spent P9.5 billion for the sports stadium in Clark.

Mr. Ramirez: The way I understand, Sir, based on Republic Act 6847, it was stated there that the Philippines has hosted the Far Eastern Games in the past, four Southeast Asian Games, and there is a paragraph there that we are encouraged to host even Olympic Games. That is the very reason why the idea of putting up, perhaps, of that big structure of international capacity and seating because maybe of that purpose.

Senator Drilon: Yes. But, again, I ask the question. We could have put the track and field oval in the Rizal Memorial Coliseum to international standards, would you agree? That is only an engineering issue.

Mr. Ramirez: Rizal Memorial's track and field is almost 84 years old and the ITFA, the International Track and Field Association, has modes of certifying and the place may not be of standard now based on their accreditation.

Senator Drilon: So, it is impossible from the engineering point of view to upgrade the Rizal Memorial track and field?

Mr. Ramirez: It is possible, Sir.

Senator Drilon: I am sorry?

Mr. Ramirez: It is possible, your Honor.

Senator Drilon: It is possible, okay.

Mr. Ramirez: And how much would it have cost to put the Rizal Memorial track and field up to international standards?

Mr. Ramirez: I really do not know at the moment, your Honor.

Senator Drilon: Five hundred million? Just the oval. I am just picking figures randomly. You have been in sports for quite a period of time. Can you just give us a ballpark figure—without binding you to this—as to how much it would have cost to upgrade the Rizal Memorial oval to

international standards acceptable to the international track and field federation?

Mr. Ramirez: I cannot be specific on the amount.

Senator Drilon: Yes.

Mr. Ramirez: But if you put track and field on international standards, you have to spend more than P200 million on the track and you have to spend a billion in the bleacher which will include a capacity of 40, maybe 50. Because if I am going to state the amount, your Honor, I have to involve the architect, the engineer, and the accountant.

Senator Drilon: Yes. We fully understand that. We are not asking you to make a precise assessment. But you are saying round figures at the top of your head without being bound by it, in your view, as being an experienced somebody who has been exposed to sports. For P200 million, you could put the track and field oval to international standards; and for P1 billion, we could have enough seats in the stadium, that is P1.2 billion. Is that correct.

Mr. Ramirez: Maybe yes, maybe no, Sir.

Senator Drilon: What do you mean by "Maybe yes, maybe no, Sir"? Do not try to be a smart aleck, Mr. Ramirez, you are answering questions on the budget. Do not give this Chamber, "Maybe yes, maybe no." We are very general—just an overall assessment, nothing of the nuts and bolts construction that would give us a precise cost, just a general cost. And you were saying P200 million to refurbish the track and field to international standards, and P1 billion for the stadium. That is why I am reconfirming that you are saying P1.2 billion to refurbish the track and field to international standards and the Rizal Memorial Coliseum at P1 billion, we can have that coliseum.

Mr. Ramirez: That is my assumption, Your Honor.

Senator Drilon: All right. That is good enough for us. We just want to establish that on the record because P9.5 billion was spent for the track and field stadium in Clark.

At this juncture, Senate President Sotto acknowledged Senator Cayetano for a manifestation.

MANIFESTATION OF SENATOR CAYETANO

Senator Cayetano stated that her manifestation has nothing to do with the budget. She informed the Body that she has already run on the new track oval in the New Clark City a couple of times and as a

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member of the national team in volleyball at the age of 16 she trained at the already 84-year-old Rizal Memorial Stadium. She stated that she was personally aware that the New Clark City Stadium has a Class 1 international certification. She said that from an aerial perspective, what looks like an empty parking lot is another track oval which will serve as warm-up track beside the main track so that the athletes can practice before their event and under the bleachers is an 80-meter track for the last-minute warm-up of the athletes. Thus, she said that to be able to put up warm-up tracks in the Rizal Memorial Complex, either the multipurpose building or other structures would have to be demolished. She said that as an athlete herself, aside from being able to run around the track oval, the New Clark City also allows the athletes to run in a park-like environment outside the stadium as opposed to running in the busy streets of Manila.

QUESTIONS OF SENATOR DRILON

(Continuation)

Senator Drilon: Thank you for the intervention. Our question was precisely how much we would have spent to place Rizal Memorial Coliseum in the standard at par with what we built in Clark. That is all that we are saying. And the response is, approximately, P1.2 billion. We could have approximated in Rizal Coliseum what we achieved as a class A track and field stadium in Clark. But that is all a policy issue. We wanted to spend P9.5 billion which is a policy issue. The government wanted to spend that. We are just pointing out that P1.2 billion only would have been enough to upgrade Rizal Memorial Coliseum. So, let us put that aside and we will go to the next topic.

Let us go to this PHISGOC Foundation. May I know from Speaker Cayetano what PHISGOC Foundation is all about?

Mr. Cayetano: Good afternoon, dear colleagues, Mr. President, and the Minority Leader.

Tama po ang Senate President that it is not appropriate to make a manifestation because I am not a present member. But may I make a two-minute opening statement which we usually allow resource speakers to do.

Senator Drilon: No objection.

Mr. Cayetano: May I start by the Book of Galatians telling us that, "*Kung ano ang ating itatanim, iyan po ang ating aanihin.*" I would like to thank the Minority Leader and the whole Senate. Legitimate questions *po ito*—as the gentleman said—policy questions and *sa*

diyaryo naman nababasa lahat ito, but it has to be articulated in an institution and I guess *nakakailang sa ilang kongresista na tanungin ako* as Speaker of the House of Representatives. That is why I voluntarily came to the Senate despite the fact it is never been done.

To my mind, the athletes, the country, the SEA Games, our people are more important than the protocol, more than the interparliamentary courtesy or interchamber courtesy. So, I am more than willing to answer these questions. I am just reminded of the story where a man spread stories about another man and when he came to see that man after finding it was not true or that it was exaggerated, this man said, "Sorry." The man said, "Do not say sorry; go to the highest mountain; get a pillow; throw out all the feathers; then, come back." So, he came back and said, "Do you forgive me now because I did what you say?" He said, "Go back and pick all those feathers, then I will forgive you." And he said, "Why should I pick up all those feathers?" "Because what you have spread is already all around and it cannot be put back."

That is why, I thank the Minority Leader because when these rumors were spread in the newspapers by different people, *hindi na kayang ibalik*. So, this is a good opportunity for us to answer it. *Unang-una*, why are we hosting SEA Games? Well, a multi-sports game like this is a matter of national pride. It focuses on our people; it focuses on our culture; and it benefits us in tourism, foreign investment. Sports tourism alone is a \$620-billion industry which we want to tap into.

Question, are we spending a lot of money? Yes. Is it excessive? No. Is it overpriced? No. Singapore spent P15 billion in hosting alone.

Senator Drilon: With all due respect. We never said that this was overpriced.

Mr. Cayetano: Yes, Mr. President. I am referring to the news report.

Senator Drilon: That is why, may we request that the Honorable Speaker respond to the questions that we raised so that we do not go astray in our discussion.

Mr. Cayetano: Mr. President, I will just go to that because these are questions that the Minority Leader either asked or, as this Chamber said, news reports. But it is just one more minute with the indulgence of the Minority Leader.

Senator Drilon: Yes, please.

Mr. Cayetano: Malaysia spent P7 billion on hosting alone; P15 billion in sports development;

and P1.5 billion to upgrade the facilities. Our SEA Games will be the biggest in history, the most number of sports; we speak of a billion viewers. The cauldron that has been put in the spotlight is cheaper than what was built by Singapore four years ago, it P63 million—and *iyong sa Singapore po, hindi* national artist. Why? Because the cauldron is the symbol; it is not one of the symbols. It is the symbol of the Games, whether it is Olympic Games or SEA Games. It is a work of art. So, while people may see a cauldron, we see a monument; we see the athletes; and we see the burning flames that represent hope and the fighting spirit.

So, we think it was just appropriate in the same manner that the Senate yesterday moved to increase the budget of CPP by P40 million to P50 million *para sa* Philharmonic Orchestra. It is the same manner we support that, and we will support that in the bicameral.

So, to the Minority Leader's question, Mr. President, as to why a foundation because it is the SEA Games Federation that owns the Games and all SEA Games are run by foundations. So, in the IOC Rules and the SEA Games Federation Rules, it is either the Olympic committee but they will form a foundation that will be the organizing committee or it could be multi-stakeholder. But in all Games, so in 1991, we had MANSOC which was a foundation, and if I am not mistaken, at that time the gentleman was the Secretary of Justice; and in 2005—I think the gentleman was the Senate President—we had PHILSOC. It was also a foundation. In Singapore, they had SINGSOC; in Malaysia they had MASOC. So, *iyong OC po roon* is always "organizing committee." So, I thank the gentleman for asking that. It has been a lingering question but we have no choice. If we do not want a foundation, we cannot host the games.

Senator Drilon: Thank you very much. So, the next question is, who are the incorporators of the foundation and who are its trustees?

Mr. Cayetano: A minute, I am just getting the Articles of Incorporation.

At this juncture, the session was suspended and was resumed shortly thereafter.

Mr. Cayetano: We decided to incorporate, upon the suggestion of POC President Peping Cojuanco at that time and Vice President Joey Romasanta who was advising me at that time, and there was question whether Chairman Butch and I could be incorporators because we were in government at that time. So, for expediency

we use as incorporators the people who were already involved in organizing the games. So, John Patrick Gregorio who was at that time POC secretary general, then later on director-general of the SEA Games; Victorico Vargas who was at that time was already POC president. He replaced President Peping, if not, it was President Peping who would have been incorporator; Ramon "Tats" Suzara who was instrumental in making the master plan is now the COO of the games; Donaldo Caringal who is also part of the organizing committee, deputy director, and he is experienced in organizing international volleyball tournaments, together with Mr. Suzara; Tomas Carrasco Jr. who, I think, is also here and he is also an executive director and has much experience in sports, same with Mr. Edgar Picson; then two of my staff who are helping me there—Dexter Estacio and Monica Ann Mitra. And there was a minimum requirement by the SEC of P1 million. So, we raised that amount through private sources to be able to incorporate. From there, Mr. President and Minority Leader, the Board passed a resolution forming an executive committee where, according to the master plan, this representation is the chairperson, then we have two vice chairpersons. At that time, it was Ricky Vargas, then replaced by Rep. Bambol Tolentino and then Chairman Butch, so that the vision and the compromise that was set with Representative Peping would be met: that the Board be one-third POC, one-third PSC, and one-third government representatives led by myself. So, the other Board members are Commissioner Agustin, from PSC; Chairman Steve Hontiveros who is now the chairman of the POC; we have the secretary general now, Atty. Edwin Gastanes; then we have GSIS chairman, Rolly Macasaet, who is also a member, and because we intended at the start to have almost all games in Clark, BCDA President Vince Dizon, and of course, Ramon Suzara because he is the COO. So that is what the board passed as a resolution.

Senator Drilon: Under the Articles and By-Laws of the corporation, the Board of Trustees shall elect from among its members the following officers: the president, one or more vice presidents, a treasurer, and a secretary. But what the gentleman enumerated are the members of the Executive Committee. And when were they elected?

Speaker Cayetano: They were elected by the board in accordance with a resolution that they passed.

Senator Drilon: All right. When were they elected?

Speaker Cayetano: Let me get the date.

[Handwritten signature]

Senator Drilon: And maybe, the gentleman can also get if there are minutes of this election.

Speaker Cayetano: We have a board secretary and we will give the gentleman all the documents.

Senator Drilon: Yes, if we can have that for our perusal.

Speaker Cayetano: We will comply.

Senator Drilon: Thank you very much.

Speaker Cayetano: By the way, we had to do that anyway because for the SEA Games.

Senator Drilon: Even after the SEA games, if the gentleman wants.

Speaker Cayetano: Yes, but the SEA Games Federation needed also that so we have all that, and we will comply with it.

Senator Drilon: As I said, we are not in a hurry, we can have the document after the SEA Games so that we do not interrupt the efforts of the committee to prepare for the Games. Could the gentleman also give us even after the Games a copy of the General Information Sheet because we could not find one on file in the SEC?

Speaker Cayetano: By tomorrow or Thursday, we will submit.

Senator Drilon: We can have it after the Games just to show that. As we know, we are not in a hurry about this. Now, can the gentleman help us understand the respective rules of the various organizations in the holding of the SEA Games? Allow us to understand, and for the good Speaker to spread into the record so that we will understand the relationship between PHISGOC, the PSC, and the Philippine Olympic Committee?

Speaker Cayetano: Thank you to the honorable Minority Leader. So, under the SEA Games Federation rules which also have to comply with the International Olympic Committee rules, there has to be a juridical person or juridical entity. That is why we put up the foundation. Now, under the SEA Games rule, it is either the POC or the Olympic Committee of the host country or a multi-stake holder group that will run the games.

Senator Drilon: Under the Southeast Asian Games charter, there is a National Olympic Committee which is the official body in its own country for all matters connected with the Southeast Asian Games, is that correct?

Speaker Cayetano: Yes, but there is an "or." Or it can be any other body agreed upon.

Senator Drilon: Yes, that is under the charter. Under the law creating the Philippine Sports

Commission, however, the POC is designated as the National Olympic Committee which is described as autonomous in character. Let me read Section 12 of the law:

"The Philippine Olympic Committee which is affiliated with the International Olympic Committee is hereby recognized as the National Olympic Committee for the Philippines. It is autonomous in character. The Philippine Olympic Committee shall maintain its primary responsibilities for activities pertaining to the country's participation in the Olympic Games, Asian Games, Southeast Asian Games, and other international athletic competitions in accordance respectively with rules and regulations of the International Olympic Committee, the Olympic Council of Asia, the Southeast Asian Games Federation and other international bodies."

This is the role of the Olympic Committee as defined by our own laws. So, under the law, what is the role now of the POC, what is the role of the Philippine Olympic Committee *vis-à-vis* the holding of these games?

Speaker Cayetano: That is a very good question, and thank you for this opportunity *na linawin iyan*. Under the SEA Games Federation rules, the Olympic Committee can delegate but the responsibility of running the Games remains with them. So, it is consistent with Republic Act No. 6847. What so happened here is that when President Peping was president of POC, they appealed to the President, who cancelled the Games because of Marawi and because of lack of material time to prepare because we were approached in 2016. This was supposed to be the turn of Brunei Darussalam to run the Games. And, usually, we give the country four years. So, in 2016, we were approached, but because of Marawi, we said no. At that time, if I am not mistaken, our Majority Leader, Sen. Migz Zubiri, tried to meet with the executive secretary and the POC to iron out. The POC cannot run the Games by itself because they do not have the money for it. And the recent trend in Malaysia and Singapore is that, it is the government that spends but it is a government official who chairs. So, when it did not push through, a last-minute appeal by President Peping and Vice-President Romasanta was made to me. I brought them to the Executive Secretary and to the chairman of the PSC, and the agreement was that the President will only approve if it will be a tripartite organizing committee wherein it will be one third, one third, one third. So, in one sense, POC and PSC, which had the technical expertise, will have two-thirds of the vote. But in the other sense, because government is spending, so my group—I was

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not planning to run at that time, there was no change in speakership at that time—as secretary of the Department of Foreign Affairs, and *kakatapos lamang po natin i-host iyong 50th ng ASEAN*, it was an extension of our diplomacy through sports. *Kami naman ni Chairman Butch* would have two-thirds. So, *ang ginawa po namin*, if we look at the organizational setup, which we followed from the Asian Games standard, and which is much higher than the SEA Games standard, *nakakalat iyong mga tao ng POC sa operation noong Games*. So, POC actually dominates the organization. And, actually, our directors or FAs, some of the sports managers, and even the head of our athletes' union, are here today.

Senator Drilon: All right. There is a MOA entered into between the Philippine Sports Commission and the PHISGOC.

Speaker Cayetano: Yes.

Senator Drilon: And the Philippine Sports Commission is supposed to provide financial support to PHISGOC.

Speaker Cayetano: If I may explain the history.

Senator Drilon: No, just answer first.

Speaker Cayetano: Yes.

Senator Drilon: So, there is a provision there that PSC should provide financial support to PHISGOC.

Speaker Cayetano: Yes, pursuant to MC No. 56.

Senator Drilon: Fine. How much is the financial assistance today?

Speaker Cayetano: This is the history.

Senator Drilon: No. Please answer. With all due respect to the good Speaker, we are just asking the question: How much is it? And then, he can explain later.

Speaker Cayetano: All right. Right now, it is P1.5 billion. We wanted zero. Lately, *walang gustong mag-organize ng Games na disenteng tao* because *sa demandahan* after the Games. So, if the budget was passed in 2019, and it is no one's fault that there was a difference of opinion between the Senate and the House, *na-delay po nang todo iyong budget*. So, instead of the Department of Foreign Affairs going into MOA with the different agencies, like what we did in ASEAN, to bid out the whole P7.5 billion, *na delay po ito*. So, we had to raise private money and *pati po iyong pasuweldo* until today zero *po na nanggagaling sa gobyerno*, that is all

through sponsorship. So, what happened when I presented this to the Cabinet? On my motion, with authorization of the board, we asked the President to allow the DBM Procurement Service to take over the whole P6 billion budget and this P6 billion budget which was initially P7.5 billion, *na-procure ng lahat ng kaya ng DBM*. *Iyong hindi na po kaya, pina-financial assistance sa POC*, precisely because we did not want to accept financial assistance. But, I think, three or four weeks ago, everyone was saying, *hindi matutuloy ang Games unless PHISGOC accepts*. We accepted a little bit over P1.5 billion and we have the breakdown and we are willing to submit to the gentleman.

Senator Drilon: So, may I ask, can we cite a provision of law which is the basis for the transfer to a private non-stock, non-profit corporation of government funds in the magnitude of now P1.5 billion?

Speaker Cayetano: We have a COA circular that addresses all financial assistance. This is being done by DSWD. PSC does it regularly by giving financial assistance to POC and the NSAs. For example, PSC is mandated to plan, implement and oversee an integrated amateur sports promotion and development in coordination with various sectors, including among others, POC, the national sports associations, and public and private schools, government corporations, local government, Armed Forces of the Philippines, and other organization (RA 6847). Then, there are other parts of the law. But, it is all covered by a circular by COA, and Chairman Butch Ramirez and I personally went to a conference with COA to look at that circular and we were assured that informally, of course, that as long as we follow the government auditing rules, it is allowed by law.

Senator Drilon: Under the Memorandum of Agreement, can we describe PHISGOC to be providing services to the sports commission? They provide services for a fee.

Speaker Cayetano: Actually, Sir, it is different kind of animal because in one sense, PSC and POC are part of PHISGOC. But in another sense, it is PSC and POC that are in charge of training and taking care of the NSAs. So, actually, Sir, dual *iyong kanilang* role. But, since the Senate so fit to put the budget of the SEA games under PSC, so PSC is the chief implementer of the budget. So, PHISGOC simply made the master plan and the policy and then PSC was to bid but they did not have material time, they did not have enough people, enough procurement lawyers, that is why we move it to the DBM.

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Senator Drilon: All right, except for the P1.5 billion.

Speaker Cayetano: Even the P1.5 billion until the DBM said that they cannot accommodate us anymore.

Senator Drilon: Yes. When they said they cannot accommodate you, that was given to PHISGOC.

Speaker Cayetano: First to POC and POC said, they cannot also accommodate us because they were already procuring sports equipment, and then they were busy with the NSAs and training.

Senator Drilon: So, this was transferred to PHISGOC, P1.5 billion.

Speaker Cayetano: Yes. What has been disbursed is P700 million. This is quite a recent development.

Senator Drilon: What was moved was P1.5 billion, what was disbursed so far is P700 million.

Speaker Cayetano: Initially, Mr. president, we did not receive any government money. So, we created a separate amount and so far, what has been transferred to PHISGOC was only P700 million.

Senator Drilon: Fine, P700 million was transferred to PHISGOC. What was this amount used for? This is not a small money, this is P700 million. May we know what it was used for?

The session was suspended and was resumed shortly thereafter.

Speaker Cayetano: I am asking them to separate the P700 million, but of the P1.5 billion: broadcast content and service requirement is about P135 million; venue-related expenses, P490 million — this includes the Athletes' village; dining hall, P19 million; venue rentals, judges and media tower fencing and crowd barriers, IT, and various venues became under the agreement with the SEA Games, we are supposed to air at least 11 games live, but we decided to air 22 games live because the difference was only P200 million and we have a potential one billion viewers; game time service requirement, P330 million; talent fees, P66 million; ocular site visits, P360,000; workshops and training, P87 million; meetings which include delegation registration, competition venue managers' meeting and SEA Games Federation meeting, P13 million; special events which include the meeting of the chefs de mission, P7 million; medical game time requirement, P21 million; educational, technical production reinforcement of sports entertainment, guests, security and manpower supplies, the cauldron, additional furniture and

fixtures and PHISGOC operating expenses, except for personal services.

We will give the gentleman a copy if he desires, Mr. President.

Senator Drilon: So, that totals P700 million as disbursement? Or is that the P1.5 billion?

Speaker Cayetano: I read the P1.5 billion, then beside it *po iyong na-disburse na*.

What I read, Sir, was the whole P1.5 billion that is to be transferred.

Senator Drilon: That is what I recall.

Speaker Cayetano: Then, I will submit to the gentleman, side by side, what was disbursed in the P700 million, Mr. President.

Senator Drilon: All right, can I address a question to Mr. Ramirez?

Mr. Ramirez, could the Philippine Sports Commission here performed the task assigned to PHISGOC?

Mr. Ramirez: Yes, Your Honor. But allow me to speak.

Senator Drilon: Did you say "yes"?

Mr. Ramirez: Yes, Your Honor.

Senator Drilon: You could have performed it?

Mr. Ramirez: Yes, Your Honor. But we cannot do that without the POC because they take charge of the technical aspect.

Senator Drilon: So you could have performed all those tasks with close coordination with the Philippine Olympic Committee?

Mr. Ramirez: Yes, Your Honor.

Senator Drilon: In other words, the activities performed by PHISGOC could have been done by you as long as the Philippine Olympic Committee was there.

Mr. Ramirez: Yes, Your Honor.

Senator Drilon: Now, the services of PHISGOC was engaged by the Philippine Sports Commission without a public bidding?

Mr. Ramirez: Your Honor, in normal condition, we do observe the Procurement Law and government accounting laws but the situation was entirely different. The Philippine Olympic Committee leadership was in chaos, there was a delay of budget from the government, the transactions of MOA between PSC and POC was a big problem, then PHISGOC, and the time is so tight that we cannot observe the two months procurement law.

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In the normal condition, since we are allowed by law to extend financial assistance to the Philippine Olympic Committee and PHISGOC, we usually do that, Your Honor.

Senator Drilon: All right. Now, when the PHISGOC utilized the P700 million in accordance with the activities that Speaker Cayetano enumerated, was bidding conducted?

Mr. Ramirez: Your honor, I will leave that matter to the PHISGOC because the situation....

Senator Drilon: Can you answer me? Just an answer which I will understand. The question is very simple.

When the disbursement of the P700 million was made for services, for equipment, or for whatever, was there a public bidding?

Mr. Ramirez: We expected the PHISGOC to observe that because the financial assistance is subject for liquidation, Your Honor.

Senator Drilon: Yes. So, would you know if in fact...all right, I will repeat the question. Give me one example of the disbursement made, let us say for uniforms, was it disbursed for uniforms?

Mr. Ramirez: Yes, Your Honor.

Senator Drilon: Now, was there a bidding done by PHISGOC for uniforms?

Mr. Ramirez: Yes, Your Honor.

Senator Drilon: In all other purchases of services or equipment, was the bidding requirement complied with?

Mr. Ramirez: Yes, Your Honor.

Senator Drilon: All right. Now, you commit, of course, that this is subject to COA audit afterwards?

Mr. Ramirez: Yes, Your Honor.

Senator Drilon: All right.

Mr. Cayetano: Mr. President, can I just clarify that there was public bidding but by the DBM. So, anything that was done by the DBM or PSC, there was public bidding. Anything done by the POC and PHISGOC, we followed the Procurement Law but the applicable law is for financial assistance. So, we follow industry practice and other practices like the three quotation rule. Just to set the record straight. But the uniforms were bidded out by the DBM.

Senator Drilon: All right. It is fine. I was just citing as an example the purchase of uniforms because it is generally known as an item that any organization would engage in these kinds of activities.

So, can the gentleman Speaker again repeat, for the record, the distinction between what was purchased by PHISGOC and the Philippine Olympic Committee on the other?

Mr. Cayetano: So, for the record, Mr. President, we have a Procurement Law—Republic Act No. 9184—and all entities concerned will follow and follow that law. But under the said law, there are different modes of procurement, and one of that is public bidding.

Senator Drilon: Yes, Mr. President.

Mr. Cayetano: So, we sent the whole P6 billion initially to DBM for public bidding, and everything that they could comply with given the limited time and their limited personnel, they bidded out. So, PSC did not transfer, but gave it as FA to POC. So, POC is following the Procurement Law, but not necessarily public bidding precisely because even DBM cannot do it given the time.

So, there are exceptions under the Procurement Law. Section 4.5 of the IRR provided that "such assistance is within the mandate of the agency." However, they are still subject to guidelines by government procedure particularly during the submission of liquidation.

So, we have looked at the past COA issuances and liquidation to make sure that we are compliant with it, Mr. President.

Senator Drilon : All right. I assume that it is a matter for COA to look at when the audits are being done.

Mr. Cayetano : Yes, Mr. President. But we also hired an independent auditor for all the private funds that will come into PHISGOC so that there will be full transparency, Mr. President, and gentleman from Iloilo.

Senator Drilon: Thank you very much, Mr. President.

Other than the P700 million that was disbursed, are there other disbursements in the coming days that will happen?

Mr. Cayetano: Yes, Mr. President. What I have read a while ago, Mr. President, was the P1.5 billion.

Senator Drilon: So, the gentleman expects that the P1.5 billion will be totally disbursed?

Mr. Cayetano: More or less, Mr. President.

So, we are working it out with PSC, unless there are some that do not need procurement in the manner provided by law that can be handled by PSC.

Senator Drilon: When was the P1.5 billion transferred to the PHISGOC?

Mr. Cayetano: Only this month, Mr. President, but I will get the financial statements so that the gentleman will have the dates because it is checks deposited on a separate.... Precisely, because, Mr. President, we did not want to accept it, but at the last minute they said that we do not have any choice.

So, I will give the gentleman either a financial statement or the dates of the check, Mr. President, if the gentleman from Iloilo, the Minority Leader, will allow.

Senator Drilon: Yes, please, if we can have it now. Is it available?

Mr. Cayetano: We do have our own documents with dates, but if the gentleman wants the official bank certificate, we have to get it from the bank.

Senator Drilon: I do not need the official bank certificate. I can rely on the certificates just prepared internally.

Mr. Cayetano: So, we will submit.

Senator Drilon: Can we ask the page to....

At this juncture, the page handed over to Senator Drilon a document from Mr. Cayetano.

Mr. Cayetano: Mr. President, may I just manifest that that is from the PSC accounting.

Senator Drilon: Yes, all right, Mr. President.

Mr. Cayetano: So, we have to reconcile with the PHISGOC accounting, but there should not be any mistake there because PSC keeps a tight ship under Chairman Butch.

Senator Drilon: I am sorry, but I did not get very clearly the earlier answer to our question of what regulation allows financial or material assistance to PHISGOC as a beneficiary, just for the record again.

Mr. Cayetano: May we submit it to Your Honor.

We have the COA circular and it does cite provisions of law. I just do not have it right now. And under that circular, it does allow financial assistance to nongovernment organizations and private entities under....

I have the circular, Sir, so it cites Section 23, Article II of the Constitution that provides: "The State shall encourage non governmental, community-based, or sectoral organizations that promote the welfare of the nation."

It cites Section 34 for LGUs and allowing to extend funds to non government organizations and/or people's organizations; to provide control and guidance in granting utilization management of such funds— COA Circular 95-003 and 96-003 dated February 15, 1995 and February 27, 1996, respectively.

However, in 2002, there was a New Government Accounting System (NGAS) and, basically, this was our basis, Mr. President, plus the memorandum circular.

So, in the past, I think, the Executive Secretary issued executive orders, but recently, they have been issuing memorandum circulars, Mr. President.

Senator Drilon: All right. We would be happy to receive these documents after this hearing today.

At this juncture, the session was suspended and was resumed shortly thereafter.

Senator Drilon: Mr. President, under the COA circular cited by the good gentleman, it provides under 3.2, the following: "The NGO or PO accredited by a government..." In effect, to be recipients of government funds, they must be accredited by a government office. May we know if PHISGOC was accredited?

Mr. Cayetano: Mr. President, we consulted the COA about that because PHISGOC is a *sui generis*. It is not an NGO envisioned under the circular where you have a track record and has been existing for x number of years. It is alive during the Games but then under the SEA Games rules, it will be put to bed after the Games. So, it is under Memorandum Circular No. 56 where we get our authority as the accredited organizing committee.

So, the same thing, Mr. President, with the 1991 and 2005 SEA Games.

Senator Drilon: The accreditation was given by the Philippine Sports Commission?

Mr. Cayetano: The accreditation was given by the Office of the President through the signature and by the authority of the President of the Executive Secretary. Then to implement the MC, there is a tripartite MOA between the POC, PSC and PHISGOC, Mr. President.

Senator Drilon: Well, I think, we have asked the questions that we want to ask. There are matters which rest with the COA audit after this. We do not want to spend time anymore on that. This is a budget hearing so we would be relying on COA for post-audit after this. And, insofar as we

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are concerned, this representation is concerned, we no longer have further questions on this period of interpellation on the PSC budget.

Thank you very much, Mr. President.

Mr. Cayetano: Thank you, Mr. President.

Mr. President, may I take this occasion to invite the Senate to the opening ceremonies on November 30, 2019. One of your members, the Honorable Sen. Emmanuel "Manny" Pacquiao, will play a special role on that. But, actually, the Games will already start this Sunday, which is a polo competition in Calatagan, Batangas. That is why I would like to thank the Minority Leader for asking all the questions today so that we can free the minds of the organizers and the athletes. We do not want them to be thinking that there is any anomaly or anything during this time. But we will be more than happy to face any investigation or any inquiries after the Games.

Thank you to the Minority Leader.

Senator Drilon: Just to correct any misimpression. We never said that there were anomalies. We are asking probing questions on how these public funds were being moved from one entity to the other, and ask for the legal basis. But having said that, it is not only Senator Pacquiao who has a role in these games. As Senator Tolentino here is complaining that he has no fund for kickboxing which he heads. Senator Zubiri, who is also the *arnis* head, is also pleading for funds for training.

So, it is not only Senator Pacquiao, Mr. President.

Mr. Cayetano: We win as one, Mr. President.

We would like to thank again the Minority Leader, and we could not have the 24 senators for the specific.... I cannot mention what Senator Pacquiao will be doing on that day. But definitely, we wish that you would participate and watch the Games. After all, you funded this through the 2019 budget.

So, again, we would like to thank the Senate, and we will be delivering not only the tickets but the official jackets next week.

Senator Drilon: We wish our athletes the best, and we are fully behind them. We wish them success for our country.

Thank you very much.

Speaker Cayetano: Thank you.

Senate President Sotto: Thank you.

I have one question for the sponsor, Senator Go, on the PSC budget.

For the 2020 budget, is there enough budget for the Philippine Bowling Federation?

Senator Go: Yes.

Senate President Sotto: Very good.

Senator Zubiri: May we recognize Sen. Pia Cayetano.

Senate President Sotto: Sen. Pia Cayetano is recognized.

Senator Cayetano: Thank you, Mr. President.

I just wanted to leave my colleagues with this picture in their mind. When I went there on a couple of occasions, one time I was with the national track team, they were crying when they stepped on the turf *kasi, ang sabi nila, nagti-training sila sa kung anong probinsiya*. They are not even training in Metro Manila because they have no decent track to train on. They train in Pangasinan. I do not really know the condition of the track either.

Now, I do not even train regularly anymore, but when I stepped on that track, *ibang klase, para kang lumulutang. Ang sabi ko, "Here are these athletes; this is their job; this is their life." At ngayon lamang sila nakatikim nang ganoon*. So, it really felt so good to be able to see in their face, to see in their smiles, to see in their action that they were full of joy to be able to do this.

Something that I found very interesting was that, in the years to come, in the decades to come, they do not have to travel abroad to qualify for other international events because we can host those events now. For now, we do not host any events because we are not qualified to host any events. So, not only do we not have these international events to encourage young people to see what athletic life is like, our athletes have to even go abroad just to qualify for another event.

I also had the opportunity to see the swimmers. There have already been international swimming competitions in the pool. Again, just like the track, we have a 50-meter, 10-lane pool, and then there is another pool for warm-up, also 50 meters long and eight lanes. So, it kind of looks excessive if you ask me, until we learn that that is the requirement to be a certified Class I sports facility. *Ganoon talaga* if we want to not just host the events but treat our athletes like the heroes we say they are, but we do not treat them as such.

So, on that note, one last question—well, I think *ako iyong last*. Because I actually have my own friends who are athletes, I also get

asked: Is it excessive? Is it overpriced? So, I am not asking this question because my brother is the Speaker of the House, but it is a question I want to hear the answer, too, so that I can also explain to my friends, to my constituents, to my athlete friends, and the athletes that I feel I represent.

Thank you.

Speaker Cayetano: Thank you very much for the opportunity to answer the question of my younger sister.

As I said to the question of the honorable Senator Drilon and to the media reports that have been going around, it is a huge amount of money. We are not denying that *malaking pera ito*. But, No. 1, our athletes have been pleading with us ever since DepEd was split into three—CHED, TESDA, and DepEd. *Nawala iyong sports, napunta sa Philippine Sports Commission*. So, although *may kaunting pera ang Philippine Sports Commission* from Pagcor, the reality is, they have to split it — 50% *sa grassroot* and 50% *sa elite*. And, I think, we are spending less than P150 per schoolchild *pagdating sa sports*. So, we have to inspire them. So, it was a conscious decision to build this in Clark. It is part of the whole complex of the New Clark City. It will enhance the value of New Clark City. The New Clark City, I think, is 9,000 hectares, but the 30,000 hectares is all owned by government. So, even the number of flights had increased; businesses have been coming in. So, let me assure the Senate that *hindi magiging white elephant ito*. In fact, BCDA has been getting inquiries from, I think, American or European teams, if they can train already there for the Olympics. Because the countries with harsh winters look for countries where they can have a better climate. Or, in this case, also acclimatory because Japan, in July, is similar to the Philippines, from January to May. So, for professional baseball teams, professional basketball teams, outside New Clark City—I think Clark has four to six baseball fields, they have four to six—I am not that sure—football fields, there are five hectares already provided for the National High School for Sports or the National Academy for Sports which, I think, is being sponsored by Senator Go in the Senate and Senator Cayetano has also been pushing for that.

So, just to say “Is it excessive?” Well, if we compare Singapore, it is P15 billion; if we compare Malaysia, P7 billion. And precisely, we want to put on a good show. So, if you ask me, not as Speaker of the House, but as someone who loves sports, we should actually spend this

much regionally—and especially in the Visayas because it is composed of many islands. *Mabuti pa sa Luzon at saka sa Mindanao*, when the railways are up and the highways interconnect, it is easy to go to the sports complex. But in Visayas, if you are from Iloilo, Samar, Leyte, Cebu, Bohol, it is so difficult to spend on this. So, actually, the P150 million maintenance shared by the BCDA president, if we compute how much our athletes are spending to train in class A facilities abroad, it will be cheaper for them to go to New Clark City and train there. So, maybe, to answer your question and the other questions of this honorable Body, we will submit a full study after the games because we are actually studying that. Because if it works in the New Clark City in Central Luzon—Tarlac and Pampanga—we would like to propose that this setup be done regionally.

Thank you.

MANIFESTATION OF SENATOR TOLENTINO

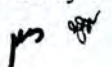
Senator Tolentino congratulated in advance the triumvirate of the PSC, PHISGOC, and the POC for their herculean undertaking of organizing and promoting the best of the Philippines in the coming SEA Games. He said that he would later ask the Department of Tourism of its contribution to sports tourism. He also reminded that the country showcases not just hospitality but the unity of the country through sports, through the SEA Games.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri likewise congratulated the “holy trinity of sports” in the Philippines — PSC, PHISGOC, and POC — for the hard and valuable work on the truly world-class facilities they started 20 months ago. He said that the place is an amazing sight to see as he hoped that the facility would not be put to waste. He expressed hope that the PSC, through a memorandum of agreement later on with the BCDA, could make it a permanent home of the country’s professional elite athletes.

SUBMISSION OF THE BUDGET OF THE PHILIPPINE SPORTS COMMISSION

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Philippine Sports Commission was deemed submitted for the Body’s consideration.



SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 3:01 p.m.

RESUMPTION OF SESSION

At 3:16 p.m., the session was resumed with Senate President Pro Tempore Recto presiding.

DEPARTMENT OF HEALTH AND ITS ATTACHED AGENCIES

In presenting the budget of the Department of Health and its attached agencies, Senator Go delivered the following statement, to wit:

It goes without saying that access to quality healthcare remains one of the pressing concerns that our countrymen face today. It is for this reason that public health has been identified as one of the priorities by Pres. Rodrigo Duterte during his 2019 State of the Nation Address and in the development agenda of the country since our adoption of the Millennium Development Goals (MDGs). It is, therefore, my honor to present to you the proposed 2020 budget for the Department of Health and its attached agencies and corporations.

For the Department of Health, we have increased the budget from P88.9 billion in the General Appropriations Bill to P96.3 billion in our committee report. The total new appropriations for the Department of Health and its attached agencies are broken down as follows: for the Office of the Secretary, P95,897,787,000; for the National Nutrition Council, P461,033,000; for the attached corporations, the budgetary support to government corporations under the Department of Health is P76,425,614,000.

The substantial increase of P7.4 billion includes the allocation of additional P7 billion for the human resources for the department's Health Deployment Program. This is to ensure the continued employment of our health workers whose services are badly needed in poor, underserved, and far-flung areas. *At ayaw po nating mawalan ng trabaho ang mga nurses, doctors, midwives, at iba pang health workers.*

Other increases in the Department of Health budget are P350 million for the open defecation project to ensure sanitary conditions to those who still do not have toilet facilities; P6 million

for public health management, and P80 million for the Research Institute for Tropical Medicine (RITM). RITM has a valuable role in public health, especially in surveillance and control of disease outbreaks.

For the budgetary support to PhilHealth, we have increased the subsidy for the premiums of indirect contributors from P67.3 billion to P72.3 billion. This is to support PhilHealth in the initial implementation of the Universal Healthcare Act.

As chairman of the Committee on Health and Demography and vice-chairman of the Committee on Finance handling their budget, I will defend and push for the much-needed increase in the health budget, especially for our health workers who care for the sick. However, I would like to put it on record, that although I am the sponsor of their budget, I will be the first to stand up and call out the DOH if there are inefficiencies or irregularities in the spending of their budget. I will not hesitate to talk to the President if needed. *Kahit ako ay nagdidipensa ng inyong budget, ako ang una ninyong makakalaban kung may anomalya sa paggastos ng budget.* Remember, zero tolerance *si* President Duterte *sa korapsiyon.* *Sa mga gumagawa ng korapsiyon,* there is no tomorrow.

I also urge the DOH and other government agencies to ensure that every centavo of the people's money is put to good use, wisely spent, and used solely for the intended purpose. *Dapat walang masayang, ni piso.* I call on our departments and agencies, including the DOH, to fully utilize and improve their efficiency in spending their budgets. Some of our colleagues initially signified their intention to interpellate, but in the interest of expediting the process, they have agreed not to interpellate on the condition that their individual concerns will be addressed by the DOH. I also ask the DOH to work on the concerns of our colleagues.

And, for the record, I refuse to answer any questions involving the actions of the previous administration and personal issues as I have no personal knowledge on those matters.

INTERPELLATION OF SENATOR BINAY

Senator Binay stated that the 17th Congress passed 31 bills increasing the bed capacity or service capacity of certain hospitals. She then asked how many of those have been funded by the DOH. Senator Go replied that all have been funded, except the following hospitals: Jose B. Lingad Memorial Regional Hospital, Batangas Medical Center, Cotabato

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Regional and Medical Center, St. Anthony Mother and Child Hospital, and Corazon Locsin Montelibano Memorial Regional Hospital.

Senator Binay asked if Senator Go would be amenable to allocate funds for those five hospitals. Senator Go answered in the affirmative.

INTERPELLATION OF SENATE PRESIDENT SOTTO

Preliminarily, Senate President Sotto noted that the DOH budget in House Bill No. 4228 was P88,922,820 billion, while in the Senate version, it was P96,358,820 billion.

Asked on the percentage of the DOH's 2020 budget vis-à-vis the country's gross domestic product, Senator Go said that it is estimated at 0.8%.

Senate President Sotto asked if the proposed budget would be enough to meet the government's desired health status for the next five years since the World Health Organization (WHO) had suggested that 5% of the gross domestic product should be spent on health care services. Senator Go stated that the budget was definitely inadequate, and he expressed willingness to amend the appropriation if a source of funding could be found and the Committee on Finance would allow such changes.

Senate President Sotto noted that P7 billion of the additional P7,436,000,000 proposed by the Senate Committee on Finance to the budget of the Department of Health, was being allotted for the Human Resources Health Deployment Program (HRHDP). Asked on the rationale for the proposed increase under this program considering that the House version merely adopted the National Expenditure Program, Senator Go explained that the DOH had originally proposed P16 billion for the HRHDP to allow the hiring of 26,389 health workers; however, the DBM only approved P2.5 billion under the MOOE and another P7 billion was lodged under the Miscellaneous Personal Benefits Fund (MPBF), which would allow the hiring of only 11,614 health workers and would still result in the displacement of 14,755 workers. He said that his committee transferred the allocation from the MPBF to the HRHDP to ensure that it would be utilized for the hiring of health workers.

Asked if there were programs affected by the reallocation of funds from the MPBF to the HRHDP,

Senator Go replied that no program was affected since the P 7 billion, which was an excess from the NEP, was already earmarked for the services of the health workers.

Asked what specific program the additional budget of P350 million under the Environmental and Occupational Health Program would be used, Senator Go cited the Zero Open Defecation Project which was the initiative of Senator Villar for those who still do not have toilet facilities, in particular the informal settlers along the Manila Bay area.

To clarify, Senator Villar stated that there are seven million people in the Philippines who have no toilets, 3.5 million of whom are in Metro Manila and assuming there are five members of the family, 700,000 toilets are needed in Metro Manila. She said that according to the DPWH, each toilet would cost P20,000 per toilet, or P14 billion for 700,000 toilets. According to her, the DOH has promised that under the SDG goal the country would attain zero open defecation in 10 years. However, she noted that with P350 million, open defecation could be removed in 40 years and the amount would not be even enough to build 700,000 toilets.

Senator Villar reminded everyone of the saying that "an ounce of prevention is worth a pound of cure." She said that to prevent diseases, one must observe proper hygiene and instead of spending money to cure diseases, government must spend money to prevent diseases. She said that it was that motivation that she realized that government should spend more to eliminate open defecation in the country.

Senator Go said that should the budget be increased to P365 million, an additional 7,500 toilets could be constructed to cover households outside of NCR without sanitary toilet facilities.

On a related matter, Senate President Sotto said that the Committee on Health proposed an additional P80 million under the Research Institute for Tropical Medicine (RITM). He asked whether the increase included RITM's Research and Development Program, having been informed that their continuing research on the effective way to fight dengue was among other researches being undertaken by the agency.

Senator Go said that the RITM has a valuable role in public health, especially in surveillance and control of disease outbreaks. He said that the RITM

holds 12 National Reference Laboratories (NRLs) on infectious diseases which include dengue, influenza, TB, measles, enteroviruses, such as polio virus. He informed the Body that the budget of the RITM was increased by P80 million, from P118 million in the NEP to P198 million in the Senate version.

Senate President Sotto said that under the special provisions of the DOH is a medical scholarship program which, he believed, was a continuing program of the department. He noted that one of the conditions of the program, as stated in the special provision, is for the scholar, after passing the board examination, to render service to the government in accordance with the guidelines issued by the DOH. Asked how much was allocated for the medical scholarship program, Senator Go said that under the 2020 NEP, P430,377,530 was allocated to fund scholarships and other operational expenses, and that there was a total of 1,214 DOH medical scholars from the past three school years, broken down as follows: 2019-2020, 81 medical scholars; for 2018-2019, 392; and for 2017-2018, 441.

Senator Sotto asked what steps were being undertaken by DOH in order to increase the number of medical scholars. Because of the importance of increasing the number of doctors in the country, he said that he filed Senate Bill No. 1, or the Medical Scholarship Act, which was coauthored by Senator Cayetano.

Senator Go said that according to the Health secretary, there is a continuing increase in the medical scholars precisely to address this particular concern.

Asked by Senate President Sotto on the number of graduates of the program, Senator Go said that 34% had served in the Doctors to the Barrios program, or 468 doctors.

As to how many years a scholar needs to serve the government after passing the medical board exam, Senator Go said that a medical scholar has to serve two years for every year of medical study scholarship, or a total of 10 years.

Senate President Sotto said that his bill has proposed that a medical scholar should serve the government for at least five years after graduation from medical school. Adverting to the figures given by Senator Go, he noted that there had been 441 graduates but to date, there were only 381. He

expressed hope that there could be more doctors, pointing out that medicine is an expensive course that not too many Filipinos can afford. He challenged the DOH to embark on a better program to increase the number of medical scholars in the country.

Senator Go said that he was assured by the DOH that they would study and find ways of improving their existing program.

On the so-called "green hospitals," Senate President Sotto adverted to a special provision in the 2019 GAA which states: "The DOH, in coordination with the Climate Change Commission and the Department of the Interior and Local Government, shall promote the greening of hospitals and health facilities through improving energy and water efficiency and conservation, sustainable cooling systems and sustainable health care, waste management in hospitals." He then asked on the status of this DOH program as mandated by the special provision.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 3:44 p.m.

RESUMPTION OF SESSION

At 3:48 p.m., the session was resumed.

Senator Go said that as contribution to the Philippine government's National Climate Change Action Plan, the DOH undertook Green and Safe Design Principles and Practices which was, however, not included in the department's 2020 special provisions. He said that at the proper time, he would be open to reintroduce it for the following year's budget and he would welcome an amendment for the purpose.

Senate President Sotto asked what the DOH did for the current year based on last year's special provision, noting that it was included there to particularly cut down the hospitals' electricity and water expenses so that, in turn, the savings that they would realize could be used for health care.

In reply, Senator Go cited Department Circular No. 2019-0059 that the DOH issued to all hospitals

about the Green Certification of Government Healthcare Facility Projects.

Asked if the DOH monitored the program, Senator Go replied that it was a standard requirement for each and every facility. He agreed to consider an amendment to reinstate the program.

Asked about the Special Purpose Insurance Coverage which is under the National Health Insurance Program and has a budget of P61,220,000, Senator Go replied that it is for the 25,000 rebel returnees identified by the Office of the Presidential Adviser on the Peace Process under the PAMANA program.

On another matter, Senate President Sotto feared that the department's National Immunization Program would face challenges after the measles outbreak earlier that year as well as the return of polio after nearly two decades of being polio-free. He recalled that during the 2019 DOH budget deliberation, the department was asked how the agency plans to make its immunization program effective and successful and the response then was that the DOH was going to launch an information campaign to bring back the confidence of the people in the immunization program through the *Balik Tiwala sa Bakuna* campaign. Asked if the 2019 National Immunization Program was a success, Senator Go replied in the affirmative, quoting the Secretary that after the first measles outbreak on February 6, 2019, the Department was able to increase its measles immunization coverage to 98%.

At this juncture, Senate President Sotto asked why polio was not included in the *Balik Tiwala sa Bakuna* program. He noted that based on records for the period June 1 to 29, the incidence of dengue was 85% higher compared to the same period in 2018.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 3:55 p.m

RESUMPTION OF SESSION

At 3:56 p.m., the session was resumed.

Responding to the query, Senator Go stated that as of the second week of November, the DOH has reached 96% coverage, as validated by the WHO.

Asked if parents are still wary of dengue immunization, Senator Go stated that the DOH has strategies to improve access to routine immunization and reduce dropout in the program, such as literacy on immunization, the routine immunization program like the "Back to *Bakuna: Una sa Lahat ang Bakuna*," and the catch-up and outreach immunization activity. He said that the strategy improved the coverage of the immunization program.

As to the number of children targeted to be immunized in 2020, Senator Go informed the Body that there was a decreasing trend from 70% in 2015 to 66% in 2018. He stated that for 2019, the target is 85%. However, he said that data until the first half of the year was at 35%. He said that the Department has a lot of catching up to do.

Senate President Sotto stated that if the Department were to accomplish another 35% in the last two quarters of the year, they would be 15% short of their target. In this regard, he stressed that under the budget item "*Health Promotion*," Congress had allocated P292,200,000 for the Information Campaign and Immunization Program. He then inquired about the current utilization rate of the budget. Senator Go replied that P176,788,000 or 60% has been utilized for the localized information campaigns, advocacy activities, and media placements. He stated that the actual utilization and disbursement of the agency was at 24.38% and that the reason for this low utilization rate was that the procured services have just been recently obligated; the procured services implementation has a duration of six months; payment of procured services was in tranches; the IEC materials were only paid after full delivery; and some services specifically intended for its campaign including DOH programs for cinema placements of *Iwas Putok*, print advertisements, and other media placements were scheduled on December 2019. He said that with the 24.38% utilization and disbursement, the Department has a total obligation of 51.35%, while 48.65% remains unobligated.

Senate President Sotto then questioned the Department's P597 million or 100% additional budget for 2020 if 48.65% of the total budget in 2019 amounting to P292 million remains unobligated.

At this juncture, Senator Lacson informed the Body that unutilized is part of the unused, and unused is either unutilized or unreleased because the funds that were released might still be unutilized. He also

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said that disbursement is also different from obligation. As regards the DOH budget, he said that their unused budget was 48% plus because they have utilized 51% plus.

Senate President reiterated his question as to the reason for allocating P597 million for the agency when they have not utilized P292 million of their budget.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 4:11 p.m.

RESUMPTION OF SESSION

At 4:15 p.m., the session was resumed with Senate President Pro Tempore Recto presiding.

Asked how much of the P292 million budget for health promotion was unutilized, Senator Go replied that the obligation rate was 50.74%, while the disbursement rate of overall obligation as of September 30, 2019 was 36%. He added that the unobligated allotment was P143,940,937.52.

Senate President Sotto asked why the P292 million allocation should be increased to P597 million considering that P143 million thereof was unutilized. He said that the requested increase could be used to fund the other items of the Universal Health Care Program such as operations, public health management, and dangerous drugs, among others. Senator Go said that according to Health Secretary Duque, he would consider Senate President Sotto's proposal.

Senate President Sotto noted that the Family Health Nutrition and Responsible Parenthood program had an allocation of P2,229,000,000 and its expenses for family planning supplies include Etonogestrel, Lynestrenol, Progestin sub-dermal implant, PSI kits, and male condoms. He then asked on the allocation for each family planning commodity or supply.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 4:23 p.m.

RESUMPTION OF SESSION

At 4:27 p.m., the session was resumed.

In reply to the query of Senate President Sotto, Senator Go said that the Family Health Nutrition and Responsible Parenthood program totaled P2,228,916,000 and part of the allocation for Responsible Parenthood was broken down, as follows: nutrition – P62,464,000; oral health – P635,637,933; HPV vaccines – P374 million; HIV commodities – P433 million; and public health management – P347,810,692. He said that under the Family Planning Program, the allocations are as follows: 13 million cycles of Progestin (only pill) – P520 million; 300,000 rods of Progestin sub-dermal implants – P195 million; and 2.5 million pieces of male condoms – P10 million (at P4.00 each). Also, he cited the budgets corresponding to the different programs included in the Family Health and Nutrition Responsible Parenthood, to wit: 300,000 for progestin subdermal implants, ancillary kits worth P30 million, and 50,000 pieces of intrauterine device worth P1.85 million for a total of P756.850 million.

Asked whether the allocation of P2.2 billion for other programs was still part of the Family Health, Nutrition, and Responsible Parenting, Senator Go answered in the affirmative, specifically mentioning nutrition, oral health, HPV vaccine, and HIV commodities. He also affirmed that P195 million was the cost of 300,000 kits of progestin subdermal implants.

Asked whether the DOH plans to purchase a specific brand of progestin subdermal implant kits or avail of what is available in the market, Senator Go replied that the DOH was not planning to purchase any specific brand and that it would be decided through a transparent and open bidding.

Senate President Sotto recalled that in 2015, the Supreme Court issued a temporary restraining order (TRO) against the Department of Health from procuring, selling, distributing, dispensing, administering, advertising, and promoting the hormonal contraceptive Implanon and Implanon NXT which are brands of progestin subdermal implant (PSI) due to the reports and studies that they are abortifacients; however, the Supreme Court lifted the TRO in 2017 because the Food and Drug Administration (FDA) ruled that these are not abortifacients. But he pointed out that the reason cited by the FDA was contrary

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to the information that he had gathered as he quoted American obstetrician-gynecologist and medical researcher, Dr. Donna Harrison, who argued that the ruling made by the Philippine Food and Drug Administration that such contraceptives are not abortifacients was based "on an outdated, unpublished article for such an important question rather than on the plethora of published studies" and that the FDA "demonstrated remarkably little scientific research to back the erroneous statements that hormonal contraceptives and IUDs do not cause harm to embryos. The surprising lack of scientific rigor, the scientific inaccuracies and the misstatements of the references quoted to support the FDA decision are remarkable and somewhat inexplicable given the responsibilities of the FDA." He also quoted Australian Dr. John Wilkes who reiterated the same complaint, saying "the bias referencing from family planning group misleading assumptions, doubtful or wrong conclusions, and a failure to act according to the dictum *primum non nocere*—first do no harm."

Senate President Sotto informed the Body that petitioners in the Supreme Court case appealed to the Office of the President relative to the resolution of the FDA that Imflanon and Imflanon NXT are not abortifacients. He wondered what the DOH would do with the unused Imflanon and Imflanon NXT or any type of PSI should the Office of the President decide to reverse the decision of the FDA. He noted the concern of a fellow senator that the DOH already has more than P1 billion worth of undisposed products which have expired. Thus, he suggested that the procurement of PSIs should not be included in the budget because the petition is still pending with the Office of the President.

Senator Go agreed, saying that he would request the Secretary of Health to submit to the Senate President a report regarding the matter.

MANIFESTATION OF SENATOR HONTIVEROS

Senator Hontiveros surmised that the Senate would eventually rule on the issue raised by Senate President Sotto during the period of amendments. However, she also pointed out that the Office of the President will seek the expert opinion of the different government agencies in order to come out with a decision on the petition, primarily from the DOH and the FDA. Thus, she believed that it might be premature

to remove any family planning supply, including subdermal implants from the list of supplies planned for distribution by the Department of Health to the constituents considering that the FDA already came out with a decision, which the Supreme Court made as the basis in its decision to lift the TRO. She stated that the DOH also made a report to Congress, specifically about the implants that the DOH made available to the public for free as well as update on different kinds of family planning supply freely given to the poore. She said that the medicines were agreeable to the people and that it allowed married couples or partners to plan their families with little or no side effects and with an efficacy that would be good for up to three years, on a case to case basis.

Senator Hontiveros said that science is currently still on the side of the implants as far as the DOH and the FDA are concerned.

Senate President Sotto argued that it is best to err on the side of caution. He said that it is still best to consider the "Do no harm" impression of international experts because there are other non-abortive commodities which can prescribed. He maintained that it is best to remove the allocation and if proven otherwise, then the DOH can order for its purchase. He said that funding for such would not be a problem considering the expected surplus in the budget.

Senator Go said that the points made by Senate President Sotto were well taken and would be considered during the period of amendments and the bicameral conference.

Senate President Sotto recalled having asked about the status of the different drug abuse treatment and rehabilitation centers that the agency had planned to build. He said that out of the six newly-established rehabilitation centers, only two are operational but based on the briefing materials from the Committee on Finance, a budget of P1,175,000,000 was allocated for the operation of dangerous drug abuse treatment and rehabilitation centers, which include the seven newly created rehabilitation centers.

Asked whether the construction of all the seven rehabilitation centers had been completed, Senator Go presented the status of the DOH's EATRC Constructions:

Region	Location	Fund Source	Status
CAR	Bauko, Mt. Province	DOH-HTEP	under construction
Region I	San Fernando, La Union	DOH-HTEP	completion date Dec. 2019
Region III	Mexico, Pampanga	DOH-HTEP	under construction
Region IVA	Trece Martires, Cavite	JICA	for construction 2020
Region VII	Cortes, Bohol	Kausaban Foundation	pending
Region IX	Pasalubong, Zamboanga City Zamboaga del Norte, Zamboanga Sibugay	DOH-HTEP	under construction
Region XI	Malagos, Davao	Resorts World Philippines	completion date Dec. 2019

Upon further queries, Senator Go explained that 18 were currently operational while the nine he had earlier mentioned were also under construction, some of which were targeted to be completed by December of 2019. He added that an outpatient rehabilitation center in Agusan del Sur had been completed and was now operational, while those in Saranggani and Malaybalay, Bukidnon have yet to be occupied. He lamented that since the government has constructed many rehabilitation centers, parents who truly want drug dependent children rehabilitated, should select a center which is isolated so that they can avoid the drug source. He said that drug addicts who do not want to be rehabilitated should not blame the government for anything that might happen to them.

Senate President Sotto stated that the rehabilitation centers could be the fitting complement to the bill filed by Senator dela Rosa on mandatory rehabilitation.

Senator Go added that there are other rehabilitation centers that are being constructed in Zamboanga and La Union as well as in Las Piñas, which is outpatient and has been operational since the previous month.

Asked how many drug rehabilitation centers are already operational, Senator Go enumerated the following: NCR: Bicutan, Taguig with 1,000-bed capacity; Las Piñas with 200-bed capacity; Dagupan, Pangasinan with 300 bed capacity; Ilagan, Isabela with 100 bed capacity; Pilar, Bataan with 100-bed capacity; Region III in Mega Nueva Ecija with 10,000-bed capacity since 2,500 beds had been given by the President to the soldiers for low turnout of utilization or occupancy; Tagaytay with 500-bed capacity; Region V in San Fernando, Camarines Sur with 100-bed capacity; Malinao, Albay with 100-bed capacity; Pototan, Iloilo with 100-bed capacity; Argao, Cebu with 200-bed capacity; Mandaue, Cebu with

100-bed capacity; and Dulag, Leyte with 100-bed capacity.

Senator Go said that 74% or a total of 2,914 patients out of 3,919 admissions have completed their rehabilitation program from January to September 2019, broken down as follows: 847 patients out of 1,061 admissions in the first quarter; 1,176 patients out of 1,567 admissions in second quarter; and 889 patients out of 1,291 admissions in the third quarter. Moreover, he said that the Dangerous Drugs Board (DDB) Treatment and Rehabilitation Information System describes the demographic profile of patients as generally single and unemployed males with a mean age of 31 years old who have reached at least a secondary level of education. He added that more than half reported that they have been using drugs for more than six years prior to their entry in the rehabilitation center.

Asked on the total number of those who are currently in the 18 rehabilitation centers that are accredited and run by the government, he said that there are 3,410 outpatients; 1,765 inpatients; 480 have been discharged; 2,703 are in the aftercare; and 1,937 have already graduated.

As to the percentage of recidivism, Senator Sotto noted that the one in Bicutan was reported to have a very low percentage of recidivists. He then asked on the percentage of recidivism out of the given number of graduates. Senator Go replied that he only has data on the readmission and none on the relapse because some of the data sought, according to the DOH, were lost. He said that the previous year has 115 readmissions and that there have been 1,492 readmissions for the past four years.

Senate President Sotto recalled that when he was still the DDB chair, the problem was actually on the thinking of people towards rehabilitation. He believed that aside from staffing requirements, they should also put effort and concentrate on the type of rehabilitation program to use. He surmised that one of the reasons for the readmission of drug dependents after two to three months from discharge is that they underwent a wrong program. Thus, he proposed the profiling of the drug dependents first before they undergo any type of program since not all types of programs may be suitable. Whether the program is therapeutic community system, faith-based, 12 Steps Minnesota Model, multidisciplinary or eclectic, he averred that it requires study to determine the appropriate

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program. He then urged the DOH to make sure that all types of programs would be available in all of the 18 currently operational rehabilitation centers as well as in those which are on the way for operations.

As to the drug rehabilitation in Iloilo, Senator Go replied that their rehabilitation center in Pototan, Iloilo which is an all-male facility is already operational.

On another matter, Senate President Sotto said that he received information that the MOOE budget for the DOH treatment and rehabilitation for 2020 has decreased. As to the amount of the decrease, Senator Go replied that there was a 5% decrease. Senate President Sotto said that it is worrisome because the facilities are catering to clients and that there was even a plea bargaining to get them off the streets.

Senator Go said that the DOH adjusted the budget of the new DARC's because of the low utilization rate and even the no-admission centers particularly in the recently opened rehabilitation centers. He assured that he would be open to Senate President Sotto's amendment to add and not decrease the budget.

On the issue again on the rehabilitation program in Iloilo, Senate President Sotto said that the plan is to cater to the needs of the special population for rehabilitation. Relative thereto, he asked if there is only one facility exclusively for females and none for minors. Senator Go replied that there are currently five DARC's operated by the DOH that cater to females, as follows: DARC Mandaue City catering exclusively to females; DARC Bicutan; DARC Albay; DARC Sarangani; and DARC Agusan del Sur which caters to both male and female people who use drugs (PWUDs).

Asked if the DOH has plans on building or designating a rehabilitation center exclusively for females and minors, Senator Go said that the one being built in San Fernando, La Union which started construction the previous year to be completed by December 2019 would be for females. In fact, he said that it was Senate President Sotto who broke ground for it and would inaugurate it on December 2019.

On another matter, Senate President Sotto noted that the DOH purchased around years 2010 and 2011 three Gas Chromatograph Mass Spectrometry (GCMs) machines worth almost P13 million each.

However, he said that only two were used and became operational—the one in the National Reference Laboratory, East Avenue Medical Center, and the other in the Southern Medical Memorial Center in Davao. He feared that the third one in the Vicente Sotto Memorial Medical Center which has not been used may have already been damaged in storage which would mean a complete waste of government resource despite having trained personnel and being provided operating funds throughout the years.

Citing Section 76 of Republic Act No. 9165, Senate President Sotto stated that the DOH is tasked to “develop drug testing networks and laboratories throughout the country.” He recalled that the agency's plan when he was still the chair of DDB was to establish confirmatory laboratories in all regions wherein at least one regional hospital will be capacitated to provide confirmatory services. Since the first purchase of the GCMS machines was brought out, he believed that the department has failed to program additional equipment in the yearly budget proposals which contributed to the delay of the release of drug testing results nationwide.

Senator Go confirmed that among the three machines procured, the two were given to the East Avenue Medical Center and the Southern Philippines Medical Center in Davao which are both operational. As to the other one at the Vicente Sotto Memorial Medical Center, he assured that it will be operational by the first quarter of 2020 to increase the number of confirmatory drug testing laboratories. He added that it would be endorsed to become part of the proposal for service improvements of the National Reference Laboratory as well as of the Facilities Enhancement Program (HFEP) for the procurement of necessary logistics.

Senate President Sotto thanked Senator Go and the DOH for considering the issues that he raised.

INTERPELLATION OF SENATOR REVILLA

At the outset, Senator Revilla mentioned that the Supreme Court recently upheld the validity of Section 32 of Republic Act No. 9173, or the Philippine Nursing Act of 2002. He quoted Section 32 which provides, that “the minimum base pay of nurses working in the public health institutions shall not be lower than Salary Grade 15.” He then asked on the status of the decision and its implementation.

Senator Go likewise noted that pursuant to Section 32 of Republic Act No. 9173, the implementation of the Supreme Court decision in the case of *Ang Nars Party-List vs. The Executive Secretary, et al.*, G.R. No. 215746, October 8, 2019, requires the upgrading of the salary grade of Nurse I, entry level, from Salary Grade 11 to Salary Grade 15. Consequently, he said that the current Nurse II position with Salary Grade 15 will have to be upgraded to Salary Grade 16 to maintain hierarchy of the nursing positions. He stated that adjusting the existing entry level of Nurse I position from Salary Grade 11 with a monthly salary of P20,754 to Salary Grade 15 with a monthly salary of P30,531 would yield a difference of P9,777 per month; for Nurse II, adjusting it from Salary Grade 15 to Salary Grade 16 would have a salary difference of P3,053. Hence, he stated that the upgrading of Nurse I and Nurse II positions in the national government would cost about P3.7 billion annually based on the existing salary schedule. However, he stated that the Supreme Court decision has not yet been taken into consideration in the budgetary measure and that the DBM and the DOH are still studying the appropriation needed to implement the decision.

Moreover, he believed that since nurses are not only with the DOH as there are also nurses in the LGUs, the CHED, DepEd and other government agencies, there is a need for a separate legislation and for the cooperation of the government agencies in implementing the decision so as to address the possible wage distortion brought about by the Supreme Court decision. However, he said that what they are prioritizing as of the moment is the Salary Standardization Law V which also includes the nurses and which already has a source of funding.

Asked if there are already funds for the health workers, Senator Go replied that it was not yet included in the 2020 budget and that they still have to look for the source of its funding.

To Senator Revilla's suggestion to include the funding for health workers in the supplemental budget, Senator Go acceded.

Senator Revilla stated that the allocation for health workers is similar to the proposed Salary Standardization Law (SSL) 5 which is also anticipated by government employees for 2020. Senator Go agreed, saying it with the health workers being favored by the Supreme Court, they never have to

work abroad as being away from their families is very difficult.

INTERPELLATION OF SENATOR RECTO

Asked by Senator Recto if the increase of nurses' entry pay to P30,000 is found in the law, Senator Go replied in the affirmative, saying that it is in Philippine Nursing Act of 2002 (Republic Act No. 9173).

Asked if there is enough resources for fiscal year 2020 to shoulder the Supreme Court decision, and whether the P3.2 billion deficit should be funded, Senator Go said that he fully supports the budget for Filipino nurses, and he believed that the DBM secretary would not object to the allocation.

Asked how many would benefit from the increase of nurses' pay as far as DOH is concerned, Senator Go stated that 7,193 DOH nurses would get a salary increase in the total amount of P3.17 billion.

Senator Recto disclosed that in the previous year, the DOH budget was reduced by P10 billion from 2019 to 2020 with the Human Resources for Health (HRH) having the biggest cut. He said that thousands would have lost their jobs had he not recommended an amendment to put back P7 billion into the DOH budget. Senator Go remarked that the DBM, which was just exercising its prudence in utilizing the funds, has committed to grant an additional budget for HRH sourced from MPBF. He added that although the health workers under HRH are contractual employees, the computation of the HRH manpower requirement was for the whole year amounting to P16 billion. He said that he even requested the DBM secretary to use the P7 billion allocation and additional MPBF funding for the rest of the year, if necessary, to ensure the continued employment of health workers and prevent them from losing their jobs.

Regarding the number of personnel under HRH, Senator Go stated that there are 26,000 employees in 2019 and 26,389 for 2020, all of whom, he assured, would all be taken care of.

Stating that he worked on the Universal Health Care Act together with the DOH secretary in the previous Congress, Senator Recto questioned why the DBM and/or the DOF was shortchanging the DOH and PhilHealth budgets despite the increase in

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sin tax collections. Asked how much fund is needed to implement the Universal Health Care Act in 2020, Senator Go stated that the high estimate cost for the first year would be P257.4 billion, medium estimate cost — P241 billion, and low estimate cost — P151 billion.

As to the breakdown of the 2020 budget for the health sector amounting to P297,466,910,000, Senator Recto said that P96 billion would be allocated for DOH proper; P72 billion for PhilHealth subsidy; P3 billion for PCSO; P8 billion for PAGCOR; and P117 billion increased contribution for PhilHealth members.

Referring to the Universal Health Care (UHC) law, Senator Recto noted that 50% of sin taxes would go to PhilHealth. He then asked how much the total sin tax collections was for 2018. Senator Go replied that the total sin tax on alcohol was P70 billion, tobacco - P132 billion, and sweetened beverages - P38 billion. Hence, for 2018, he said that the total sin tax collection lodged in PhilHealth was P110.9 billion.

Senator Recto said that according to the law, 80% of the total sin tax collections, or P88.7 billion, should go to PhilHealth but only P72 billion was included in the 2020 NEP, thus, a shortfall amounting to P16 billion. Also, he said that the 20% sin tax allocation for health facilities enhancement and medical assistance which should be P22.8 billion was reduced to P9.4 billion medical assistance and P5.9 billion HFEP, for a total of P15.3 billion. Thereupon, he questioned why there was always a deficit in the DOH budget notwithstanding the promise that the increase in excise taxes would fund its health program.

To the possibility of reducing the out-of-pocket expenses of patients if the shortfall amounting to P28.3 billion would be added to the P257.4 billion high cost estimate in the 2020 DOH budget, Senator Go said that he would support the increase of subsidy to PhilHealth to ensure that all Filipinos would have equitable access to quality and affordable health care availment.

Senator Recto stated that at the appropriate time, he would recommend and identify the source where funds could be extracted for UHC and Malasakit Centers.

INTERPELLATION OF SENATOR LACSON

Asked if the total amount of P3,173,875,081 was necessary for the minimum salary upgrade of govern-

ment nurses which is Salary Grade 15 (SG-15), Senator Go replied in the affirmative.

On the “Funding requirements for staffing modification and upgrading of salaries” under the General Appropriations Bill of 2020, Senator Lacson said that he would introduce an amendment to insert a special provision to source P3,173,875,081 from the P5 billion remaining amount in the MPBF so that the nurses would no longer wait for the passage of a legislation or availability of funds from DBM as the funds are already included in the MPBF such that by January 2020, the nurses’ salary upgrade would already taken care of. Senator Go welcomed the proposal.

Senator Lacson lamented that three landmark laws passed under the Duterte administration were underfunded: the Universal Health Care, Universal Access to Quality Tertiary Education under the Tertiary Education Subsidy (TES), and the National ID PhilSys Act. He noted that the TES could only fund 432,000 of 1.5 million applicants because it only has a P21 billion allocation, while the available fund for the National ID System, under the Unprogrammed Fund, was only P2.4 billion and could only cover 6.3 million Filipinos and resident aliens. He said that P5.165 billion would be needed to cover 14 million Filipinos and resident aliens at the start of its implementation on May 2020.

Asked on the difference between RA 10606, the Universal Health Care Act passed in 2013, and RA 11223 passed in 2019, Senator Go replied that the 2013 law, which had a 98% compliance, was just an amendment to the National Health Insurance Law of 1995, while the UHC passed in 2019 contained comprehensive and progressive reforms that will ensure that every Filipino is healthy, protected from health hazards and risk, and has access to affordable, quality and readily available health service that is suitable to their needs. He noted that Republic Act No. 11223 or the Universal Health Care Act was signed into law last February 10, 2019, its IRR was recently signed last October 10, 2019, and it was published in newspapers last November 6.

Asked on the specific programs, activities and projects (PAPs) that were not covered under RA 10606 but were now covered under RA 11223, Senator Go cited the extended primary care benefit purchased, and he agreed with Senator Lacson that the PAPs included increased public health management,

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prevention and control of non-communicable diseases, operations of dangerous drugs abuse, treatment, and rehabilitation centers, operation of DOH hospitals in Metro Manila, operation of DOH regional hospitals and other health facilities, and assistance to indigent patients.

In a related matter, Senator Lacson stated that the Medium Term Expenditure Program (MTEP) under the UHC is the multi-year spending plan covering the years 2019-2022: Tier 1 covers ongoing programs done by DOH and Tier 2 has three cost estimates—low cost at P151.55 billion, medium cost at P241.84 billion, and high cost at P257.54 billion. He said that a fiscal space of P151.55 billion for UHC meant that only P10.46 billion would be added to the low cost bracket, and would hardly make an impact on its beneficiaries. However, he noted that the additional P7 billion allocation in the Senate version raised the budget to P72 billion and slightly closed the gap. He asked what ought to be done to further bridge the gap so that the people will feel the effects of RA 11223.

At this point, Senator Recto interjected to explain that the actual budget of the health sector which amounts to P297 billion is higher than the high cost estimate of P257.54 billion. This, he explained, would be the total allocation after adding up the DOH budget of P96 billion, the PhilHealth subsidy of P72 billion, the earmarked of P3 billion for the PCSO, P8 billion in PAGCOR, and the estimated PhilHealth collection of P117 billion for 2020. In addition, he said that the government owes the UHC program P28.3 billion which it would be returned at the appropriate time. He said that the actual budget for 2020 would be P320 billion.

Senator Lacson also pointed out that the pending bill for increasing the excise tax is expected to generate either P16 billion (House version), P33 billion (DOF version) or P47 billion (Senate version) which could be used by DOH.

Senator Lacson took note of the regression in the 2019 and 2020 PAP appropriations for the UHC Act: the total allocation of P123.36 billion for the PAPs in 2019 was lowered to only P112.65 billion for 2020. He asked why the budget was reduced when the sin tax increases as it is progressive. He stated that he would no longer bring up issues involving PhilHealth, since these had been extensively discussed during the Senate hearings and that he would like think that

the DOH Secretary and the PhilHealth president were doing their best to improve the situation in PhilHealth. He also mentioned the COA issue on all case rate schemes.

Regarding the Health Facilities Enhancement Program (HFEP), Senator Lacson said that he and Senator Drilon added funds to the HFEP during the bicameral conference of the 2019 budget but only P15 billion of their proposed P16 billion had been approved.

Asked if the barangay health stations are being maintained, Senator Go answered in the affirmative.

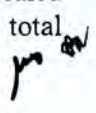
Senator Lacson also mentioned that there is an P8.1 billion school-based barangay health station project, BHS-TSEKUP, which was established to construct 5,700 barangay health stations. He said that the contract for the first phase of the project was P4.6 billion for 3,200 health stations; while the second phase was for 2,500 barangay health stations with a budget of P3.97 billion.

Regarding the number of health stations that had been established in the 42,044 barangays around the country, Senator Go replied that there are 26,095 barangay health stations in the Philippines and that the BHS was still included in DOH's priority programs.

Responding to further queries, Senator Go stated that the existing 25,095 functional health stations do not have a full complement with either a nurse or midwife, or both. Furthermore, he said that almost all health stations are operational because they have a rotational schedule among their staff. Senator Lacson advised the DOH to obtain permission from the schools before it could construct the BHS.

Asked by Senator Lacson if the BHS co-located in the schools requires permission from the schools, Senator Go replied in the affirmative. He said that they sometimes encounter problems related to getting the permission. He also revealed that the BHS-TSEKUP project has been aborted because they have issues.

Asked by Senator Lacson how many buildings have been constructed prior to the project's cancellation, Senator Go said that 277 buildings have been constructed before the project was halted and is currently under litigation before the Construction Industry Arbitration Commission (CIAC). He revealed that the CIAC ordered the DOH to pay a total



amount of P1.02 billion for the contractor's supposed accomplishments, but the DOH, through the OSG, has appealed, claiming that the project is under fraud audit of the COA and may possibly be subjected to Notice of Disallowance and Suspension. He said that the project is also under investigation by the NBI but the DOH would exhaust all available legal remedies and they were being prudent in dealing with the matter since billions of pesos are at stake. He also mentioned a Senate investigation that was conducted in the 17th Congress and although the investigation was stopped, the COA issued a Notice of Suspension on the BHS project. He said that several other entities were likewise conducting investigations, among them the Presidential Anti-Corruption Commission, the Ombudsman, and the NBI.

Upon query, Senator Go said that P1.3 billion has been disbursed, corresponding to 270 BHS constructed. He clarified that the amount was merely mobilization fee.

On the matter of the Health Facilities Enhancement Program or HFEP, Senator Lacson asked how much of the P15 billion as approved under the 2019 GAA was obligated and disbursed for the HFEP. He recalled that Senator Drilon required the DOH to make a submission of HFEP in last year's budget deliberations. He further recalled that during the bicameral conference there were appeals from congressmen requesting to be included, aside from those already submitted when the list was required from them.

Senator Go replied that for HFEP 2019, 13% was obligated and 11.1% was disbursed. He said that due to the late approval and release of the 2019 budget, the DOH operated on a reenacted budget for almost the first semester of the year.

Senator Lacson said that at least the Body was able to resolve some of the issues. He assumed that if all the amendments would be carried and there are funds available in the 2020 GAA, the issue concerning the salary upgrade of the nurses would be addressed.

MANIFESTATION OF SENATOR MARCOS

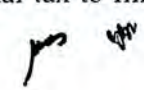
As regards medical tourism, Senator Marcos said that there was P6 million dedicated to policy development. She hoped that the foreign HMOs would finally accredit some provincial hospitals and

that the DOH should aggressively and conscientiously help the provincial hospitals to attain HMO accreditation overseas. She said that it is a key revenue stream for hospitals in the Ilocos Region, because the *balikbayan* population rely on their HMO cards but unfortunately, she lamented, they could not use their HMO cards because there are no accredited hospitals. She expressed hope that the DOH could help the provincial hospitals earn from a reliable revenue stream, saying that the program would truly enhance medical tourism.

On the issue of child nutrition, Senator Marcos said that she was surprised to find out that P138 million worth of micronutrient powder sachets were discovered by COA to be expired or near expiring. She said that among those found were Vitamin A and therapeutic milk and other items for the National Nutrition Council which would have been beneficial to children but which were laid to waste, so that it was not surprising when the World Bank, in its 2018 report entitled, "Making Growth Work for the Poor," reported that one-third of Filipino children under the age of five suffered brain stunting as well as severe malnutrition. She hoped that the problem of child nutrition be taken seriously as she expressed her frustration over the rotting micronutrients.

She said that another issue that posed a serious threat to economic development was teenage pregnancy. She said that in the Philippines, it was found that one-fifth of female teenagers between the ages of 15 to 19 were pregnant. She lamented that a mere P94 million was allocated for the Adolescent Health and Development Program but with no specific teenage pregnancy prevention effort; rather, it was only for mere media placements and health promotion capacity-building. She hoped that the matter be taken far more seriously in conjunction with DepEd and DSWD and for convergence to happen.

Finally, she said that the constant claim made is that the Universal Health Care could not be funded and that, in fact, there is a funding gap. She recalled that during the deliberations in the 17th Congress, it was shown that if BIR is able to collect 50% of excise tax that it is supposed to collect from sugar-sweetened beverage tax and alcohol tax at 2018 levels as provided under RA 11346, there would be a surplus of almost P10 billion. If this happens, she said that there was no need for additional tax to fill the so-called funding gap.



INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros expressed her agreement and support with regard to the points raised by Senators Recto and Lacson particularly on their proposal that all the money mandated by law to go to the Universal Health Care law should be followed, and that all expenditures, in relation to the programs, projects and activities related to Universal Health Care must be increased.

On a related matter, Senator Hontiveros noted that Special Provision No. 4 on the Food and Drug Administration of the 2019 GAA provided an additional P824 million to support its 5-year development plan with P731 for million for MOOE and P93 million for capital outlay. She asked for an update on the utilization of the funds and how much have been used and for what purpose.

Senator Go said that from the P731,108,000 appropriated for the MOOE of the FDA, they have utilized, so far, the amount of P239,558,322 for their operations or 33% of the total allotment; fund modification to capital outlay, amounting to P286,624,000 was requested and for approval of the DBM secretary; pre-procurement for the modified capital outlays was being conducted; allotment of P83,768,000 was released from the P93,223,000 appropriated for capital outlay; the bidding process for the procurement of capital outlays was already on post-qualification stage; special budget request submitted to the DBM, the SAROs amounting to P814.876 million; and P600,000 was released from MOOE and Capital Outlay requirements.

Senator Hontiveros noted that the utilization of the MOOE was quite low. She said that although Senator Go mentioned 33%, it seemed that the utilization of the original capital outlay was higher, P83 million out of P93 million.

Asked further about the capital outlay proposed to be increased to P286 million, Senator Go said that it would be used to improve the laboratories in the regional offices.

Senator Hontiveros said that upon the completion of the increase to P286 million at the current utilization of P83 million, it would go down again to 30% or 33% utilization and the DOH would again step up to fully utilize the money for the FDA.

On the matter of health promotion, Senator Hontiveros asked whether the DOH would have a timeline for the full establishment of the Health Promotion Bureau (HPB) and the creation of the National Health Promotion Strategic Framework as mandated by the UHC law. Senator Go said that the Health Promotion and Communication Service will transition into the Health Promotion Bureau as mandated by the UHC Act. He said that based on the UHC Act, the Health Promotion Bureau shall be allocated with at least 1% of its total budget appropriation, with the 2020 proposed DOH appropriations amounting to P133.5 billion. However, he said that for the year 2020, based on the NEP program, the Health Promotion and Communications Service and the Health Promotions Bureau was allocated P512 million. To augment the 0.6% deficit, he said that the Disease Prevention and Control Bureau will allot P257,622,310 for the promotion and advocacy for specific activities of the DOH health programs.

As regards the timeline for the establishment of the HPB and the 2020 National Health Promotion Strategic Framework, Senator Go said that it would be as follows:

- Drafting of the National Health Promotion Strategic Framework master plans and annual plans by August 2019 up to June, 2020;
- Capacity building of HPB and CHD personnel that would start from March 2020 up to December 2020; and
- Forming of partnerships, developing of programs, preparing the settings and research, onwards up to June, 2021.

As to when the Health Promotion Bureau would transition into a full bureau, Senator Go stated that according to Secretary Duque, it would be towards August 2020.

Senator Hontiveros inquired about the tobacco and alcohol control programs of the DOH for 2020, as she pointed out that the Senate unanimously supported the increase on tobacco and alcohol taxes.

SUSPENSION OF SESSION

Upon motion of Senator Go, the session was suspended.

It was 6:11 p.m.

RESUMPTION OF SESSION

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

Upon resumption, Senator Go stated that the tobacco and alcohol programs are under the Lifestyle-Related Disease Program which sources its funds from the budget of the Prevention and Control of Non-Communicable Diseases Program which, for 2020, has a budget of P509 million.

Asked if the newly-established Health Promotion Bureau, would have technical personnel who would focus on priority health issues like tobacco and alcohol, including road safety, Senator Go replied in the affirmative. He stated that Health Undersecretary Mario Villaverde will head the Bureau.

Asked for an update on the Mental Health (MH) Law after its IRR has been approved, the Philippine Council for Mental Health has convened, and the Multi-Sectoral Strategic Plan has been drafted, Senator Go replied that the Department has formulated the five-year strategic plan for the implementation of the Mental Health Law and has also developed guidelines for informed consent to treatment, exemptions to informed consent, advance directives, legal representatives, and supported decision making. Moreover, he said that there is an ongoing drafting of the guidelines for the community-based mental healthcare program. He said that Mental Health Law would have a budget broken down as follows: P6 million for promotion; P31,308,400 for governance; P197,167,500 for services; and P159,500,000 for information. He said that P84 million is still needed to fully fund all other activities of the program for 2020.

On whether the MH Law has a separate line item in the NEP, Senator Go replied that it was included in the Prevention and Control of Noncommunicable Diseases Program. He said that the strategic plan has to be approved first so that it becomes the basis for a line item in the 2021 budget.

Senator Hontiveros stated that one of the objectives of the MH Law is to promote an environment that is conducive to the advancement of people's mental health. She then inquired if the DOH has interventions of educating the people on the concerns of mental health and how the public could deal with it. Senator Go said that the Department has a plan for the community mental health program.

As regards the First 1,000 Days Law, Senator Hontiveros asked about the current data on growth stunting. She recalled that earlier, Senator Marcos discussed about stunting or low height-for-age and wasting or low weight-for-height of children five years old and below. She said that during the deliberation of the First 1,000 Days Law, the data then was 30% for stunting and 7% for wasting.

Senator Go stated that three out of 10 Filipino children under five years of age are stunted. He said that the stunting prevalence may be due to 1) various factors that are not within the control of the health sector alone, like poverty, employment, livelihood and access to food and other services; 2) low education of mothers and caregivers leading to poor child care practices; and 3) poor access to water and sanitation facilities that bring about infections and diseases. As for wasting, he said that it has gone down to 5.6%.

Senator Hontiveros stated that under the *Kalusugan at Nutrisyon ng Mag-Nanay* Act, the National Nutrition Council (NNC) was given the mandate to spearhead government efforts to fight malnutrition especially among children; reduce stunting and wasting among children under five years old; and address the nutritional needs of adolescent girls, pregnant and lactating women, and older women as specified under Sustainable Development Goals No. 2. However, she noted that the NNC list did not specify organizational outcomes and performance targets.

SUSPENSION OF SESSION

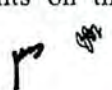
Upon motion of Senator Go, the session was suspended.

It was 6:48 p.m.

RESUMPTION OF SESSION

At 6:49 p.m., the session was resumed.

Responding to the query, Senator Go stated that the NNC is a multisectoral coordinating body that is composed of different government agencies. He said that Secretary Duque has instructed the NNC to include the agency's organizational outcomes and performance targets, and that at the proper time, the Committee would accept amendments on the provision.



Senator Hontiveros said that she would await the targets of the NNC and include them in her proposed amendments.

Citing RA 11184, Senator Hontiveros stated that Section 14 (d) thereof gives the NNC the mandate to coordinate joint planning and budgeting of member-agencies to ensure funds for relevant nutrition programs. She then requested a summary of the nutrition programs and activities of different partner-agencies.

Senator Go stated that the DOH would include the NNC's planning, budgeting, programs and activities in the 2021 budget.

As regards the number of teenagers availing of the services and commodities in preventing teenage pregnancies, Senator Go stated that in 2018, 3.9 million women of reproductive age were reached and identified with unmet need for modern family planning and that same year, 1.2 million were new acceptors and 7,414, 854 were current users by the end of 2018.

Senator Hontiveros noted that the figures given were for women of child-bearing age. She then inquired about the number of teenagers who availed of the services and commodities that would help in the prevention of teenage pregnancy.

Senator Go said that the DOH has strategies to reduce adolescent birth rates for the three specific groups, which are as follows: 1) for those not sexually active — to delay sexual activity through comprehensive sexuality education implementation with DepEd, and peer and parent education with the DSWD; 2) for those sexually active — to protect from HIV and unplanned pregnancy by ensuring access to reproductive health information and full range of contraceptive options; and 3) for pregnant and for those with children — to prevent rapid repeat pregnancy through safe delivery access to postpartum family planning and provision of financial, psychological support from PhilHealth and DSWD, respectively.

Senator Hontiveros noted that the DOH-Cordillera's Adolescent Health and Development Program seemed to have been successful in reducing teen pregnancy in the region through its "*Am-among* (gathering) for Health: Adolescent edition." She asked whether the DOH would institutionalize such a practice

because of the urgent and worsening teen pregnancy situation in the country. Senator Go replied that all the best practices were being reviewed to determine whether these are effective and could be institutionalized.

Senator Hontiveros recalled that the DOH had confirmed the first case of polio in the country after samples were sent to the National Institute of Infectious Diseases in Japan for testing and confirmation. She asked if the country's Research Institute for Tropical Medicine (RITM) has the capacity and the technology to conduct advance tests and perform its function of laboratory-based surveillance. She also asked what other resources are needed so that the RITM would be functioning at its optimum level.

Senator Go replied that the institute has the capacity to do testing which, however, has to be subject to third party confirmation in accordance with the World Health Organization (WHO) protocol. Given its valuable role in public health, especially in surveillance and control of disease outbreaks, he informed the Body that the RITM had hosted 12 National Reference Laboratories (NRLs) on infectious diseases, which include laboratories for dengue, influenza, TB, measles, and enteroviruses such as polio virus. This, he said, is the reason the budget of the RITM was increased by P80 million — from P118 million in the NEP to P198 million in the Senate version.

Senator Hontiveros recalled that during a committee hearing, there was mention of the DOH's plans to set up a facility to manufacture BCG vaccine in the country which, she believed, could save lot of lives. Senator Go replied that according to Health Secretary Duque, the plan is not cost-effective and that it would be better to import the vaccine because other countries are capable of producing the volumes required. Senator Hontiveros said that she would just pursue the topic in the future since it was an option that could be considered by the DOH.

On another matter, Senator Hontiveros said that the HIV/AIDS advocates and civil society organizations (CSOs) have been complaining about the decreasing number of allocations of antiretrovirals (ARVs) in the treatment hubs for persons living with HIV. She asked if said complaints have been resolved and whether the supplies had normalized. Senator Go replied that since the facilities were unable to dispense the usual three to six months' supply due to low

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supply of ARVs, they only gave the patients a one-month supply to avoid any interruption in their treatment. To address low supply, he said that the program realigns supplies from facilities with adequate supply to those with low supply. He added that the DOH aims to have a new supply by January 2020 and that, in fact, it has begun procuring ARVs since the current supply is projected to last only until April 2020.

Senator Hontiveros hoped that the DOH could provide and monitor a steady supply of treatment of ARVs. Asked how much was allocated in the NEP for HIV/AIDS commodities and whether it would be enough to resolve the previous issues on these commodities from happening again, Senator Go replied that a total of P449 million was allocated for the National AIDS and STI Prevention and Control Program. He said that the proposed budget for 2020 was increased to P793.5 million because more ARVs are needed to cater to the increasing number of HIV patients in the country. He affirmed that the allocation would be sufficient for 2020.

Senator Hontiveros asked for an update on the PhilHealth Data Transparency Program so that the agency could make financial claims data of hospitals readily available online, similar to what is being practiced in health insurance institutions in the US, Croatia, and Krygzstan. Senator Go replied that PhilHealth had improved its IT infrastructure through the following: the creation of Task Force Informatics (TFI) that reports potentially fraudulent cases through machine learning identification and detection administrative system to detect possible fraud outputs or potential fraud; and the reconstitution of the Health Insurance Data Analytics Committee to Health Insurance Analytics Scheme to clearly define roles and accountabilities and regular claims reporting analysis to monitor trends and assess situations, including fraud. He said that the program also boosted public awareness campaign on anti-fraud campaign; thus, every Filipino should take care of their PhilHealth data.

On another matter, Senator Hontiveros said that the government was supposed to implement the salary increases it owes to Filipino nurses as mandated by the law passed by Congress in 2002. She said that the nurses were only asking for what is due them under the law. In this regard, she expressed support for Senator Lacson's proposed amendment for a special provision in the 2020 budget and suggested

including an allocation for the gradual salary increase of the nurses by making salary adjustments from Salary Grade 11 to Salary Grade 13 in 2020 and the full implementation for Salary Grade 15 in 2021. Senator Go agreed.

Regarding the public health side on the war on drugs, Senator Hontiveros said that the World Health Organization (WHO) considers substance use disorders as part of the mental, neurological, and substance disorders (MNS). She said that under this framework, substance use which includes alcohol, tobacco, stimulants, hallucinogens, cannabis and other prohibited drugs are treated as a medical and public health problem. She asked if the DOH agreed with the view that in the war on drugs, it ought to have a greater role in the government's policy and agenda setting response to the problem of illegal drugs.

In reply, Senator Go said that the government should also look into the rehabilitation and recovery of drug dependents because they are victims needing medical, psychological and spiritual health. He said that with proper intervention, drug dependents could still be successfully reintegrated into society as healthy and productive citizens of the country. He stressed that the Duterte administration has not lost sight of its duty to aid in the recovery of the lives of people who have been destroyed by illegal drugs. In this regard, he informed the Body that President Duterte inaugurated a drug rehabilitation center in Bukidnon in 2018 along with another drug rehabilitation facility in Las Piñas through the initiative of Senator Villar and her family, and a residential treatment facility in Nueva Ecija in early 2019. As the chairperson of the Committee on Health and Demography, he said that it was important for him to emphasize the need for rehabilitation and reintegration of drug dependents. This, he said, was the reason he filed Senate Bill No. 399 which mandates the establishment of drug abuse treatment and rehabilitation center in every province of the country.

On whether the DOH had accepted its greater role in setting up the policy agenda of the government, Senator Go replied in the affirmative.

Senator Hontiveros said that the WHO report on treating substance use and abuse revealed that only .06% to 1% would require in-patient treatment; 2% to 10% would require out-patient treatment; and 90% would require community interventions. She said that the P1.1 billion budget of the DOH for dangerous

drugs abuse, prevention, treatment program and operations, drugs abuse treatment and rehabilitation center, covered the following: Personal Services (PS), P567 million; Maintenance and Other Operating Expenses (MOOE), P604 million; and Capital Outlay (CO), P3 million. She asked why a significant amount would be spent for in-patients and out-patients as she also asked for details on the specific programs and plans of the DOH for community rehabilitation and demand reduction advocacy education and prevention and its budget allocation for such programs.

Senator Go replied that community-based drug rehabilitation programs are implemented by the LGUs, while the DOH would only provide technical assistance and guidelines.

Senator Hontiveros said that at the proper time, she would introduce amendments so that bigger allocation from the in-patient and out-patient programs would be transferred to community-based programs of the DOH, in partnership with the LGUs.

On another matter, Senator Hontiveros asked when the draft executive order setting the maximum retail price for selected essential medicines that had been submitted by the DOH to the Office of the President would be approved by the Chief Executive. Senator Go assured that he would check whether the draft executive order setting the maximum retail price for selected essential medicines was already with the Office of the President. He expressed hope that it would be favorably acted upon as a fitting Christmas gift to the people.

As regards the battle against tuberculosis, Senator Hontiveros asked what strategy the DOH was using to combat the disease as she recalled former Senator Juan Flavio Velasco calling on the government to declare tuberculosis as a national emergency and a national shame, yet the problem still persisted one generation later. He said that the Philippines even recorded the highest number of TB cases in the ASEAN region, rising from 1,200 cases per day in 2016 to 1,600 new TB cases detected every day in 2018, and currently to more than 1 million cases in the country with 60-70 Filipinos dying every day.

In reply, Senator Go stated that the Department of Health would procure, among other items, additional GenExpert machines to improve people's access to services, ensure that services are provided to the community and brought closer to the people by active

case finding in the community, conduct awareness programs through counselling, television, and radio advertisements, implement mandatory notification for the private physicians, engage the hospitals to report TB cases, engage the private work places for annual screening, and report TB cases.

Senator Hontiveros lauded the programs of the DOH against combating tuberculosis, saying that the program followed a good multi-sectoral approach.

INTERPELLATION OF SENATOR DRILON

Asked by Senator Drilon on the number of public nurse positions in the government, Senator Go replied that there are 7,193 for the Nurse I position and 32,842 for the Nurse II position or a total of 40,035 positions, as he further affirmed that there are Nurse III positions in government hospitals. He assured Senator Drilon that he would submit the number of available Nurse III positions.

Senator Drilon explained that he asked for the number of items for the Nurse III position as he noted the annual increase in the PS for the Nurse I and Nurse II positions which is roughly P3.1 billion for both positions. He then asked what the DOH intends to do as regards implementing the Supreme Court decision on the *Ang Nars Party List* case, and whether the agency would be implementing an increase for all levels or only for the Nurses I and II. He cautioned that the DOH might face a problem on salary distortion which is not easy to solve. For instance, he asked what would happen to Nurse III if the salary of Nurse II would be increased. He pointed out that while the DOH may not be required to increase the Nurse III salary because they are not covered by the decision, granting the increase would result in salary distortion that would demoralize the nurses even more.

Asked on the salary grade of Nurse I and Nurse II, Senator Go said that the Nurse I belongs to Salary Grade 11 which would be upgraded to Salary Grade 15, while the Nurse II position which is currently at Salary Grade 15, would be upgraded to Salary Grade 16. As regards Nurse III, he stated that their salary grade would stay at Salary Grade 17.

Senator Drilon said that the Secretary of Health should consider making adjustment, conscious of the salary distortion as a result of the *Ang Nars Party List* case.

Senator Go gave the assurance that the Secretary would further study the increase in the salary grade of nurses to address possible wage distortions.

Recognizing the limitations on the budget, Senator Drilon nevertheless suggested that the agency recognize the problem and be conscious of the solutions, not necessarily next year but in the coming years so that the demoralization of the nurses could be addressed.

As regards the problem of polio, Senator Drilon said that the country has been declared polio-free for 20 years but that recently Lanao del Sur, Laguna and Maguindanao reported one polio case each.

Senator Go revealed that there are already four cases, the most recent being in Sultan Kudarat.

Asked to confirm whether 19 countries are requiring Filipino travellers to have polio vaccination certificate before they are allowed entry, Senator Go answered in the affirmative.

Senator Drilon said that requiring Filipinos vaccination certificate abroad affects national pride because it would be very embarrassing for the Secretary of Health or any Filipino to be asked for it when they travel abroad.

Asked whether it is the Bureau of Quarantine that issues the certificate of vaccination, Senator Go answered in the affirmative, adding that the Bureau has increased access or lanes for those seeking vaccination certificate. He confirmed that a certificate costs P300, but he clarified that the vaccine itself is free.

Asked whether polio and other diseases are preventable by proper vaccination, Senator Go replied in the affirmative.

Senator Drilon noted that the budget for the National Immunization Program has not changed much over the past two or three years. He then asked why the incidence of the disease went up again, what the disbursement rate of the agency was, and whether the disbursement rate was the result of not following standards, Senator Go replied that the utilization rate in 2015 was 95%; 98% in 2016, 2017, and 2018. He confirmed that as of October 31 of the current year, the National Immunization Program already obligated a total amount of P6.797

billion which is 90% of the total NIP budget allocation for 2019.

Asked why the polio virus resurfaced if the utilization of the budget was very high, Senator Go explained that the reluctance was in 2018 but it improved in 2019 and the measles coverage for the second quarter of the year went up to 98% after the measles outbreak declaration.

Senator Drilon said it was good to hear that the coverage was 98%.

MANIFESTATION OF SENATOR TOLENTINO

At this juncture, Senator Tolentino stated that he would no longer interpellate Senator Go on the budget of the DOH but was only going to give some friendly reminders to the Department.

He began by quoting from an advisory issued by the World Health Organization last January 12, 2018, entitled "Communicating Risk in Public Health Emergencies," which read: "During public health emergencies, people need to know what health risks they face, what actions they can take to protect their health and lives. Accurate information provided early often in languages and channels that people understand, trust, and use enables individuals to make choices and take actions to protect themselves, their families, and communities from threatening health hazards."

Relative to the discussion on the communications budget of the DOH, Senator Tolentino said that he considered the position of the secretary of Health as akin to the US surgeon general whose statements everyone must take heed of because he is the leading spokesperson in terms of public health issues. He added that the DOH Secretary should be considered as the nation's doctor, providing the people with the best scientific information available on how to improve their health and reduce risk of illness and injury.

Senator Tolentino said that he has prepared timeline of events which may not have accurate figures and dates but conveys the message that Secretary Duque was the country's own surgeon general.

He recalled that the issue on the polio virus was taken up as early as May 2019 when the World Health Organization released a statement on the international spread of the disease after the 21st meeting of the Emergency Committee convened by

the director-general in Geneva which he supposed the DOH was a participant. However, he lamented that it was only after four months that the DOH identified the priority areas that should be strengthened, and another month to come up with a catch-up polio vaccination plan in Mindanao and Metro Manila. He said that he commiserated with the polio victims in Marawi and in Lanao del Sur earlier that day. He hoped that the DOH was able to utilize the estimated P1 billion budget for communications and advertisement to address the spread of viruses such as polio.

On the other hand, Senator Tolentino pointed out that even though the impact of health-related advertisements is usually felt during the Christmas season such as the "*Iwas Paputok*" campaigns on radio and television, media advisories on health issues like polio might no longer be necessary since the Secretary of Health is the surgeon general of the country. He also noted that the advertising budget only had a utilization rate of around 24% or 36%.

On another matter, Senator Tolentino said that the country was ranked eighth in terms of tuberculosis cases in 2017 despite the passage of Republic Act No. 10767 or the Comprehensive TB Elimination Plan Act of 2019 which includes the conduct of a public information campaign.

He also recalled the DOH declaring a dengue alert around September or August 2019 following the deaths of 600 people because of the disease. He lamented that the declaration was made too late since World Health Organization data showed that the dengue outbreak was expected to happen as early as January 2019.

Regarding the issue on the African Swine Flu (ASF), Senator Tolentino stated that even if it is a matter that primarily concerns the Department of Agriculture, it is also a health-related problem that involves the DOH. He commended Secretary Duque for promptly issuing a public advisory last August 22, 2019, reminding people to cook pork thoroughly pending the determination of the possible outbreak of ASF. However, he wondered why there was no follow-up advisory on the ASF after that time since the communications budget of the DOH could have been used to spread information on the ASF which already affected at that time 90,000 local hog raisers. He said that while he was thankful to the Nueva Ecija municipal health officer who told a newspaper that ASF does not pose a risk to human health,

it should have been the DOH Secretary who made that assurance to the general public.

On vapes and e-cigarettes, he said that a number of communiques, including the most recent one from the World Health Organization dated September 13, 2018, recommended prohibiting the use of such devices until these are scientifically proven to be safe. Relative thereto, he expressed disappointment that a 16-year old girl in Visayas fell ill the past week due to e-cigarette use despite numerous issuances from the Centers for Disease and Control (CDC) on the dangers posed by vaping. He wondered why the DOH had to wait until this unfortunate incident happened before using its communications budget to issue the warning.

Senator Tolentino said that he would no longer enumerate the other health issues that could have been addressed through the proper utilization of communications budget. He urged Secretary Duque to fully utilize the budget given by Congress and fully utilize the powers of his office by exercising the functions of being the country's surgeon general. He hoped that the DOH would be the first to raise awareness on numerous health issues by providing information to the public with the help of the barangay health worker who would volunteer in disseminating the correct information.

INTERPELLATION OF SENATOR GORDON

Preliminarily, Senator Gordon noted that the government's long-standing promise to give public nurses a higher basic pay had been resolved since it was able to get funding to pay their upgraded Salary Grade 15. However, he expressed concern that there would be distortions because of a failure to follow through on the rest of the salary grades.

Asked if the increase was exclusive only to public nurses, Senator Go replied in the affirmative.

Senator Gordon lamented that new nurses are often exploited when they work in public hospitals but still do so to get the experience necessary to work overseas. He said that he was glad to know that the proposed national budget would increase the basic pay of the public nurses because this would encourage more of them to work in public hospitals specially since six out of 10 Filipinos die without ever seeing a doctor and many rural health centers do not have nurses. However, he cautioned that it is also

possible that nurses in the private sector would transfer to the public hospitals for the higher pay. He then asked if it was possible to also increase the salary of nurses in the private sector similar to the adjustments that the Red Cross had made for its nurses.

Asked if there is a provision to have at least one nurse assigned to every public school, Senator Go replied in the affirmative.

Senator Gordon thanked Senator Go for paving the groundwork for the salary increase specially since it was a decision that had been upheld by the Supreme Court. He stated that it opened not only the gates towards public health nursing in schools but even in the industrial level so that nurses are available to attend to a certain number of employees. He also hoped that the increase in the basic pay would motivate Filipino nurses to stay in the country instead of working in other countries. He also noted that of a total of 66,765 nurses, 35,000 serve in the private sector and 31,000 work in the public sector. Moreover, he said that many nurses work as call center operators.

On another matter, Senator Gordon said that adjusting the salaries of nurses needs funding. Noting that funds for implementing the Universal Health Care Act are also lacking, he cautioned that the government would eventually run out of money if salaries continue to be adjusted unless it starts getting more investments, jobs, and production.

Senator Go said that the Committee on Health would study Senator Gordon's concern.

Senator Gordon said that people must aggressively challenge themselves to have the right attitude towards problems so that when illnesses like polio or measles hit the population, there would be enough health practitioners who could help keep the country's health systems better.

Asked if the P60 billion to P70 billion shortfall in the UHC would be obtained from sin tax collection and the GAA, Senator Go replied in the affirmative.

Asked how the UHC would be implemented if the fund is inadequate, or if there would be prioritization of the program, Senator Go stated that the UHC reforms would be implemented nationwide, such as

immediate eligibility as PhilHealth members; roll-out of the expanded Primary Care Benefit (EPCB); no co-payment policy for basic or ward accommodation assignment of every Filipino to dedicated primary care provider; and improving access to medicines and commodities. As regards the nationwide integration-related reforms of UHC, he admitted that it could not be immediately implemented because they should be progressively rolled out and integrated into a province-wide and city-wide health system in LGUs which pledged to increase their readiness capacity for the UHC roll-out.

Since the roll-out is already happening and could not be stopped, Senator Gordon suggested raising more taxes, or for BOR and BIR to efficiently collect taxes.

As to the suggestion to stop buying medicines which are not necessary like Dengvaxia, Senator Go said that not a single centavo should be wasted on such medicines. Senator Gordon remarked that among the many issues within the DOH was having people with bad intentions like those who caused the Dengvaxia controversy which took lives of countless children.

Asked about the mobilization fund of school clinics and barangay health stations, Senator Go said that the P1.3 billion mobilization fund which, was released in 2015 has been placed in the Construction Industry Arbitration Commission (CIAC) which, in turn, ordered the DOH to pay a total of P1.02 billion for the contractors' supposed accomplishments; however, since the project was under the fraud audit of COA which might be subjected to notice of disallowance, the DOH would appeal the award through the Office of the Solicitor General alongside another investigation by the NBI. He assured that the DOH would exhaust all available legal remedies to show its prudence on the matter inasmuch as billions of pesos were at stake.

Conversely, Senator Gordon appealed to the Executive branch to have a stronger commitment and a deadline in trying to get back the money that was spent, and hoped that without being political, there would be a conclusion to the investigation so that those liable would be apprehended. He asserted that the money which was stolen from the government must be returned in no uncertain terms.

Asked if UHC's payment of emergency health services includes ambulances, Senator Go replied in

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the negative. He said that currently, the UHC is not paying for the ambulance services.

Asked how many ambulances the DOH has, Senator Go said that the DOH has 1,399 licensed ambulances. On the other hand, Senator Gordon disclosed that the Philippine Red Cross (PRC) has 156 ambulances equipped with GPS and GIS systems. He said that currently, 196 patients were being assisted by the PRC.

To Senator Go's statement that the DOH would study the ambulance benefit package, Senator Gordon remarked that if the DOH is not providing adequate service, the cost must be recouped so that the ambulances would be replaced aside from payment of training fees and fuel expenses. He said that those belonging to the auxiliary government must endeavor to help others like what the PRC does by minimizing its losses since it only obtains funds from volunteers and consolations.

As regards polio, Senator Gordon stated that the DOH has a target of 50,000 out of the 1.7 million which, he believed, was quite low considering that the PRC has spent over P62,843,000 for polio for the first of three tranches. In reply, Senator Go said that the pertinent MOA was already being reviewed by the legal department of the DOH. Senator Gordon said that the PRC supplies over 50% of the blood requirements of the country, at a rate similar to what DOH charges. However, in view of PRC's partnership with the DOH, he said that even an indigent who suffers from a catastrophic illness could avail of the service through the Good Samaritan Program.

As to the price of blood, Senator Gordon said that blood in private hospitals is priced between P3,000 to P10,000 per bag, and that in case there is shortage of available blood, the PRC provides the blood which the hospital does not accept as is, thus, the PRC has to conduct blood re-testing which is also priced from P3,000 to P10,000. He said that non-government or humanitarian organizations must charge correctly as he disclosed that a hospital in Olongapo City was shut down due to a similar issue. He said that the DOH must be investigated for being nonchalant and negligent in policing private institutions that are fleecing the poor and those with catastrophic illnesses.

Senator Go noted that the DOH issued Department Circular 2008-0008 on August 3, 2019, to reiterate the no-retesting policy of blood units and to set a

maximum allowable blood service fees for whole blood and blood components in blood service facilities.

Senator Gordon recalled one incident wherein the DOH acted on his report concerning a hospital that charged P152,000 for the blood transfusion of one patient. He said that the DOH should be more stringent in implementing their orders or issuances since hospitals are not supposed to profit from blood. Senator Go relayed the assurance of the DOH in that regard.

Regarding the proliferation of HIV, Senator Gordon stated that educating the public regarding the disease can keep it from spreading. He lamented that HIV cases are increasing in the Philippines, thus, drastic measures should be taken. He noted that the 2019 budget included a provision which should have allowed the DOH to buy nucleic acid test machines which was not, however, utilized. He said that hospitals should be careful in giving out blood since the virus could remain undetected for up to 21 days when regular tests are used, unlike the nucleic acid test which detects the presence of HIV much earlier.

Asked if there was funding to purchase the machines, Senator Go disclosed that only P293 million of the P1.431 billion that the DOH had requested from DBM specifically for that purpose had been approved.

Senator Gordon mentioned that DOH and Red Cross have a partnership; however, without proper equipment, it would be problematic. He said that the DBM must recognize the importance of having a blood testing capability of the latest kind. He cautioned that public panic might ensue if a recipient's blood system becomes contaminated by the virus. Senator Go agreed, saying that he would be open to amendments at the proper time. Senator Gordon stated that he will be submitting certain amendments later on.

To further illustrate the partnership between the DOH and Red Cross, Senator Gordon said that in the case of dengue, there are 10 hospitals that have used Red Cross tents and vests as well as its air-conditioning and other facilities to alleviate the patients' suffering. He also mentioned that the Red Cross has put up tents for measles patients as well as a tent facility in Kidapawan, Mindanao. However, he pointed out that the Philippines cannot just keep relying on the international community to provide assistance every time there is a disaster and that the government should

show that it is also doing its share insofar as its partnership with the Red Cross is concerned. Senator Go commended Senator Gordon and the Red Cross for their efforts in improving the health conditions in the country. Senator Gordon reiterated that the Red Cross primarily seeks to support and help alleviate the sufferings of Filipinos. He hoped that they can fight for the allocation in the bicameral conference committee, otherwise, the country's blood supply might be compromised.

Senator Gordon also mentioned the support Red Cross provided in Kidapawan and Digos, such as water supply, water tankers, bathrooms along with health clinics, and psycho-social support which were made possible by marshalling their limited resources and did not need to pay their volunteers.

Senator Gordon pointed out that 1,111 new confirmed HIV-positive individuals had been reported as of July 2019. He recalled that HIV had been successfully eradicated in Olongapo during his term as mayor.

Regarding prison health, Senator Gordon said that there is one prisoner dying every day, and there are only four doctors in the BuCor. He also mentioned the corruption therein—the prisoners pay these physicians to grant them medical leave so that they can go out and have a good time on the excuse that they are sick. He also suggested that the organizations concerned should hold regular meetings to promote community health in the prison system before it becomes a national issue. He pointed out that the Philippines has the most congested prison system in the world — BuCor has 48,000 prisoners, Bilibid has 28,000 prisoners and BJMP has a total of 136,314 prisoners. He believed that legislative measures should be crafted to solve this problem, like imposing community service for lighter offense and increase the number of judges so that prisoners would not have stay long in detention centers.

At this juncture, Senate President Sotto relinquished the Chair to Senator Villanueva.

Upon further query, Senator Go replied that cardiovascular or heart disease is the number one illness in the country in terms of mortality. Senator Gordon agreed, and he enumerated the other diseases in the list, to wit: vascular system, malignant neoplasm or cancer, pneumonia, accidents, tuberculosis, chronic lower respiratory disease, diabetes mellitus, nephritis,

and certain conditions originating from perinatal period. He hoped that DOH was acting to address all these diseases.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF HEALTH AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Angara, there being no objection, the budgets of the Department of Health and its attached agencies, namely, the Office of the Secretary, the National Nutrition Council, the Lung Center of the Philippines, the National Kidney and Transplant Institute, the Philippine Children's Medical Center, the Philippine Health Insurance Corporation, the Philippine Hearth Center, and the Philippine Institute of Traditional and Alternative Health Care, were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 8:33 p.m.

RESUMPTION OF SESSION

At 8:46 p.m., the session was resumed.

DEPARTMENT OF EDUCATION

Senator Cayetano presented the budget of the Department of Education (DepEd) and its attached agencies, amounting to P525,884,780 as total new appropriations, broken down as follows: P524,860,743,000 for the Office of the Secretary; P358,306,000 for the Early Childhood Care and Development Council (ECCD); P83,658,000 for the National Book Development Board (NBDB); P27,829,000 for the National Council for Children's Television; P443,078,000 for the National Museum; and P111,166,000 for the Philippine High School for the Arts.

MANIFESTATION OF SENATOR MARCOS

Senator Marcos, as chairperson of the Senate Committee on Cultural Communities, expressed concern on the Madrasah schools that were improperly placed in Salugpungan. She revealed that the DepEd ordered the closure of 55 schools operated by Salugpungan Ta'tanu Irganugon Community Learning Center Inc.,

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(STICLCI) for noncompliance with the curriculum standards set by DepEd Davao. Likewise, she said that there have been allegations from provincial security officers that radicalization and brainwashing of minors were taking place there, and that there have also been claims that the DepEd continues to underperform in the area because of peace and order concerns. She expressed hope that the DepEd would make certain that the students in the 55 Lumad schools would be given access to quality and affordable education.

As regards the out-of-school youth, Senator Marcos said that their number in the country has reached almost four million, yet, the proposed budget allocation for them for 2020 is only P600 million which, to her, is too low and would only cover a small percentage of them. She hoped that the DepEd budget is increased or some amount is realigned for the Alternative Learning System (ALS) which would be a big help especially to the youth in far-flung agricultural communities.

As regards the DepEd Computerization Program (DCP), Senator Marcos noted the increase of the budget for the program despite the many COA findings that disbursements from its P4.3 billion budget in 2019 suffered incredible delays and that their procurement process has many questionable issues. She expressed hope that with the 5% increase for 2020, the procurement and delivery of the direly-needed IT equipment would be fast-tracked. She lamented that the country has fallen so far behind in education standards relative to the rest of Asia, and IT is one of the most essential components to make the country catch up.

INTERPELLATION OF SENATOR RECTO

Senator Recto said that the increase in the entire national budget was roughly 11% and for DepEd, it was less than 5%. Senator Cayetano said that it was 3.9% in 2019 as against the current NEP.

With the 10% increase in the national budget, he wondered why the DepEd budget, which has the biggest budget among the departments, only received half the national average. Senator Cayetano said that it is the DBM that makes the decisions. However, Senator Recto argued that the final appropriation was still up to Congress.

He also revealed that he had written the Finance Committee to express support for the government

assistance and subsidies voucher program for private schools and even requested an increase of roughly P4.1 billion. Senator Cayetano said that the P4.175 billion was granted. Senator Recto lamented that it was still a far cry from the total budget in the Senate version which is at about P524 billion. He observed that if the national government's budget is growing by 10% and to make the education budget at par with that 10% increase, it would require about an additional P26 billion.

Asked on the amount requested by the DepEd from the DBM for the School Building Program, Senator Cayetano replied that it was roughly P200 billion.

Assuming a fiscal space of P26 billion, Senator Cayetano said that the amount would be used for basic construction which falls under the Basic Education Facilities Fund as well as the Last Mile Schools Program which sought to address the needs of the most neglected in the remote areas which need access to education.

Senator Recto said that he would be willing to work with the subcommittee and the Education Secretary because he believed that there could be more fiscal space for the use of the DepEd. He said that school buildings would help address the access side of education while more classrooms and fewer students would help improve the quality side as well.

Senator Cayetano said that she would gladly support the Last Mile Schools Program that would decongest the class size not only for a better teacher-student ratio but would also ensure of getting good teachers.

Viewing the bigger challenge as not only access to education, but the kind of education available, Senator Recto asked how much was being spent to improve the quality of education. He said that with the additional fiscal space, a percentage could be used for teachers' training. Senator Cayetano said that only P1.2 billion was allocated for the National Educators Academy of the Philippines but their original request was P4 billion.

In closing, Senator Recto said that he was anticipating many appropriations would be doubled based on the macroeconomic debate on the budget as well as the Senate's plan to extend the validity of the 2019 budget. He said that there was a lot of

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opportunity in the 2020 budget to make certain realignments because many items may be doubled and the budget is roughly P4.3 trillion which meant that there was a lot of possible fiscal space.

INTERPELLATION OF SENATOR TOLENTINO

Preliminarily, Senator Tolentino noted that based on the 2017 UNESCO study, there was a correlation between poverty and education, that low levels of education and acquisition of that education can hinder prosperity. He also cited a 2018 Philippine Statistics Authority (PSA) study by Undersecretary Lisa Grace Bernales entitled, "Filipino Families are Most Deprived in Education," which found that six out of 10 Filipinos in 2016 and five out of 10 Filipinos in 2017 had been deprived of basic education.

Senator Cayetano said that the PSA study was based on an Oxford Study which requires that at least one member in a family of five should be going to high school and yet in the Philippines, there was five out of 10 or six children who go to school. She said that the DepEd has written to PSA about the study.

Senator Tolentino said that given the huge allocation given by Congress to the DepEd, he found the result of the studies surprising.

Senator Cayetano stated that the PSA came out with a different result because it tried to use the Oxford formula but did not apply it in the same way.

On whether the formula was based on a western model that was not applicable to the Philippine setting, Senator Cayetano replied that it was actually applicable, but the PSA had changed the reporting such that it came out differently.

Senator Tolentino opined that the DepEd should clarify the matter in another position paper that would debunk the PSA study and show the positive results gained from having a huge budget several years back.

Senator Cayetano said that she would provide Senator Tolentino with a copy of the DepEd letter wherein it informed the PSA that the modification of standards was misleading and dangerous on several counts. Senator Tolentino said that it could help clarify any negative impressions that the study would produce.

On another matter, Senator Tolentino informed the Body that the earthquakes that hit Mindanao, particularly the areas of Tulunan and Magsaysay in Davao del Sur, resulted in P3.2 billion worth of damage to classrooms. He expressed concern over the lack of educational facilities and whether the students would be able to continue their studies or even graduate. He recalled that there was a lack of classrooms that could be utilized as evacuation centers at the time of the Mayon eruption but that the situation is different in the three towns because there is a total absence of classrooms even to be used as evacuation centers. Moreover, he said that the target completion of 4,110 classrooms for the current year would not be realized. Furthermore, he said that 657,654 learners were affected due to the 1,047 schools that have been damaged in Mindanao.

Senator Cayetano stated that the students in Mindanao have gone back to school using temporary learning spaces within the school premises attended to by the DepEd and the Red Cross.

Senator Tolentino expressed concern that the learners could be susceptible to aftershocks if they return to their school premises, especially if these had been damaged by the earthquakes. He said that aftershocks, some as strong or even stronger than the first quake, have been happening within a small space of time within the same location.

Senator Cayetano stated that if the families are to be relocated, the DepEd would have to relocate the temporary learning spaces as well. However, she said that some teachers may not be able to teach if they move to places that are far from their own families and temporary homes.

Responding to the comment that not only schools but even the entire communities would need to be relocated, Senator Cayetano believed that such is the way to deal with natural calamities. She stressed the need for political will to re-create communities, if necessary. She informed the Body that Secretary Briones had personally inspected the damaged school buildings and had given instructions to her team on the matter.

Senator Tolentino asked why the Cordillera and CARAGA Regions always had the lowest allocations, when the poverty incidence in those areas is high and as shown by the 2017 UNESCO study, there is correlation between poverty and education. He said

that even as Secretary Briones had told him that this was due to the low student turnout in these areas, the data provided by the PSA indicated that even regions with huge outlays like Region IV-A, which has the biggest budgetary share of P63.1 billion or 11.4%, had a high dropout rate while schools in the Cordillera region which has a low budget have a low dropout rate. He questioned why the budget is determined by the size of enrollees. He believed that a different formula in appropriating funds to schools should be applied. He said that there should be a formula that would provide assistance to students who really want to learn so that they could uplift their situation.

Responding thereto, Senator Cayetano stated that the issue raised by Senator Tolentino would be addressed by the Last Mile Schools Program which identifies specific areas that would receive funding. She said that many migrant students actually stay in centers like Baguio City because they value education very much and this accounts for the lower dropout rate. She stressed that those are the right people to invest in. She revealed that her frequent trips to the north – Cordillera Region, Apayao and Kalinga allowed her to personally witness this phenomenon.

INTERPELLATION OF SENATOR LACSON

At the outset, Senator Lacson revealed that he had always hesitated interpellating the budget of the DepEd because Secretary Briones had been his first adviser and inspiration in learning how to scrutinize the budget.

Senator Lacson then presented to the Body the status of the school buildings as of September 2019. He stated that while the DPWH is the implementing agency, in 2017, with a budget of P105 billion and a target of 44,774 classrooms, only 26,090 was completed; 18,000 ongoing; 159 yet to start; and 524 reverted. He noted that the figures were worse for 2018 because only 3,826 were completed and 18,771 were ongoing. He asked for cause or causes of the underperformance so that they could find a way to correct them.

Senator Cayetano explained that the construction of schools is divided between the DepEd and DPWH. She pointed out that the Basic Education Facilities (BEF) schools are operated by the DPWH; while the last mile schools and Gabaldon school building repairs are handled by DepEd. She said that the DPWH had informed her that it needed the

validation of the sites from DepEd before it could begin construction, while the DepEd maintained that it had provided the DPWH with the information. She said that Secretaries Briones and Villar had agreed to work together on these projects. She said that Secretary Briones also wanted the DepEd to participate in the building of the classrooms after finding out that the new classrooms are the responsibility of the DPWH.

On whether the causes of delay had been identified, Senator Cayetano stated that the delay in the validation of the sites was due to various reasons such as unsuitability due to natural calamities. She said that the DepEd has stepped up in ensuring that the past mistakes of building schools without knowing the ground stability would not happen again but that it would take time to determine that. She added that the legal issues of the site had also been a reason. She believed that by working together, they would be more productive this time.

Senator Lacson supposed that most LGUs, especially in the far-flung areas, would be more than willing to either donate their land or allow the school to use the land for free so that more school buildings could be built in their area. He stressed that if DepEd could not have the school built because it does not own the land, it must still find a way to construct the facilities.

Senator Cayetano stated that the availability of land is a problem in urban areas but is not often the case in rural areas since all that is needed to construct buildings is the validation from the DepEd.

Senator Lacson stated that if only few school buildings are constructed, the disbursement over obligation rate of DPWH would go down. He expressed concern that the issue over the low disbursement rate among all agencies would not be easily resolved since even the DPWH is unable to complete its own projects.

Senator Cayetano expressed hope that the 29.5% disbursement rate could still be doubled and translated to an increase of disbursement since the delayed approval of the 2019 budget meant that the fund has been available to the DPWH for only six months.

Senator Lacson pointed out that the disbursement over obligation was at 36.3% in 2017. He lamented that if the DPWH's underperformance in its own

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department might mean an underperformance in completing projects for other departments as well.

At this juncture, Senator Villanueva relinquished the Chair to Senator Zubiri.

Thereafter, Senator Lacson stated that for the current year, he proposed an increase of the budget of the DepEd by P1.75 billion, P1 billion of which was for School-Based Feeding Program. He then requested the Department to submit an update on the status of the program. Senator Cayetano assured Senator Lacson that the budget for the program was well used for its intended purpose and that he would be provided with its update.

On the performance information of the 2020 NEP, Senator Lacson noted that the program was able to accommodate more children than its actual target. He asked how the agency was able to do it with the budget given to them. Senator Cayetano replied that the budget of the agency was augmented by their ongoing partnership with the local government units and civil society.

INTERPELLATION OF SENATE PRESIDENT SOTTO

Preliminarily, Senate President Sotto asked if DepEd Secretary Briones was aware of Regional Memorandum No. 82, issued by DepEd Region III, which called for the implementation and inclusion in school calendar the observance and celebration, among others, of "Lesbian, Gay, Bisexual, and Transgender Pride Month" every month of June. Senator Cayetano replied that the agency actually wrote her an official reply to the issue which reads, in part "While we acknowledge the Division of Mabalacat City issued that division memorandum, it did not require students and teachers to participate in any activity related to LGBT Pride Month." She assured Senate President Sotto that the DepEd and its local offices have not required teachers and students to join any activity pertaining to the Pride Month and there were no penalties for those who did not participate.

Senate President Sotto feared that it might confuse young minds because the memorandum was very encouraging, considering that the "Pride Month" was integrated with some of the activities of the students from kindergarten to senior high school, like the Women's Month, Breastfeeding Month, Peace

Education Month, Children's Month, 18-Day Campaign to End Violence Against Women and Human Rights Month, which are all very good undertakings. He pointed out that "pride" is still one of the seven deadly sins. He said that in his book, entitled "*A Vision for a Drug-Free Philippines*," he wrote that "pride is the head of Satan and humility is his headache." He hoped that the DepEd would try to avoid controversial issues.

On whether the issuance was still in effect, Senator Cayetano replied that it was no longer in effect.

On another matter, Senate President Sotto observed that there was a sudden increase in the number of suicide cases and mental health challenges among the youth which has become alarming. He said that a 2015 global school-based survey showed that among 8,761 students from Grades 7 to 9 in the Philippines, aged 13 to 17 years-old, 11.6% considered suicide while 16% attempted suicide. Being the primary author of the Philippine Mental Health Act, he asked if the department has any specific policies and programs that would support students with mental health conditions.

Senator Cayetano replied that there has always been budget allocation for mental health and that for 2019, it was P4.8 million while for 2020, it is still P4.8 million which covers mental health forum, workshop for mental health policy, provision for age-appropriate interventions, among others. She disclosed that according to the DepEd secretary, one significant intervention is to involve children in many different activities, from sports to music and even joining competitions. She said that she could attest that sports, particularly running, have shown higher success rates in treating depression and that it could also address children in conflict with the law. However, she lamented that the P4.8 million budget was not enough; thus, she asked for the Senate President's proposal and support.

Senate President Sotto said that he would propose amendments at the proper time.

On the request of Senator Cayetano for additional guidance counselors, Senate President Sotto noted that there was a need for 3,500 more. He asked how many positions were filled for the position. Senator Cayetano replied that she had called the attention of

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the SUCs to work closely with each other to be able to produce new set of young professionals in the field of behavioral sciences, like psychology guidance counselling and social work, because the demand is very high, even abroad. She lamented that the country could not even produce enough to fill its own needs because these young professionals are being pirated abroad. She said that it is a problem that needs to be addressed from the supply side and she hoped that the SUCs could step up to make the behavioral science course a priority.

Of the 3,500 guidance counselors needed, Senator Cayetano informed the Body that 24% had been filled up. However, she said that there is an inherent problem because the law requires a master's degree in guidance and counselling but the plantilla position is basically equivalent to an entry-level Licensure Examination for Teachers (LET) passer, thus, the difficulty in justifying because of the requirement of a master's degree to a plantilla position equivalent to that of board passer teacher only. This, she said, presents a challenge in legislation.

To the suggestion of Senate President Sotto to amend the law or to allow certain elbow room in the DepEd, Senator Cayetano said that the salary grade of guidance counsellors with master's degree needs to be reviewed because its entry level could not be made similar to a four-year college degree. She proposed to look at the Salary Standardization Law V, which was in the process of review, and get recommendations from DepEd on where to make the adjustments.

Senate President Sotto disclosed that the Commission on Audit (COA) has discovered that over three million pieces of textbooks and other learning materials amounting to P113 million intended for public schools nationwide were left idle in the DepEd warehouses, of which 440,951 pieces were procured in 2014; 1.6 million in 2015; 11.2 million in 2016; and 128,111 in 2017. He asked why these learning materials were not distributed and remained unused all these years. Senator Cayetano explained that those were buffer stocks which would be used if there are calamities. She said that currently, there are very little inventory left in that warehouse because the remaining stocks have been distributed to the calamity areas.

At this juncture, Senator Zubiri relinquished the Chair to Senate President Sotto.

INTERPELLATION OF SENATOR GATCHALIAN

At the outset, Senator Gatchalian asked how many students are going to be enrolled in the senior high school voucher program for private schools. Senator Cayetano replied that 1,290,085 students would be enrolled for 2020.

As regards the cost of funding the 1.2 million students per semester, Senator Cayetano replied that the budget is P18 billion per semester or P36 billion per year. However, she noted that the Senate amendment recommended only P22.93 billion, short by roughly P13 billion to P14 billion.

Senator Gatchalian recalled that in the budget hearing, there was mention of the need for P14 billion aside from the past deficits incurred due to private schools. Asked how much is the deficit, Senator Cayetano replied that the amount of P11.4 billion is yet to be paid for 2019.

Asked whether P25 billion is still needed to pay the claims of private schools amounting to P11.4 billion and P14 billion to fund the second semester for 2020, Senator Cayetano answered in the affirmative. She said that the government owes the private schools P14 billion and that it would keep getting bigger because the students will be paying in order for them to go to school. She agreed to the observation of Senator Gatchalian that the private schools will carry the burden temporarily.

Senator Gatchalian added that the schools also have obligations to attend to like the salaries of the teachers and other utilities to pay.

Senator Cayetano clarified that some schools are requiring the students to pay in advance but it becomes a problem if the students cannot pay in advance; thus, the students transfer to the public schools, which will again become a problem if accommodated because the public schools are already congested.

Asked what would happen to the 1.2 million students who would enter the public school system if the amount of P14 billion would not be sourced out and whether the classrooms are enough to absorb the 1.2 million senior high school students, Senator Cayetano replied that the classrooms just need to be filled up by students but the ratio of the teacher-to-

students changes, which is not a good thing. She also anticipated that the existing senior high school students will be cramped in and that the student-to-classroom ratio would go off the roof.

Senator Gatchalian stated that at the appropriate time, he would introduce some amendments to ensure that the students have vouchers for the other semesters. He also asked whether the same situation also happens to non-DepEd public senior high schools, noting the drastic cut from the DepEd proposal of P900 million to the new committee report proposal which is P592 million. He asked how much is needed on top of the P592 million in order to make sure that 58,000 students in non-DepEd schools will go to school, Senator Cayetano replied that P592 million is enough to cover the first two semesters of the 58,000 students.

Senator Gatchalian asked whether there are deficits for non-DepEd schools.

SUSPENSION OF SESSION

Upon motion of Senator Cayetano, the session was suspended.

It was 9:51 p.m.

RESUMPTION OF SESSION

At 9:55 p.m., the session was resumed.

Upon resumption, Senator Cayetano stated that there is still a need for another P200 million to complete the first and second semesters for the non-DepEd public high school students, on top of the P592 million intended for the first semester and partly for the second semester. She assured that there was no deficit for non-DepEd schools.

Senator Gatchalian surmised that there is a need for an addition P200 million to make sure that the 58,000 students will go to school. As regards the classrooms, he noted the observation of Senator Lacson that DepEd was delayed in the construction of 28,000 schools in 2018 and because of the delay, the DBM reduced the budget for the building of classrooms and asked the DepEd to build only 8,000 classrooms in 2019 as backlog.

Asked how many classrooms are needed to be built as backlog in 2020, Senator Cayetano replied

that the total requirement for classrooms is 231,338. She said that the DepEd does not consider it backlog but a current requirement which is based on needs.

Senator Gatchalian noted that the fund allocation was merely P19 billion for the construction of 8,000 classroom which is still a far cry from the 231,338 required classrooms for 2020.

Asked how the lack of classrooms could affect the student-to-classroom ratio nationwide considering that 231,338 classrooms are needed but only 8,000 classrooms will be constructed and considering that there is still backlog for 2018 and 2019, Senator Cayetano replied that the student-teacher ratio will be affected as they have to absorb the students in the existing classrooms.

Senator Gatchalian noted that the current student-to-classroom ratio is healthy at an average of 40 students per classroom and is going down over the past few years. However, he expressed fear that if the budget intended for the construction of 200,000 classrooms in 2020 is not used, then it will be carried over to 2021.

Asked what the effect would be to the student-to-classroom ratio if the target number of classrooms would not be constructed, Senator Cayetano replied that the immediate response to the problem is to support the voucher program so that while building of classrooms is catching up, the private and the non-DepEd schools can be used as partners since the private schools have made known that they are available to partner with DepEd.

Senator Gatchalian requested from DepEd a projection and computation on the student-to-classroom ratio situation if ever construction of the 200,000 classrooms could not catch up in 2020.

Senator Cayetano assured that the requested data would be submitted to the Office of Senator Gatchalian, including the number of classrooms that would be identified geographically so that it can be studied for next year's budget.

Asked on the number of schools that do not have electricity yet, Senator Cayetano said that 1,700 classrooms do not have electricity or were "unenergized."

Senator Gatchalian then asked how far the P2 billion allocated to energize the schools would go

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in terms of how many classrooms would be energized, as he estimated that approximately P10 billion is needed to energize 1,700 schools. He stated that he would later on defend the budget of the Department of Energy to which funds have been allocated to electrify the remaining households that are not electrified yet. He then asked the DepEd for the locations of the electric cooperatives and for updated figures even at the regional level only.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri requested the DepEd to encourage more players for *arnis* in the Palarong Pambansa for 2021. Saying that there are only five players per school for the year 2020, he asked the secretary if it is possible to increase it to 10 players so that there would be players also for karate and taekwondo.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF EDUCATION AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Education, along with the Office of the Secretary, the Early Childhood Care and Development Council, the National Book Development Board, the National Council for Children's Television, the National Museum, and the Philippine High School for the Arts, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:07 p.m.

RESUMPTION OF SESSION

At 10:15 p.m., the session was resumed.

DEPARTMENT OF ENERGY

Senator Gatchalian presented the budget of the Department of Energy broken down as follows: Office of the Secretary, P1.43 billion; Energy Regulatory Commission, P799 million; corporate budgets of the National Electrification Administration, P14 billion, P7 billion of which is budgetary support from the national government; National Power Corporation,

P33.4 billion, P1 billion of which is the budgetary support from the national government; and Philippine National Oil Corporation, P1.024 billion.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros said that she only has two topics to ask about the proposed budget of the Department of Energy. However, she believed that there is also one bigger policy question that affects the two aspects that she would like to bring out.

Regarding the control of the National Grid Corporation of the Philippines, she noted that the transmission lines serve as the backbone of the whole energy industry in the country. She said that without the transmission lines that are run by the system operator of the NGCP, it would not be possible to use the power generated from different sources from different regions in the country. She said that the process starts from generation of power which flows through the transmission lines of the NGCP which will consequently be dispatched to distribution utilities (DUs) like Meralco and other DUs in the country.

She recalled that on November 13, 2019, it was revealed during the deliberation of the budget of the Department of National Defense that the system of the NGCP is under the State Grid Corporation of China over which Senator Recto and Senator Gatchalian as well as the ABS-CBN online news have expressed concerns, particularly on the fact that not only the transmission lines but also the whole power supply of the country are under the system operations of the NGCP which is run by Chinese individuals.

Senator Gatchalian affirmed that the transmission lines, which operation is under a monopoly, are among the most important facilities in the energy sector since they transmit electricity from Luzon all the way down to Mindanao. He said that it was privatized a few years ago but many safeguards were placed on the NGCT franchise, one of which is that the President has a special right to temporarily take over and operate transmission grid during war, rebellion, public peril, calamity, emergency, disaster, and disaster of peace and order. Another safeguard, he said, is that the State Grid of China owns only 40% while the remaining 60% of the franchise is owned by a Filipino corporation. Moreover, he cited Section 11, Article XII of the Constitution, which mandates that

the control and management of public utilities under which the transmission lines fall shall remain with the citizens of the Philippines as well.

Senator Hontiveros said that she would again raise questions on the safeguards mentioned by Senator Gatchalian, particularly on the right of the President of the Republic to take over the NGCP's management and control. She then asked who has the actual management and control of the facilities as well as the extent of such control on the volume of electricity that goes to particular areas and on the time of its distribution.

Senator Gatchalian said that during his consultation with the Department of Energy, he was told by the Energy secretary that the control is presently with the Filipino company. He recalled that when he visited the facility a few years back, he saw that Filipinos run the power transmission lines. He said that an initial public offering (IPO), one of the safeguards in the franchise, is very important because it is a mechanism which allows the public to participate not only in the governance of transmission lines but also in its policy and actual business. He believed that the IPO should have been conducted 10 years from the issuance of franchise, or January of the current year. He believed that the monitoring and supervision of the DOE whose oversight functions were requested through legislation, must be improved by doing periodic inspections and periodic audit regarding the operation of concessionaires. Considering that the EPIRA gave birth to the privatization of the transmission network, he asserted Congress' oversight power on the operations of NGCP. He said that the DOE, in fact, would present its findings and recommendations to assure the public that the Filipinos are in control of the national transmission lines.

Senator Hontiveros believed that the right to manage and control should be in written guidelines although it might vary if conducted as an actual day-to-day operation. But for policy debate purposes, she said that it would be a serious national security concern in view of China's recent behavior and hegemonic aspirations not just on the West Philippine Sea. She averred that China would have an enormous power as long as the system operations are controlled and managed by Chinese engineers through the NGCP and the State Grid Corporation of China (SGCC) inasmuch as according to a report, only the latter is able to troubleshoot, operate, and control the power transmission network. Because the manuals

are written in Mandarin, she said that Filipino engineers are reportedly unable to operate the remote monitoring and control system, thereby posing a grave risk to public infrastructure and vital risk to national security. Senator Gatchalian agreed that the management and control of transmission lines, being one of the most vital facilities in the country, should remain in the hands of Filipinos.

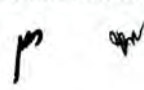
Asked if the NGCP's control system was supplied by the NARI Group Corporation (NARI) of China, Senator Gatchalian assured that there are built-in safeguards in the franchise and in the Constitution.

As to how often the supervisory powers of the government should be exercised to ensure that the franchise is properly enforced, Senator Gatchalian said that the monitoring of transmission lines could be improved by the DOE conducting an oversight then presenting its findings. He added that the National Transmission Corp. (Transco) remains as owner of the transmission line while its former operator does technical regulatory and financial audits; thus, Transco does not only operate but also monitors the regulatory, economic, and technical aspects of the facility. He assured Senator Hontiveros that the DOE is on top of her concern by conducting an oversight to the management and situation of transmission lines.

Asked if NARI supplied the current NGCP control system, Senator Gatchalian replied in the affirmative. Senator Hontiveros noted that since NARI also supplied the control system to the grids in Kenya, Indonesia, and Thailand, their experiences could be a source of assurance or caution to the Philippines, depending on the situation.

Asked if the manuals and system interface of the control system which was supplied by NARI are written in Mandarin or any other Chinese language, Senator Gatchalian stated that the manuals have been translated to English.

Asked who exercises actual day-to-day control over the country's power transmission network and who operates the system interface and control system, Senator Gatchalian replied that it is operated by current NGCP employees who were former employees of Transco, the concessionaire having absorbed and hired the former employees of Transco who are Filipinos. He guaranteed that the NGCP would endeavor to improve the supervision of transmission lines in cooperation with the DOE.



Asked if there are new employees and non-Filipino employees in the NGCP, Senator Gatchalian admitted that some Chinese employees were hired to assist the new transmission operator although the managers and operators in the NGCP are purely Filipinos.

Asked if Filipino engineers are allowed to operate the system, Senator Gatchalian stated that the ones managing the transmission lines are all Filipino engineers and that the Chinese employees are only limited to board representation since they own 40% of the concessionaire.

Asked if the members of the JCEC would be allowed to observe the system while in operation and to inspect relevant manuals, Senator Gatchalian replied in the affirmative. He said that the JCEC could exercise its oversight function over the system operator and the concessionaire. He stressed the need for the conduct of periodic supervision, inspection, and audit, otherwise, the franchise would have no effect. He said one of the things which he advised the NGCP was to strengthen the audit and supervision of transmission lines.

To Senator Hontiveros' statement that Filipino engineers should have remote access to the system through the Internet, Senator Gatchalian said that the monitoring and control system is operated by "Scada" which could be remotely operated.

Asked what safeguards are in place to ensure that the power grid could not be paralyzed by non-state actors or rogue hackers, Senator Gatchalian said that in line with Transco's concession agreement with NGCP, they would periodically conduct technical regulatory, financial, and legal audit of NGCP. He said that Transco, in fact, even hired technical people to strengthen the technical audit of the transmission line.

Noting how globally advanced China is in the ICT industry, Senator Hontiveros inquired if there are technical safeguards or guidelines to prevent a scenario where the system of the power grid would be taken down through remote access via Internet, Senator Gatchalian stated that Transco has a technical capability to conduct audit and that all they need is full access to the system and the facilities of the transmission line.

On whether Transco has full access to the system, Senator Gatchalian stated that Transco has

limited access to the facilities and assets of the transmission line, but full access has already been requested.

Senator Hontiveros said that she resents the fact that the DOE and Transco have limited access to a critical and central aspect of the country's power system.

Commending Senator Hontiveros for raising a very disturbing topic of national security surrounding power transmission lines, Senator Gatchalian stated that the energy agencies should employ all possible safeguards to make sure that Filipinos are in control, Filipino interest is protected, and national security concern is 100% covered.

Asked if it is possible for the power grids to be taken down remotely, Senator Gatchalian replied that it is possible given the technological advancement in telecommunications as well as in software.

In the event of that possible scenario, Senator Hontiveros asked what back-up systems are in place to ensure that the grid continues to operate. Senator Gatchalian replied that as stated in their franchise, the President and the government would take over control of the grid in cases of disruption of peace and order and public peril, among others. He added that the Transco has studied these types of possibilities and that according to them, manual operation of the transmission lines is possible. He said that the matter would be an important topic in the JCEC meeting and that they should invite national security experts as well as the National Security Council to make sure that contingency plans are ready should this happen.

At this juncture, Senator Zubiri stated that he was the chairman of the franchise committee when the Senate approved the franchise of the NGCP. He said that if the NGCP, through its owners or partners, decides to switch off the grid, a provision in their franchise allows the DOE, with the help of the Philippine government, to take over those assets because it is a matter of national security. Senator Gatchalian agreed, and cited Section 5 of the franchise, to wit:

"Section 5. Right of Government. - A special right is hereby reserved to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to temporarily take over and operate the transmission system and/or the sub-transmission systems operated and

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maintained by the Grantee, to temporarily suspend the operation of any portion thereof or the facility in the interest of public safety, security and public welfare, or to authorize the temporary use and operation thereof by any agency of the government upon due compensation to the Grantee for the use of the said transmission system and sub-transmission systems and any portion thereof during the period when they shall be so operated.”

But Senator Hontiveros pointed out that invasion could also happen gradually. She cautioned that it might not be an external threat, as history is replete with stories like that of the Trojan horse. She asked how long it would take to get the grid back up if the transmission lines would be operated manually, Senator Gatchalian replied that it would take about 24 to 48 hours depending on the gravity of the situation. He stated that Transco has been exercising its ownership and supervisory powers over the concessionaires not only through the financial requirement but even on the technical, economic, regulatory, and legal aspects of the transmission line. Senator Hontiveros suggested that more guidelines and safeguards should be added to secure the country’s energy supply as well as ensure national security.

Regarding the affordability of power and the competitive selection process, Senator Hontiveros pointed out that EPIRA was intended, among others, to provide consumers with access to affordable electricity. She cited Section 23 of the EPIRA which requires distribution utilities to supply electricity to their captive markets at the least possible cost. She also cited a successful pilot program implemented by electric cooperatives to bid out their aggregated demand—150 to 300 megawatts—that resulted in the lowering of their generation contract prices, as well as Circular No. DC-2015-06-0008 issued by the DOE mandating all distribution utilities to undergo competitive selection process in securing power supply agreements. Similarly, she noted that Joint ERC-DOE Resolution No. 1 enjoins all distribution utilities (DUs) to conduct comprehensive selection process (CSP) in the procurement of power for their captive markets. She pointed out that Meralco is the largest distribution utility in the country and is said to enjoy a comparative advantage due to economies of scale, such that people in the power industry alleged that the power distribution company has benefited from “sweetheart deals” “over the years due to provisions in the EPIRA allowing cross-ownership.” She then asked what the actual price decrease was in the

generation charge, especially for consumers of Meralco. Senator Gatchalian replied that the latest CSP undertaken by Meralco showed that the rate had gone down by approximately four pesos.

To the comment that electric cooperatives were able to lower prices even further, Senator Gatchalian stated that it was his advocacy to have a competitive environment in the selection of the generators, which is the spirit of the EPIRA. This, he said, was evident in the very good pricing turnout of about four pesos per kilowatt hour. However, he said that both he and the energy secretary did not favor having a second round of the CSP due to limitations in the terms of reference. He said that he had also issued several statements that the terms of reference should be fair to all possible suppliers. He pointed out that regardless of who wins, at the end of the day, the pricing will be passed on to the consumers. He assured the Body that the department as well as the committee is monitoring this situation very carefully.

Apart from the CSP, Senator Hontiveros asked if the DOE and ERC have other ways to lower the cost of electricity. Senator Gatchalian replied that the DOE was already in the process of crafting the IRR for the recently passed *Murang Kuryente Act* which explicitly provides that the universal charges for stranded costs and stranded debts could no longer be passed on to the consumers. This, he said, would translate to around P0.90 in potential savings. He added that the law was being implemented by PSALM under the supervision of DOE.

On another matter, Senator Hontiveros noted that the P48 million allocation for the Nuclear Energy Program Implementing Organization (NEPIO) in 2019, had been doubled to P97 million for 2020. In this regard, she cited recent reports that the NEPIO was currently studying the inclusion of nuclear power in the country’s energy mix. She then asked whether the NEPIO has prepared a report or recommendation on this issue and if it would be made available to Congress and the public. She also sought details on how much from the said doubled amount of budget would be devoted to recommending a well-studied nuclear power generation as an option or alternative source of energy. She noted that the 2018 DOE data showed the Philippines has a potential power generation capacity of about 31,635 megawatts coming from different renewable energy sources. This being the case, she asked why the government was pursuing nuclear energy when there is an

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abundance of renewable energy throughout the country. Moreover, she said that if the DOE chooses to seriously pursue nuclear power, she wanted to know the social causes of this power source that the public should be aware of, and how nuclear waste would be processed.

In reply, Senator Gatchalian confirmed that the DOE was undertaking research for the possible use of nuclear power in the country's our energy mix. Saying that he himself raised the same concerns articulated by Senator Hontiveros, he said that he nevertheless endorsed the funds for research to get a deeper knowledge of nuclear power and whether it is appropriate for the Philippines. He agreed that nuclear power is a risky proposition; however, technology for such a power source was also evolving. For instance, he pointed out that the TerraPower investment of Bill Gates recycles nuclear waste and turns them into cleaner energy. He said that technology is constantly evolving, and that the Philippines can only catch up by engaging in research. He also clarified that there is no go-signal on the use of nuclear power, and that the fund would only be used for research because the International Atomic Energy Agency (IAEA) requires the Philippines to have legislation in security, nuclear safety, and nuclear waste before it can even engage in nuclear powers.

Senator Hontiveros said that it was not only the IAEA which requires countries which want to pursue nuclear energy to have such legislation in place but other leading countries, like Russia, have the same condition.

In closing, Senator Hontiveros expressed hope that inputs would be sought from the stakeholders who have been doing deep research and not superficial research and who have led them to advise policymakers that even in this time of technological development of the human race, the issue on the proper disposal of nuclear waste has yet to be addressed. She said that more nuclear power countries are decoupling from nuclear energy and are prospering more safely through renewable energy.

INTERPELLATION OF SENATOR GORDON

Preliminarily, Senator Gordon said that he initially was not going to ask questions from the DOE, but because of the national security concerns raised earlier by Senators Recto and Hontiveros, he was forced to do so. He expressed concern that the State

Grid Corporation of China holds 40% stake in the National Grid Corporation of the Philippines (NGCP). He said that the Philippines is in a strategic location in the Asia Pacific area, next to China which obviously has a hegemonic ambition as well as a very large population in the country because of the POGOs, which are located close to ports.

Asked by Senator Gordon whether arbitration is provided in the contract, Senator Gatchalian replied that arbitration is provided under the concession agreement.

Senator Gordon wondered if the issue was being discussed in the Cabinet meetings. He lamented that the country was in a very precarious situation and that he wanted to be assured that the Philippines was not at a disadvantage, since its national defense is practically one of the weakest in Asia.

Senator Gatchalian said that he was advised by the Energy Secretary that the DOE has discussed transmission line operations in light of national security concerns a number of times. However, he noted that when the NGCP was privatized in 2009, the geopolitical situation then was very much different from what is happening at the moment. He stressed that the Cabinet does discuss the matter on a regular basis, in particular the National Security Cluster.

Asked whether dark fiber lines are installed over and above power lines, Senator Gatchalian said that according to Transco, dark fiber had been installed.

On whether the firm was allowed to enter into other businesses of a strategic nature such as data lines transmission, since these are of vital interest to the country, Senator Gatchalian said that the firm could put up telecommunications facility but Transco should have been advised. He denied that there was a violation of the contract, even as he revealed that there was an ongoing arbitration case between Transco and the concessionaire and that 2021 is the target for the judgment. He said that one of the issues surrounding the arbitration case is the periodic inspection and audit that should be conducted by Transco. He said that the fact that Transco is not able to conduct a periodic and extensive audit and there is an arbitration case are a clear indication that there are conflicts between the concessionaire and Transco.

Asked what steps could be undertaken should the situation become very difficult between the two parties,

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Senator Gatchalian said that the Energy Secretary had recommended that Congress exercises its oversight powers and as the one that issued the franchise, it could also revoke the same should there be violations.

Senator Gordon opined that it seemed that the DOE was passing the buck to Congress. He said that the DOE could do it directly because they are the line agency which entered into the contract. Senator Gatchalian posited that the issue was about the extensiveness of the audit and inspection and part of the action plan is to request Congress to conduct an oversight.

Asked how Congress could conduct its oversight function when Chinese supervisors might stop the investigation, Senator Gatchalian replied that he had been advised that the Filipinos are in full control of management and not the Chinese, although the latter are 40% shareholders.

Senator Gordon expressed concern over the fact that the decisions and instructions were written in Chinese and that Chinese engineers are running the grid. He said that if they are still in the area and have control over the fiber optics, the situation may be the same as the ZTE contract that had previously been investigated by the Blue Ribbon Committee. He opined that the Chinese would be able to get the national broadband backbone through the power grid arrangement.

For his part, Senator Gatchalian said that the concern over whether the related businesses are well accounted for was one of the issues in the arbitration. He said that the Transco is constantly finding ways to exercise its supervision and audit.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF ENERGY

Upon motion of Senator Gatchalian, there being no objection, the budget of the Department of Energy was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

With permission of the Body, the session was suspended.

It was 11:23 p.m.

RESUMPTION OF SESSION

At 11:24 p.m., the session was resumed.

RECONSIDERATION OF THE SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF ENERGY

Upon motion of Senator Zubiri, there being no objection, the Body reconsidered the submission of the budget of the Department of Energy.

MANIFESTATION OF SENATOR ZUBIRI

At the outset, Senator Zubiri apologized to the Energy Secretary because there were two other budget topics of the DOE that he wanted to support and augment, one of which is to increase the budget for rural electrification. He stated that he wanted to put the matter on record so that the Senate could assist the electric cooperatives in the far-flung barangays that still have no on-grid power.

Likewise, Senator Zubiri informed the Body that the ERC needs a budget of about P107 million because the Pasig City government had asked it to vacate its building because it was not safe. He said that to augment the move, the ERC would need a budget of P107 million.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF ENERGY AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Energy, including the Office of the Secretary, National Electrification Administration, National Power Corporation, the National Oil Company and the Energy Regulatory Commission was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, there being no objection, the Chair suspended the session until ten o'clock in the morning of the following day.

It was 11:28 p.m.

RESUMPTION OF SESSION

At 10:07 a.m., Wednesday, November 20, 2020, the session was resumed with Senate President Sotto Presiding.

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JUDICIARY

Senator Angara presented the 2020 budget of the Judiciary amounting to P40,171,621,000.

ACKNOWLEDGEMENT OF THE PRESENCE OF GUEST

At this juncture, Senate President Sotto acknowledged and commended the Chief Justice of the Supreme Court for representing the Judiciary every year and for still attending the budget deliberation even though he was already the Chief Justice.

SUBMISSION OF THE BUDGET OF THE JUDICIARY

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Judiciary which includes the Supreme Court of the Philippines and the lower courts, the Presidential Electoral Tribunal, the Sandiganbayan, the Court of Appeals, and the Court of Tax appeals, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:09 a.m.

RESUMPTION OF SESSION

At 10:13 a.m., the session was resumed.

COMMISSION ON AUDIT

Senator Angara presented the 2020 budget of the Commission on Audit amounting to P12,463,539,000.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON AUDIT

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Commission on Audit was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:14 a.m.

RESUMPTION OF SESSION

At 10:19 a.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4228

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

FIFTH ADDITIONAL REFERENCE OF BUSINESS

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

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Letter from the House of Representatives, informing the Senate that, on 18 November 2019, the House of Representatives passed the following House bills, in which it requested the concurrence of the Senate:

House Bill No. 5477, entitled

AN ACT ESTABLISHING MALASAKIT CENTERS IN ALL DEPARTMENT OF HEALTH (DOH) HOSPITALS IN THE COUNTRY AND IN THE PHILIPPINE GENERAL HOSPITAL (PGH), PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

To the Committee on Rules

and House Bill No. 5306, entitled

AN ACT SEPARATING THE SITIO OF LADOL FROM BARANGAY POBLACION IN THE MUNICIPALITY OF ALABEL, PROVINCE OF SARANGANI AND CONSTITUTING IT INTO A

**DISTINCT AND INDEPENDENT
BARANGAY TO BE KNOWN AS
"BARANGAY LADOL"**

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

Letter from the House of Representatives, informing the Senate that, on 18 November 2019, the House of Representatives adopted Senate Bill No. 1122 as an amendment to House Bill No. 4611, entitled

AN ACT DESIGNATING THE THIRD SUNDAY OF NOVEMBER EVERY YEAR AS THE NATIONAL DAY OF REMEMBRANCE FOR ROAD CRASH VICTIMS, SURVIVORS, AND THEIR FAMILIES, ENSURING ITS MEANINGFUL OBSERVANCE

To the Archives

COMMITTEE REPORT

Committee Report No. 23, submitted by the Committee on Finance, on House Bill No. 5437, introduced by Representative Legarda, *et. al.*, entitled

AN ACT 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,

recommending its approval without amendment, taking into consideration Senate Bill No. 1153, Senate Joint Resolution Nos. 6 and 7, and House Joint Resolution No. 19.

Sponsor: Senator Angara

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. 23 on House Bill No. 5437 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 23
ON HOUSE BILL NO. 5437**

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Second Reading, House Bill No. 5437 (Committee Report No. 23), entitled

AN ACT 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.

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.

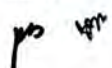
The Chair recognized Senator Angara for the sponsorship.

**SPONSORSHIP SPEECH
OF SENATOR ANGARA**

Senator Angara, on behalf of the Committee on Finance, submitted for plenary consideration, House Bill No. 5437, entitled "An Act 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," under Committee Report No. 23.

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

In sponsoring this bill, we seek to extend the validity and availability of 2019 appropriations for maintenance and other operating expenses or MOOE and capital outlay until December 21, 2020.



Earlier, we sponsored a similar resolution but because of the recent Supreme Court *Ang Nars* ruling, we decided, in consultation with the leadership, to file a bill instead to avoid any possible legal challenge regarding the issue of a joint resolution's legal effectivity. And we thank Senator Drilon for pointing out that ruling — a very new ruling to us.

We do this because under Republic Act 11260, or the 2019 General Appropriations Act, and Executive Order No. 91 on the implementation of the cash budgeting system, all appropriations that were not released, obligated or paid by the end of December 31, 2019, shall lapse and revert back to the National Treasury.

These funds could go a long way in terms of building more roads and bridges, setting up more hospitals and barangay health units, and providing the necessary social services to our people.

In other words, without the approval of this measure, precious funds might not be spent and our people will experience even more delays in the projects and social services promised to them.

Let us consider the Department of Education.

They have informed us that without the extension of the 2019 GAA's validity, the line agency could lose up to P16 billion of its program funds as it will be forced to return such money to the National Treasury.

The non-extension of the budget's validity would have the following impact: up to 2,900 classrooms would not be repaired and rehabilitated as scheduled; 590 schools will remain without electricity; up to 57 Gabaldon school buildings will not be restored; and up to 11,677,000 activity sheets and A & E modules for kindergarten and Grade 1 students will not be printed and delivered.

A similar story could unfold for the Department of Health or DOH, especially for its Health Facilities Enhancement Program or HFEP, if we do not extend the validity of the 2019 General Appropriations Act. For 2019, the DOH was appropriated P15,086,000,000 for its HFEP. Under the program, some 2,800 health facilities would have received funding for infrastructure projects, medical equipment projects, motor vehicles, among others. However, almost all of these, exceeding 3,000 projects, are still in the procurement stage, mainly because of the delay in the release of the GAA earlier this year. In fact, only approximately P1.9 billion over P14 billion DOH allotment for

HFEP has been obligated or approximately 13%. Worse still, is that only P130 million has been disbursed, representing only 0.8% of total appropriations. Not even 1% of the people's budget for health facilities has been spent. If this measure is not approved, that means that the DOH will have to wait for 2021 before they can expect some movement on the same projects originally intended for 2019. For many sick and ill Filipinos, that waiting time could be too long.

Many other agencies would be able to implement their projects and provide their services to the people if the budget's validity is extended.

For DSWD, this would mean the ability to push through with its supplementary feeding program.

For the CHED and State Universities and Colleges (SUCs), they will be able to use the remaining P8 billion in their budget to pay for the second semester billing under the Universal Act to Quality Tertiary Education Act which Congress passed.

And the Department of Labor — the DOLE — would be able to place even more students in the on-the-job training under its government internship program to help workers beset with misfortune under its "*Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers Program*" and continue with its adjustment measures program to provide displaced higher education institution personnel assistance.

This extension would also greatly benefit all the agencies' focus on the relief effort in the wake of the recent multiple earthquakes in Mindanao. We would be ensuring the availability of over P12 billion coming from the Calamity Fund and the different Quick Response Funds lodged with the various agencies.

In short, through this measure, we would be extending a big helping hand to the Executive branch which will operate during the first few months of this year on a reenacted budget and the rest under pressure to spend up to P3.687 trillion of the total available appropriations in a span of only seven to eight months, approximately, amidst the election ban on government projects this year.

The Senate is not oblivious to the travails of the Executive branch, and we must help them. We must act to see to it that the national budget we had approved for 2019 benefits our people in terms of better services and more efficient public spending.

My predecessors at the Finance Committee, Senators Escudero and Legarda, also sponsored

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in 2013 and 2018, respectively, and we passed similar measures calling for extensions in the budget validity. I hope we act on this measure the soonest, and for the information of the body, the House of Representatives has already passed this on Third Reading.

COSPONSORS

Upon motion of Senator Zubiri, there being no objection, all senators were made cosponsors of House Bill No. 5437.

INTERPELLATION OF SENATOR RECTO

Asked by Senator Recto if the validity of the Personal Services (PS) part of the budget would also be extended, Senator Angara replied in the negative.

Senator Recto said that at the appropriate time, he would introduce an amendment to clarify that the PS part would be excluded contrary to news reports that all appropriations are deemed considered. Senator Angara clarified that the measure specified that the extension would only be for MOOE and Capital Outlays. He said that he would accept the amendment to make specific the exclusion of PS as it was only mentioned in the title but not in the body of the measure.

Asked if the validity of unprogrammed appropriations would also be extended, Senator Angara replied in the affirmative. As such, he affirmed that there would be double appropriation for 2020.

Asked if the Miscellaneous Personnel Benefits Fund under the MOOE would also be extended, Senator Angara replied in the negative, saying that the MPBF is an item which qualifies under Personal Services, and similarly, the Pension and Gratuity Fund would not be extended since its PS component was not extended. On the other hand, he said that the Calamity Fund and Contingent Fund would be extended because both fall under the MOOE and Capital Outlay.

SUSPENSION OF SESSION

Upon motion of Senator Recto, the session was suspended.

It was 10:32 a.m.

RESUMPTION OF SESSION

At 10:35 p.m. the session was resumed.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no further interpellation, upon motion of Senator Zubiri, there being no objection, the Body closed the period of interpellations and proceeded to the period of committee amendments.

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

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

ANGARA AMENDMENT

As proposed by Senator Angara, there being no objection, the Body approved the amendment to the title, subject to style, to reflect the clarifications made by Senator Recto.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

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

APPROVAL OF HOUSE BILL NO. 5437 ON SECOND READING

Submitted to a vote, there being no objection, House Bill No. 5437 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 5437

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

COMMITTEE REPORT NO. 18 ON HOUSE BILL NO. 4228

(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4228 (Committee Report No. 18), entitled

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

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

Thereupon, the Chair recognized Senator Angara, sponsor of the measure, and Senator Drilon for his interpellations.

DEPARTMENT OF JUSTICE

Senator Angara presented the budget of the Department of Justice and its attached agencies in the amount of P22,022,105,000 broken down as follows: Office of the Secretary – P6.804 billion; Bureau of Corrections – P4.244 billion; Bureau of Immigration – P1.569 billion; Land Registration Authority (LRA) – P1.043 billion; NBI – P1.811 billion; Office of the Government Corporate Council (OGCC) – P185 million; Office of the Solicitor General – P1.61 billion; Parole and Probation Administration – P946 million; Presidential Commission on Good Government (PCGG) – P152 million; and Public Attorney's Office – P4.203 billion.

INTERPELLATION OF SENATOR DRILON

At the outset, Senator Drilon expressed his support for the DOJ budget, and placed on record his respect for the incumbent Secretary of Justice, recognizing the difficulty of the Secretary's job as a political appointee who has to uphold the rule of law and issue opinions in accordance with his reading of the law. He hoped that the Secretary would continue to deliver his mandate in the same manner that he did for the past several years.

Senator Drilon said that coming from his home province of Iloilo, he read in the local news a complaint against the provincial prosecutor regarding vacancies in the Provincial Prosecutor's Office. Saying that this has been a situation for quite some time, he asked on the status of vacancies in the National Prosecution Service.

In reply, Senator Angara said that the authorized number of prosecution staff in the National

Prosecution Service is 3,620, with 2,268 filled positions and 1,352 unfilled positions, or a 37% vacancy rate. Senator Drilon said that with one-third vacancy of authorized positions, there would really be a delay in the administration of justice and prosecution of cases because the court could not proceed with the trial unless the prosecutor, who has full control over the proceedings, is present.

Senator Angara said there has been numerous vacancies since 2016, as he informed the Body that the DOJ Secretary submitted to the Office of the President (OP) 1,100 positions to be filled up, of which 633 appointments were still pending with the OP, while the DOJ was going through the process of filling up the rest of the vacancies. He affirmed that all of the positions were budgeted and funded.

Senator Drilon then asked how the DOJ intended to hasten the appointment to these vacancies, describing it as alarming because while the appointments are pending, there is delay in the administration of justice and that it is especially unfair if it involves indigents who have no resources to post bail and are detained while their cases remain pending because there is no prosecutor. He said that the Senate could perhaps take the opportunity of the ongoing budget deliberation to call on the Office of the Executive Secretary to place the pending appointments on top of the file of action papers for the President. He also made a plea to Secretary Medialdea to act immediately on the 632 pending applications, and to the Secretary of Justice to process the remaining 720 positions to be filled up.

Senator Drilon recalled that when he was Secretary of Justice, he experienced political pressure to appoint the protégées of politicians either as head of office or as ranking prosecutors in any field office, and to fend off such political pressures, he required applicants to pass an entrance examination consisting of a written examination and a panel interview before they could be accepted into the National Prosecution Service.

Asked about the current process of filling up the positions given the fact that there are 720 vacancies, Senator Angara said there is no written examination but only interviews conducted by the agency's Promotion and Selection Board that screens the nominees. Senator Drilon encouraged the DOJ secretary to continue the selection process that he implemented during his time because appointments to

the National Prosecution Service are very crucial and sensitive considering that the liberty of Filipinos facing charges is in their hands. He then requested the DOJ Secretary to submit to the chair of the Finance Committee an updated report within the end of the month.

Relative thereto, Senator Drilon asked whether the authorized 3,620 positions are equivalent to the standards set by law particularly since there is a law that requires every branch of Regional Trial Court to have at least two prosecutors. Senator Angara said that under the National Prosecution Service Act of 2010, there is a prescribed ratio: two prosecutors per Regional Trial Court branch and one prosecutor per MTC branch.

Senator Drilon also asked for the following details:

- the required number of positions in the National Prosecution Service given the said formula;
- number of RTCs and the corresponding total number of prosecutors needed, with each branch having two prosecutors each; and
- the number of MTCs and the corresponding total number of prosecutors needed.

At this juncture, the Senate President relinquished the Chair to Senate President Pro Tempore Recto.

He said that he was simply putting on record the inadequacies of the National Prosecution Service as a consequence of the failure to act on the recommendations of the Secretary insofar as the existing positions that are vacant were concerned. He asked whether the number of authorized positions is less than what is required by law. Senator Angara said that the data was still being retrieved.

Senator Drilon stated that the DOJ Secretary and the nation witnessed the unraveling of the incompetence or the corruption in the Bureau of Corrections that was unearthed in the Blue Ribbon Committee hearings in the Senate. Having heard from the testimonies of various witnesses in the hearing, he asked what the DOJ has done to correct what obviously are malpractices, either because of negligence or because of corruption in the Bureau of Corrections. He said that he was directing the question to the present leadership in the bureau and not the previous leadership where the said negligence and corruption happened.

Replying thereto, Senator Angara said the DOJ had issued the revised guidelines on the Good Conduct Time Allowance Law (GCTA) which adopted a lot of the committee findings, including the committee recommendation to exclude heinous crimes from the coverage of the law. Senator Drilon said that aside from the questionable application of the Good Conduct Time Allowance Law, other anomalies including hospital stays for sale, bribery, prohibited drugs being smuggled, and extravagantly furnished *kubol* were also revealed during the hearings. Senator Angara gave the assurance that the DOJ Secretary has been addressing such irregularities such as, among others, demolishing the *kubols* in the maximum security area, instituting security measures to ensure that those who temporarily leave the prison are those who really need medical treatment, reassigning some key personnel from their posts, and implementing personnel rotation.

Asked if any action has been taken on the “Innovable” group, those permanently assigned to certain positions as a money-making proposition and received Innova vehicles as gifts, assuming they have been verified, Senator Angara said that those employees had been replaced after BuCor chief and Director General Gerald Bantag brought in personnel from the Bureau of Jail Management and Penology.

Senator Drilon said that another aspect that was uncovered during the course of the Blue Ribbon Committee hearings was the tampering of surveillance cameras, and that there was even a proposal to use a new camera technology that captures clear pictures and has face recognition.

Asked if a budget for the said technology was included in the committee report, Senator Angara said that the proposed budget of the DOJ for 2020 included allocations to improve the equipment of the BuCor, including the technology mentioned by Senator Drilon. He said that the Committee actually added P100 million to the budget of the BuCor.

Senator Drilon recalled past discussions on the feasibility of regionalizing the prison system which could be done by freeing up about 300 hectares of a very valuable asset of the government. Asked on the status of the said study, Senator Angara said the DOJ, in collaboration with the BuCor, was still reviewing the feasibility of devoting the Muntinlupa property to another purpose since there are legal issues involved, one of which is the fact that the property where Bilibid is located is actually a donation similar to that

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of Camp Crame and that there was a stipulation in the deed of donation that it must exclusively be used as a penitentiary.

Senator Drilon asked if the Secretary and the officials of DOJ would agree, as a matter of policy, to the regionalization of the prison system. Senator Angara answered in the affirmative, assuring that by the second half of the following year, they would come up with a definite plan. Senator Drilon believed that the plan is very rational as it would enable the government to free a valuable asset, spur development in that part of Manila that would earn revenues for the government, and insofar as social reintegration and family support are concerned, he pointed out that the regional prisons would go a long way to serve that purpose because it would be easier for detained persons to be visited by their families.

At this juncture, the Senate President Sotto relinquished the Chair to the Senate President Pro Tempore Recto.

Senator Drilon hoped that the department would submit a complete plan in one year's time, assuring the secretary of Justice that the Senate will support such policy as there is a need to regionalize the prison system.

Senate President Sotto concurred with the statements of Senator Drilon, saying it would be best if the Senate would be able to look into the plan also, taking note that there was a larger portion that was disposed already without violating any type of deed of donation.

Senator Drilon recalled that when he was secretary of Justice, a certain portion of the budget was used to purchase a portion of the Muntinlupa property for the housing project for employees of the Judiciary and of the Department of Justice, now called Katarungan Village.

Asked if there was P1 billion allocation for the construction and rehabilitation of regional prison facilities in Palawan, Davao, Leyte, Zamboanga, and the Correctional Institution for Women in the current GAA, Senator Angara answered in the affirmative.

Senator Drilon then asked the extent of the rehabilitation of those prison houses and detention centers by virtue of the budget, saying that these correctional facilities could form the nucleus for a regionalization.

Senator Angara replied that there was no SARO yet issued by the DBM to authorize release of the money. Saying that it could have been an oversight or cash management issue, he nevertheless suggested that upon the release of the money, the BuCor implement the rehabilitation in preparation for regionalization.

Senator Drilon then asked for reports on those two issues—the release of P1 billion and the 633 appointments—by the end of the year. Senator Angara replied that the department will comply, and that they would also report on the figures for RTC as discussed earlier.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 11:13 a.m.

RESUMPTION OF SESSION

At 11:15 a.m., the session was resumed.

Upon resumption, Senator Angara explained that the delay in the release of the P1-billion allocation happened because the previous BuCor head, Director-General Faeldon, through a letter to the Committee, asked for the realignment of the capital outlay for Palawan, Davao, Leyte, Zamboanga, and the Correctional Facility for Women to Sablayan, Mindoro, his home province; however, the Committee deemed it improper to do so because it is a line item in the General Appropriations Act and realignment would require an amendment of the law.

Senator Drilon stated that the former BuCor chief, Mr. Faeldon, has absolutely no business asking for realignment, and that it was totally uncalled for because that is the policy set by Congress. Senator Angara remarked that Mr. Faeldon could have been given faulty legal advice. He then conveyed the Secretary's pledge to use the fund, once released, the way Congress intended it to be. Senator Drilon mentioned that the Body just passed, on Second Reading, the bill extending the validity of capital outlay for this year up to December 31 of the following year. He said that the extension would give the Secretary some breathing room in order to work for the release of the P1 billion fund to implement the policy decision of Congress—the rehabilitation

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of the detention facilities in Palawan, Davao, Leyte, Zamboanga, and the Correctional Institution for Women. He also requested for the official document, addressed to the Department of Budget on that matter. Senator Angara agreed.

Senator Drilon then presented the confused lines of jurisdiction over the detention system: National Bilibid Penitentiary, under the supervision of the Bureau of Corrections; city jails, under the jurisdiction of the Bureau of Jail Management and Penology (BJMP) of the Department of the Interior and Local Government; and provincial jails under the jurisdiction of the provincial government. He then asked if such a system was consistent with proper management of the penal system. Senator Angara agreed that it is not the most simple or straightforward system, and he also mentioned the confusing categorization of prisoners using as basis the penalty imposed on them.

As to what steps have been undertaken to correct such incongruity, Senator Angara conveyed the Secretary's agreement that a more integrated system would be better.

Senator Drilon pointed out that one of the consequences of such a confusing system is that the department does not even have a uniform *carpeta*, making it hard to find the record of a detention prisoner. He cited the case of Antonio Sanchez as no one could validate if he had completed his service of sentence due to lack of consistency in the record-keeping.

Senator Angara stated that the DOJ's project for a single *carpeta* system was already in the works, and that the agency will have a MOA signing on December 3, 2019 with the applicable agencies. Senator Drilon emphasized the importance of the *carpeta* as it is a record that will determine if a person deprived of liberty has complied with the conditions under Good Conduct Time Allowance. He requested that he be furnished with a copy of the MOA as soon as it is signed. Senator Angara said that the agency will comply with the request.

Asked if the Secretary would agree to a legislation that will correct the lines of management and authority of these three penal systems, Senator Angara cited Senate Bill No. 181, or the Unified Corrections and Jail Management Systems Act of 2019, authored by Senator De Lima, which is pending before the Committee on Justice.

Senator Drilon requested the Justice Secretary to make the appropriate push to have the bill approved by Congress.

On the issue of jail congestion, Senator Drilon said that the COA, in its 2018 report for the BJMP, noted the overpopulation of jails by over 440% which means that for every 100 capacity, 440 are in detention centers supervised by the BJMP. Relating this issue of overpopulation in BJMP detention centers to the vacancies in the National Prosecution Service, he said that as long as their cases are pending, they would remain as detention prisoners, which was why he had authored a law that would allow finally convicted detention prisoners to be released once the maximum of their sentence had been served.

Relative thereto, Senator Drilon asked on the situation in the Bureau of Corrections (Bucor), Senator Angara said that according to the Bucor, they have a congestion rate of 285%, or almost triple its capacity.

Asked how the DOJ would address the problem of jail congestion, considered a violation of human rights and of the dignity of a human being, Senator Angara said that the DOJ is studying the possibility of immediately releasing prisoners who, even as detention prisoners, have already served the maximum impossible sentence. He agreed that those who were convicted by final judgment and have served their maximum impossible sentence, could already be released.

Senator Drilon recalled that there was recently so much concern about the 1,900 finally convicted prisoners under the BuCor who were released, either maliciously or through negligence, or for a profit, when the GCTA was wrongly applied.

Asked on the number of prisoner-returnees, Senator Angara said that 2,300 returned and that the number included those who returned even if they were not included in the list. He said that these former prisoners who mistakenly returned were turned away.

Asked on the average number of escapees annually, Senator Angara said that there had been 11 escapees since August 2019. He said that he has no data or information on whether the escapees were still alive.

In closing, Senator Drilon expressed his support to the DOJ and in its effort to uphold the rule of law.

REQUEST OF SENATE PRESIDENT SOTTO

Senate President Sotto said that the Senate has a standing warrant of arrest for former Comelec Chairman, Andy Bautista, and that the Presidential Commission on Good Government (PCGG) had recommended that the NBI, through Atty. Minnie Retral, investigate the charges against Mr. Bautista and other personalities. He lamented that Mr. Bautista could not be found by the NBI but Facebook had shown that he was in the United States.

Senator Angara said that the Ombudsman had already asked for documents from the PCGG.

MANIFESTATION OF SENATOR ANGARA

Senator Angara conveyed the request of Senator Villanueva for the Bureau of Immigration to issue more stringent guidelines in issuing special working permits (SWP), and to provide a clearer process on how the representations made by SWP applicants are vetted. He said that the BI had given its assurance of following through on that request.

INTERPELLATION OF SENATOR TOLENTINO

At the outset, Senator Tolentino said that he would not be asking the Solicitor General (Solgen) relative to his earlier statement that POGO operators and workers could not be taxed because this runs counter to the policy of the current administration to generate more revenue. He said that the DOF and the BIR Commissioner were of the opinion that POGO operators and workers could be taxed under the NIRC because there is a situs of income. He disclosed that the lower House recently passed a bill taxing POGOs 5% for franchise taxes and 25% for the workers.

Senator Angara said that the OSG had issued a clarification that the opinion it had issued pertains to foreign-based POGOs and with respect to the income outside the Philippines. However, he said that the moment that the POGOs operate within the country, there was no disagreement between them and the revenue authorities with respect to the taxability of these entities.

Asked whether the DOJ had 1,352 unfilled vacancies, Senator Angara replied in the affirmative.

Senator Tolentino pointed that the figure 1,352 was a huge unfilled plethora of vacant positions. He said that while it may be a personnel policy problem internal to the DOJ, the fact remained that one prisoner dies every day inside the New Bilibid Prison and that there are only 13 physicians attending to the 47,326 prisoners in the BuCor's seven penal colonies, four of whom working in the New Bilibid Prison. He said that under Civil Service rules, agencies are allowed to change nomenclature of its personnel, subject to the approval of the Civil Service Commission. He suggested that the DOJ consider changing the nomenclature of a lawyer position from the vacant 1,352 personnel, to have more doctors in compliance with the Geneva Convention of 1955. Senator Angara replied that while the suggestion may be possible, the vacancy for the prosecutors would still remain and that the positions would eventually have to be filled up.

Senator Tolentino underscored the need to attend to prisoners who are dying every day. He said that one prisoner dying daily would mean 365 dead prisoners at the end of the year. He opined that even though it could be one way of decongesting jail system, there was still a need to have more medical attendants for the prisoners.

To Senator Tolentino's proposal that the big cut in the budget of the Crime Detection and Investigation Program under the NBI be restored, Senator Angara said that the Committee would seriously study the proposal of Senator Tolentino even as he pointed out that the Committee increased the overall budget of the NBI by P69 million.

Senator Tolentino explained that the affected unit works in tandem with the PNP-CIDG to track down investment scammers. Agreeing with Senator Tolentino, Senator Angara stated that the unit's budget is an urgent concern.

Senator Tolentino stated that handling the Child Protection Program is the Committee for Special Protection of Children chaired by Secretary Guevarra which has a budget of only P1 million. Citing RA 7610 and other child-related criminal laws, he suggested that at the proper time, additional budget could be provided to strengthen the Committee.

Senator Angara said that the Committee is open to any proposal at the proper time.

INTERPELLATION OF SENATOR MARCOS

At the outset, Senator Marcos stated that it was ironic that both the PNP and AFP are almost entirely reliant upon the NBI for investigations, particularly in the cyber-area as earlier mentioned. However, she said that while both the PNP and the AFP have their salaries doubled, and despite the fact that the NBI was in dire need of reorganization and modernization pursuant to RA 10867, or the National Bureau of Investigation Reorganization and Modernization Act, there has not been much progress since the enactment of the law, with salaries of personnel, material logistics, equipment and even their building in a very sorry state. She then requested that the Body be given an update on the state of the NBI and urged the Committee on Finance to increase its budget.

Senator Marcos informed the Body that the Committee has augmented P69 million in the NBI budget based on the list that it submitted.

Senator Marcos opined that despite the P69-million increase, there is also a need to add allocation in its Unprogrammed Fund because the agency has fallen far behind. Senator Angara agreed with Senator Marcos.

As regards the Public Attorney's Office (PAO), Senator Marcos noted that despite the number of applicants for the position of PAO lawyer, many courts do not have a PAO lawyer. She noted how sometimes one PAO lawyer would have to go to two to three courts. She asked the Department of Justice to look into the matter given that many law graduates have expressed their desire to join the PAO.

Senator Angara stated that according to PAO Chief Atty. Acosta, over 200 lawyers would be sworn in by December 2019, ensuring that all the courts would be assigned a PAO lawyer.

On the matter of the GCTA investigation, Senator Marcos described the record-keeping of the BuCor and the Parole and Probation Administration as a mess, with persons deprived of liberty (PDL) having served their time but remaining in custody without them having the idea that they have served the sentence for the crimes they have committed. Saying that it is a clear violation of their right to liberty, she urged the BuCor and the Parole and Probation Administration to take very seriously their records-keeping.

Agreeing with Senator Marcos, Senator Angara stated that before the budget of the DOJ started, he conferred with Senator Drilon regarding the single *carpeta* as one of the reforms that the Department would introduce.

Senator Marcos opined that given the technology available, the DOJ could look into other ways of reform.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF JUSTICE AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Justice, along with the Office of the Secretary, Bureau of Corrections, Bureau of Immigration, Land Registry Authority, National Bureau of Investigation, Office of the Corporate Counsel, Office of the Solicitor General, Parole and Probation Administration, Presidential Commission on Good Government, and the Public Attorney's Office, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 11:51 a.m.

RESUMPTION OF SESSION

At 12:01 p.m., the session was resumed.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri stated that as discussed with Senators Lacson, Senate President Sotto, and Senate President Pro Tempore Recto, the budget of the Senate would have to be enhanced, at the proper time, due to the additional expenses for 2020 and the continued construction of its new building.

CONGRESS OF THE PHILIPPINES

Senator Gatchalian gave the breakdown of the budget of the Congress of the Philippines, as follows: Senate of the Philippines, P7.4 billion; Senate Electoral Tribunal, P292.7 million; Commission on Appointments,

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P817.8 million; House of Representatives P14.05 billion; and House Electoral Tribunal, P216.5 million.

SUBMISSION OF THE BUDGET OF THE CONGRESS OF THE PHILIPPINES

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Congress of the Philippines, namely, the Senate of the Philippines, Senate Electoral Tribunal, Commission on Appointments, House of Representatives, and House Electoral Tribunal, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 12:05 p.m.

RESUMPTION OF SESSION

At 2:08 p.m., the session was resumed with Senate President Pro Tempore Recto presiding.

DEPARTMENT OF TRANSPORTATION

Senator Gatchalian presented the budget of the Department of Transportation (DPTTr), as follows: Office of the Secretary – P114.4 billion; Civil Aeronautics Board – P121.1 million; Maritime Industry Authority – P771 million; Office of the Transportation Cooperatives – P37.9 million; Office for Transportation Security – P119.7 million; Philippine Coast Guard – P11.2 billion; Toll Regulatory Board – P39.3 million; and the Budgetary Support from National Government to the Light Rail Transit Authority – P1 billion.

INTERPELLATION OF SENATOR BINAY

At the outset, Senator Binay asked on the route of the Mindanao Railway Project. Senator Gatchalian replied that the total length of the railway is about 100 kilometers and that the first phase of the alignment would be Tagum City-Davao City-Digos City.

Asked if there were studies conducted by the DOTr to ensure that the railway would not pass through the faultline where the recent earthquakes occurred, Senator Gatchalian said that during his recent visit to Davao del Sur, Governor Cagas

informed him that there were some geological features that were recently discovered. Nevertheless, he said that the DOTr ensured the preparation of their engineering, geological and geohazard assessment report prior to any infrastructure project.

On whether the DOTr has an allocation to make the country's ports more tourist-friendly since one of the programs of the Department of Tourism is cruise tourism, Senator Gatchalian replied that in preparation for cruise tourism, the PPA administrator had told him that construction of cruise terminals in Siargao, Ilocos Sur, and Ilocos Norte was already ongoing. He said that the cost of these three cruise-capable terminals is about P800 million. Likewise, he informed the Body that Solaire Resort & Casino is putting up its own cruise terminal in preparation for accepting patrons that would be billeted in the hotel. He added that the terminal would be completely privately-funded.

Asked for an update on each DOTr-ODA, Senator Gatchalian said that of the revised list of 100 Infrastructure Flagship Projects (IFPs), 37 would fall under the DOTr, of which 18 are funded by the ODA, which are as follows: LRT Line 1 Cavite Extension, LRT Line 2 East Extension, North-South Commuter Railway Systems, Metro Manila Subway Project Phase I, MRT3 Rehabilitation Project, PNR Bicol, Cebu Bus Rapid Transit, Metro Manila Bus Rapid Transit (BRT) Line 1 (along Quezon Avenue), Maritime Safety Capability Improvement Project Phase I, Maritime Safety Capability Improvement Project Phase II, Philippine Ports and Coast Guard Capability Development Project, New Cebu International Container Port Project, Puerto Princesa International Airport, New Bohol Construction and Sustainable Protection Project, and Communications, Navigation, Surveillance and Air Traffic Management (CNS/ATM).

At this juncture, Senate President Pro Tempore Recto relinquished the Chair to Senate President Sotto.

Senator Gatchalian said that the Cebu Bus Rapid Transit System was signed in October 2014 and its total loan was P16.3 billion, of which P22.9 million were already given out as commitment fees and other fees. He said that there were no disbursements made because the loan was not yet released.

On whether the commitment fees are penalties for being behind schedule of the project, Senator Gatchalian

replied that just like in other ODA loans, commitment fees are a normal feature of ODA loans. He said that upon signing up a loan program, the ODA would appropriate a certain amount of the project and they would charge it against the borrower's bigger portfolio to compensate ODA for its commitment to lend.

On whether commitment fees have to be charged considering that the Cebu project has not yet been started, Senator Gatchalian replied that commitment fees have been charged because the ODA had already allocated the loan amount for the project.

Asked when the project is expected to push through, Senator Gatchalian replied that the project has been delayed because of some political issues and that there was also a debate on whether to use BRT, monorail or other forms of technology. He said that the DOTr would launch an intermodal project instead of just purely a BRT project, meaning it would cover one corridor and a monorail would be constructed to cover another corridor; on top of that, the existing buses coming out of Cebu would be accommodated in that intermodal project. He added that Phase 1 of the project would be completed by December 2021 and Phases 2 and 3 would be on 2025.

On whether the DOTr has any plan to scrap the project because it has not yet been started, Senator Gatchalian replied that after thorough analysis, the DOTr believed that there is merit to the project but they have to reengineer it by making it an intermodal rather than a purely BRT system, so that its new name would be Metro Cebu Integrated and Intermodal Transport System. He explained that instead of a complete BRT system, a feeder system would be implemented, which would mean using the traditional buses to feed into the BRT and intermodal system. He assured that the reengineered project would incur the same cost, adding that a feasibility study was undertaken and that ground works would start in the middle of the following year.

INTERPELLATION OF SENATOR VILLANUEVA

Preliminarily, Senator Villanueva asked if the economic managers were fully on board in the construction of the Bulacan airport, or the so called "New Manila International Airport." Senator Gatchalian replied that the project has the full support of the economic managers, both formally and

informally; formally because the project passed through rigorous process of evaluation and analysis by the NEDA-ICC.

Asked on the commitment of the government on the contract, Senator Gatchalian replied that there was no sovereign guarantee from the government since the project would be purely privately funded.

Noting that the contract was signed on September 18, 2019, Senator Villanueva asked when the construction would commence. Senator Gatchalian said that the groundbreaking would be in December 2019 and the construction would immediately commence.

On whether an environmental impact assessment (EIA) was issued on the project and whether risks were identified because of the flood in Bulacan which is getting worse, Senator Gatchalian reported that the EIA on the project was issued on June 14, 2019, and that part of the project was to ensure that flood control mechanism would be implemented in the area. He said that the airport would not stand alone to benefit from it but the entire municipality as well.

On whether the people that would be displaced by the project would be taken care of, particularly the residents of Barangay Talipit in Bulacan, Bulacan, Senator Gatchalian said that the airport would be built in abandoned fishponds which were bought by San Miguel Corporation. He said that no one would be displaced because the fishponds were abandoned. However, Senator Villanueva said that 700 families would be displaced because of the project.

Senator Gatchalian stated that around 2,000 people would be employed for the construction of the airport, and that some of the caretakers of the fishponds, including families, numbering about 700, would be properly compensated as promised by San Miguel. Senator Villanueva suggested that TESDA can also help in giving training to the people that would be affected by the construction.

Asked on the status of Sangley Airport following the dry run that was conducted last October, Senator Gatchalian replied that the airport was already in full operation. He believed that Sangley Airport, which is near Metro Manila, needs to be activated and maximized to decongest the NAIA. He said that Sangley Airport is 98% complete and is expected to be fully operational by 2020.

Asked what facilities have yet to be completed and if the airport has night flight capability, Senator Gatchalian replied that the initial phase would only allow daytime operations and only for the use of cargo flights.

As regards the number of flights expected at the airport, Senator Gatchalian replied that the cargo division of Cebu Pacific would be the first commercial airline that would fly into Sangley Airport.

Senator Villanueva then asked for updates on the airport, for instance, water or sediment pumping facilities of the airport since the report submitted to the Committee entitled "Status of Work of Priority Facilities Prior to Opening and Operation of Sangley Airport in November 2019" did not include this important information particularly since the facilities are in a reclaimed area that is prone to flooding. He said that the documents submitted to his office reported that only 50% had been completed as of October 2, 2019, which included the power house, cistern tank and access road along with 67% of the site development works and that these facilities are supposed to be completed by the end of the month.

Senator Gatchalian clarified that the completed 98% only covers the basic infrastructure required to operate the airport. He explained that the facilities mentioned by Senator Villanueva referred to infrastructure for extensive drainage and flood control. He said that even if the airport can withstand typical monsoon rain types of occurrences, it might have difficulty operating normally during the southwest monsoon. He agreed that there is a need to upgrade the flood control and drainage system but the additional P500 million needed to upgrade the system was not included in the proposed 2020 budget.

On whether the access roads, including the terminals, are included in the plan, Senator Gatchalian replied that the access road has been completed and the additional funding would be used for improvement of the drainage line, pumping station, as well as for shoreline protection.

Asked for the timetable for the completion of the drainage line, pumping station, shoreline protection, Senator Gatchalian replied that the first commercial operation at Sangley Airport was expected to happen within the year and that the cargo division of Cebu Pacific was preparing their cargo flights within 2019 as well. He assumed that there would be no families

that would be displaced in the area. He said that Sangley Airport is about four kilometres away from POGO Island.

At this juncture, Senator Tolentino sought clarification on the difference between the current laudable initiative of the DOTr in upgrading Sangley Airport and the unsolicited proposal coming from the private sector, initiated by the provincial government of Cavite lest there be an overlap in these projects. Senator Gatchalian replied that the provincial government of Cavite has proposed to reclaim the outside part of Sangley and build a new passenger international airport similar to the one being built in Bulacan so that the existing Sangley Airport would be for general aviation and cargo. He said that since the same runway would be used and that only additional runway will be constructed, the 2020 budget did not include a provision for the additional P500 million because the second initiative will complement the current move of the DOTr in utilizing the Sangley Airport for general aviation purposes as well as limited logistics hub for Cebu Pacific.

Senator Gatchalian stated that he would advise the DOTr to come up with an airport master plan in view of the four airports in operation, namely, Clark in the north, which has been awarded to a PPP proponent; Bulacan, which was awarded to another PPP proponent; NAIA, which is being rehabilitated by a PPP proponent; and Sangley. He explained that a master plan would address the management of aircraft crisscrossing the air space, passenger convenience, and the scheduling of flights in all operating airports to avoid inconveniencing passengers.

Senator Tolentino expressed his support for the Cavite International Airport or the Sangley International Airport as this follows the vision of having a connecting bridge from Naic, Cavite to Mariveles, Bataan that would serve as another logistics hub between export processing zones. He believed that the DOTr may commit a meager budget for Sangley in anticipation of the eventual approval and the initiation of the private sector-led and the provincial government-initiated project of transforming the Sangley Airport into another international hub.

Senator Gatchalian pointed out that with four proponents proposing to build international airports, it is up to the government to put all of these plans into a harmonious master plan. He added that any proposal to have another Cavite-based international airport

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serving the south, should also be incorporated in the master plan, which should be submitted to Congress the following year.

Senator Villanueva also said that he was surprised to learn that the Clark City Airport was able to hit its target and double its flow of passengers only after a few months of operation. He believed that the airport has potential not only in terms of passenger mobility but also of boosting tourism.

As regards his query about the distance of the POGO Island to Sangley Airport, Senator Villanueva said that he was only curious and concerned about the mid-level and high-rise buildings constructed in the area and its distance away from the airport because they might pose aviation risk.

Senator Gatchalian stated that all of the airports are compliant with international standards in regard to safety and distance from the population, and that all of them are being regulated by CAAP, the aviation authority that monitors airports in the country.

Asked on the height restriction of the building and whether issues regarding security risks were being addressed, Senator Gatchalian replied that the height of the building should not go beyond 200 meters and must be five kilometers away, on average, from the airport.

INTERPELLATION OF SENATOR LACSON

Senator Lacson stated that he would begin his interpellation with some parochial concerns regarding the new Senate building. He said that the DOTr has proposed a project called the Metro Manila Subway Project Phase 1, which will provide an interface between the new Senate building in Taguig, which is now undergoing construction, and the proposed Lawton West Station.

Asked whether the DOTr is firm on the project given its importance to the Senate, Senator Gatchalian answered in the affirmative.

Senator Lacson said that he asked the question because the target completion of the new Senate building is July 2021 and the target date of completion of the Metro Manila Subway Project Phase 1 would be on or before 2025. He expressed concern that the construction of the subway, which would involve digging a tunnel under the Senate building, and the

trains passing by during their operations may affect the Senate building.

Senator Gatchalian said that the start of construction of the Senate station would begin in 2021.

Senator Lacson said that the DOTr has set an appointment with his office and that his office was even asked to coordinate with the BCDA and the DPWH regarding the Lawton West Station, but the DOTr did not show up on November 12 and 13 which were the initial and rescheduled dates of appointment and that, in fact, they eventually backed out after not appearing on the said dates. He then asked if it is possible for the DOTr secretary to designate a point person who could meet with him and decide on behalf of the agency.

Senator Gatchalian replied that the Secretary had assigned Undersecretary TJ Batan to be the designated point person. He likewise assured that the undersecretary would be present whenever the DOTr calls for an appointment.

As to the entrance and exit of the Lawton Station, Senator Lacson feared that a security problem could arise when they are placed right in front of the entrance of the Senate Building. He then asked for the commitment of the agency to address the said concern, clarifying that his request was only to transfer the pedestrian entrance and exit of the station and not the station itself.

On another matter, Senator Lacson pointed out that the disbursement rate of the agency has been evidently low — 39.2% for FY 2017, 40.7% for FY 2018, and 39.7% for FY 2019. Since the 2017 budget has lapsed and the agency has already obligated 84.1%, he then asked if the DOTr's disbursement rate has improved. Senator Gatchalian replied that what improved was the agency's obligation rate which has been hovering around 60% and has increased to 83% in 2017, to 89% in 2018 and to about 90% in 2019. He said that the disbursement rate, however, stayed low because of the two adjustments made by the DOTr — one was doing away with the 20% downpayment in implementing projects which resulted in the delay in the disbursements of cash, and another was the payments made based on progress billing and the retention amounts. He explained that although they obligate, they could not disburse even if the projects are already completed because they wait for the progress billing and the retention of the funds which

are approximately at 10% to 15%. For instance, he said that since a lot of their projects are multi-year allocations that go even beyond one or two years, the disbursement would depend on the billing statement of the contractor or the proponent.

Senator Lacson pointed out that obligation in the given mode of payment is more important than disbursement. However, while recognizing the benefit of such an approach to avoid fly-by-night contractors, he maintained that the obligation should have been disbursed since the 2017 budget had already lapsed.

Asked if all government implementing agencies should gear towards the same direction and adopt the scheme, Senator Gatchalian replied in the affirmative.

Adverting to the earlier data of the DBM on the disbursement rate of the DOTr, Senator Lacson noticed that the 2017 and 2018 disbursement rates were almost the same. He then asked on the DOTr's present disbursement rate. Senator Gatchalian replied that it is presently at 44%, and he affirmed that the same adjustments were still applied, the reason why the disbursement rate has remained low.

Asked if project implementation has been hampered by right-of-way issues, Senator Gatchalian replied in the affirmative.

Citing provision No. 8 of the 2019 GAA which states that "The DOTr shall ensure that all ROW expenses are settled before the commencement of projects," Senator Lacson insisted that the right-of-way should first be settled before implementing a project because failure in settling ROW issues would result in the delay of the project and consequently in the decline of the utilization rate, the obligation rate, and the disbursement rate.

Asked why the phrase "The DOTr shall ensure" was not found in the 2020 NEP, Senator Gatchalian explained that a lot of projects—especially rail projects—go beyond hundreds of kilometers. Thus, he said that instead of waiting for the exploration of the entire alignment, they are done in phases to have partial operability. For instance, he said that if the project has 500 kilometers and 100 kilometers of it have been cleared, construction would commence even if the entire 500 kilometers have not yet been settled.

Senator Lacson maintained that the special provision is consistent with the ROW law. Although

the settlement of all ROW issues takes time and would delay the implementation of the project, he stressed that these must be compliant with the provision of the ROW law, otherwise, removing the special provision would, in effect, mean open violation of the said law. Senator Gatchalian assured that the undersecretary for rail who is in charge of the right-of-way activities would look at the said potential conflict and would make sure that they are compliant with the provision of the law.

Senator Lacson noted that the ROW budget under the 2019 GAA was P13.6 billion, and for the coming year, the NEP set it at P18.9 billion which was adopted by the House of Representatives but was slashed by P8.9 billion under the Senate version. He then asked what projects would be affected by the said cut. Senator Gatchalian replied that when the cut was made, he conferred with the DOTr and was told that it was due to the low disbursement rate of the right-of-way projects in 2018 and 2019. He clarified that he was not responsible for the cut and that based on his research, the leftover funds from 2018 and 2019 would be carried over to 2020 which are enough for the 2020 projects.

At this juncture, Senator Recto recalled that the same budget in the proposed NEP for 2019 was P20 billion but was cut to P13 billion. He said that despite the cut, the P13 billion remained unspent, hence, would be carried over to the next year's budget.

Senator Recto stated that at the appropriate time, he would also make a few presentations on the issues of obligation, disbursements, and fake obligations which were given to other government agencies to appear that they were obligated when they were actually not.

INTERPELLATION OF SENATOR POE

Preliminarily, Senator Poe believed that it was quite noticeable that there was more than 100% increase in the DOTr's budget—from P69.4 billion in 2019 to P133.7 billion for the Office of the Secretary which includes rail, aviation, maritime, motor vehicle, and land transport; and P13.2 billion for attached agencies. However, she noted that despite the massive increase and being the seventh in terms of allocation in the 2020 budget, also noticeably missing from its budget are programs such as the PUV Modernization Program and the *Pantawid Pasada* Program which are required under the TRAIN law, the Bus Rapid Transit from

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Quezon Avenue to EDSA, the one in Cebu as cited by Senator Binay, the Integrated Terminals, the FTI-Taguig and the North, and the NAIA Expansion Project. Relative thereto, she recalled that in the previous year, one of the conditions of the DOTr's budget was a 22% increase in modernized units, but the DOTr itself admitted during the budget hearings that it was only able to modernize 2,595 jeepneys or just 1.5% after three years of being in the program.

Asked if the low percentage in modernization was the reason why there were no specific item appropriations for PUV modernization in the budget for 2020, Senator Gatchalian replied in the affirmative. He added that the funds to finance the modernization program would be directly remitted to the financing institutions such as the LandBank and the DBP which would finance P80,000 each as equity. He confirmed that the modernization program would continue. However, he admitted that while the main financing mechanism is intact, missing are the activities related to it, such as training, information campaign, scholarships, social support, among others.

Senator Poe recalled DOTr's commitments during the committee hearings: (1) that it will respect the three-year transition period beginning 2018 until 2020; (2) that together with the LTFRB it will issue clear guidelines on the PUV Modernization Program; and (3) that it will review the vague provisions of the Omnibus Franchising Guidelines. However, she noted that there is still no update from DOTr to date.

Asked if there are guidelines for the Public Utility Vehicle Modernization Program (PUVMP) and the Omnibus Franchising Guidelines (OFG), Senator Gatchalian stated that clear guidelines have been issued for the three-year transition period which would end by June 2020.

As regards the issuance of the PUVMP guidelines and the timeline of the route rationalization plan of public utility vehicles in pilot areas, Senator Gatchalian admitted that the implementation of the route rationalization plan was delayed due to procurement issues, having previously undergone three failed biddings. Nevertheless, he said that since the route rationalization plan was already awarded to a new proponent, the Transport and Traffic Planners Inc. (TTPI), it would push through by mid-2020.

As to the risk of a jeepney driver who avails of the modernization incentive to upgrade his vehicle

only to find out that he is not part of the route rationalization, or that he could not particularly ply on the route which he already forecasted to be part of his income, Senator Gatchalian admitted that since the route rationalization plan is still not in place, PUV drivers and e-jeepney drivers could still ply on existing routes.

As regards the DOTr's announcement that it would no longer push through with the modernization of all 170,000 PUVs but would instead adopt roadworthiness as a standard in terms of emissions, safety, and engine worthiness of PUJs, Senator Gatchalian confirmed that all PUJs would be allowed to ply on the road as long as they pass the motor vehicle inspection system or roadworthiness test. Senator Poe said that she was glad that the DOTr heeded her recommendation to allow PUJs which are still roadworthy, safe, and free of any adverse emissions to ply routes for expediency and economy.

Asked if the one who would study the OFG policy is competent and has a track record regarding the grant of franchises and routes, Senator Gatchalian said that the consultant TTPI has extensive knowledge in transport issues as they have conducted transport planning in various organizations.

Asked if part of TTPI's study is the rationalization of bus routes and reevaluation of the franchises granted to bus consortiums, Senator Gatchalian said that the study of the modernization program would not only focus on the physical modernization of vehicles but also on the rationalization and consolidation of routes and franchises. Saying that it is time to rationalize and consolidate the franchises, he said that the Philippines has 140 bus operators of 4,000 buses whereas Hong Kong has only four franchise buses, and Singapore with just two franchises.

Senator Poe said that she filed the "Mobility Relief Act" (Senate Bill No. 1157) which allows a mobility czar to be in charge of the transport and traffic crisis, and to rationalize the franchises by forming a consortium instead of having different owners. She said that the DOTr could look into the bill and make necessary suggestions thereto.

On another point, Senator Poe stated that for 2019, P3.85 billion was appropriated for the *Pantawid Pasada* Program but only P752 million was disbursed. Asked where the unused funds went and if the amount could be released to the drivers, Senator Gatchalian

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explained that the *Pantawid Pasada* Program has low disbursement rate at 67% because DOTr had problems validating the jeepney owners and the jeepney operators. Nevertheless, he assured that the funds for the program are intact with the Landbank.

Asked if there is no appropriation for the *Pantawid Pasada* Program in the 2020 budget, Senator Gatchalian replied in the affirmative. He said that the *Pantawid Pasada* Program was just a relief mechanism to safeguard the abrupt global increase in fuel and the implementation of excise tax on fuel.

On the other hand, Senator Poe noted that the MRT subsidy has been continuously rising from P3.4 billion in 2016, P4.6 billion in 2018, and P4.7 billion in 2019, and P6 billion in 2020. She added that the cost of the MRT rehabilitation project jumped from P1 billion the previous year to P5 billion that year. As to why the MRT subsidy keeps increasing, Senator Gatchalian explained that over the years, the ridership target was not met due to MRT's bad operations so the government compensates the proponent by increasing the subsidy. Senator Poe hoped that the MRT's maintenance issues would be addressed at the soonest time.

Asked who is behind the MRT 3, Senator Gatchalian stated that the Sobrepeña Group was the proponent of MRT 3 and was being paid P6 billion every year until 2025. Absent any plan on whether or not to privatize the MRT 3, he said that he would advise DOTr to privatize its operation and maintenance and award it to competent and credible operators with technical knowledge of the system. He recalled that when the system was being operated by Sumitomo Corporation, it was near perfect until the government terminated its agreement with them.

Asked if the retrofitting of the Dalian trains was included in the MRT subsidy, Senator Gatchalian stated that according to the German company which was hired to evaluate the Dalian trains, the trains could be used provided they are retrofitted, and that the company which supplied the trains—CRRC Dalian—has agreed to retrofit their trains at no cost to the government except for the replacement of rails which was part of the Sumitomo rehabilitation program.

Asked how many Dalian trains would be running by July 2021, Senator Gatchalian clarified that the rehabilitation would cover the tracks and old trains and, slowly, the rehabilitation of the Dalian trains

since Sumitomo did not purchase the trains. He said that nine trains are currently in operation.

Regarding the signing of a new MOA with Sumitomo which includes an agreement for them to take in the Dalian trains as part of its maintenance, Senator Gatchalian said that a consent agreement with Sumitomo to operate and maintain the Dalian trains was already signed but the cost to complete the entire Dalian train inventory was still being discussed. Senator Poe remarked that the government must ensure that the agreement is cost-effective. Admitting that she was already very apprehensive about the Dalian trains because of their incompatibility with the existing system, she believed that the Dalian contractor should be the one billed for all the repairs and retrofitting of the Dalian trains.

Senator Gatchalian said that the government has not yet paid the Dalian train contractor because the deal is still under contest and the government is still waiting for the advice of Sumitomo on how to technically proceed with the trains.

Senator Poe said the P18.8-billion JICA loan to the Philippines was intended to improve and rehabilitate the MRT to attain train speed of 60 kilometers per hour. She noted that in 2019, however, the target speed was only 40 kilometers per hour and for 2020, it was going to decrease to 23 kilometers per hour. Asked if the figures given were correct and if they were actually decreasing the target speed, Senator Gatchalian explained that under the rehabilitation process, the trains cannot be operated to run or travel according to their specified speeds and that only by the second half of 2021, when the trains are fully rehabilitated, will the trains operate in accordance with their specifications, which is at 60 kilometers per hour.

Asked to confirm if the Light Rail Transit Authority (LRTA) supposedly needs P430 million for the rehabilitation of LRT 2, Senator Gatchalian replied in the affirmative, further explaining that after the fire incident, that portion of LRT 2 was currently being repaired and rehabilitated and would be fully operational by the middle of 2020.

On the Mega Manila Subway project which was allocated P189 billion for the right-of-way acquisitions, Senator Poe noted that issues were raised due to the changing alignments, specifically changing the alignment away from C4 and closer to C5, and along the Philippine National Railways North-South Commuter

Railway (PNR NSCR) alignment rather than midway LRT 1 and PNR South. She said that the perception was that the change in alignment would give rise to a lot of problems since it rendered earlier design works useless that, in turn, jacked up engineering cost. She said that according to experts, the changes in alignment would also lower ridership because the new points are not natural catchment areas. She cited the following stations that have no connectivity with existing rail lines in the new alignments:

1. The North Station has no plan to interconnect with the supposed MRT 7 common station;
2. The Anonas Station has no connection to LRT 2's Anonas Station; and
3. The Quezon Avenue Station has no ready connection to the BRTQ Avenue in the pipeline and most evidently, no connection to the Taguig Integrated Terminal Exchange (TITX) on FTI Taguig Terminal as the station seems to have been replaced by the Bicutan Station.

Asked to take note of the stations and to confirm the information, Senator Gatchalian said that there were three possible alignments in the pre-feasibility study and after a thorough investigation and study, the detailed feasibility study pointed out the complication with the West Valley Fault. He explained that the recommendation then was to change the alignment in order not to traverse through the West Valley Fault. The NEDA, according to him, approved the new alignment.

Asked why the North Station cannot interconnect with the MRT-7 common station, Senator Gatchalian said there is connectivity with the North Station or the Central Station in the same way that there is connectivity with the Anonas Station and the LRT-2 Anonas Station.

To the observation that the Quezon Avenue Station has no connection to TITX in FTI, Senator Gatchalian confirmed that the TITX will not be connected with the system because the last station of the subway is in Terminal 3 and would not extend to TITX for the Phase 1.

Asked which rail will connect to TITX, Senator Gatchalian said it would be the LRT-1 Cavite-Extension, the first phase to be completed in December 2021, and the second phase in December 2022.

On another matter, Senator Poe noted that the construction of the FTI-Taguig Terminal project was

put on hold in August because the DOTr was still waiting for the technical design of the ramp, which was basically a DPWH concern. Asked for the latest update and whether the government was paying the consortium any penalties, Senator Gatchalian said the plan was now in the finalization stage and construction will commence by the second half of 2020. There have been no penalties, he added.

Senator Poe stated that the Parañaque Integrated Terminal Exchange (PITX), which was authorized to collect terminal fees, already collected around P742,549 for November to December alone. She said that if projected for 12 months over 35 years, the revenues could reach at least P311 billion by the time the concession agreement with Megawide expires. Asked if the said amounts were being utilized, if the fund was being declared as a source of revenue, and where the funds collected from PITX go, Senator Gatchalian said that the collection goes straight to the Bureau of Treasury.

Senator Poe recalled that both the Senate and the House of Representatives just passed on Third Reading a bill making every third Sunday of November the "National Day of Remembrance for Road Crash Victims, Survivors, and Their Families." She said that the measure includes a road safety action plan and serves as a remembrance of those killed due to traffic accidents so the public would become proactive in the road. She then asked why there was no line item for road safety in the DOTr's budget, noting that there was even no budget to purchase breath analyzers for the traffic enforcement groups. Asked if it was not something that should be considered in the budget, Senator Gatchalian agreed that road accident is the biggest killer in the country and that there is a need to educate the public on road safety as well as to install mechanisms that ensure the safety of children on the road.

Senator Poe also noted that the DOTr has in its discretion 7.5% of the collections from the Motor Vehicle User's Charge (MVUC). She then asked for what and how the MVUC will be used this year, noting that around P709.35 million that was transferred to the Philippine International Trading Corporation (PITC), a government-owned and controlled corporation, attached to the Department of Trade and Industry, was utilized for the procurement of 26 mobile Motor Vehicle Inspection Facilities (MVIF) last year which are still nowhere to be seen, wondering if they were being used.

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Senator Gatchalian replied that after the abolition of the Road Board, the entire MVUC fund was lodged in the DPWH which would be implementing the road safety projects.

Senator Poe then questioned why the DPWH was given the task of handling the MVUC and where the 26 MVIFs were for which P709 million was supposedly utilized. Asked if this amount was indeed spent, Senator Gatchalian explained that the former Motor Vehicle Inspection Facilities Fund was reverted to the national government and there was now a new methodology for the MVIS which the private sector will be tasked to implement.

Asked how many would be allowed to operate the MVIS, Senator Gatchalian reported that there were currently 138 private Motor Vehicle Inspection Centers (MVICs) nationwide; that the DOTr was planning to put up an additional 400 more private MVICs; and that applicants would have to be accredited by the DOTr based on the guidelines that they have to follow. He said that he would furnish Senator Poe with the guidelines of the private MVICs, their existing locations and proposed locations of the MVICs.

Senator Poe noted that there was no line-item budget for the Ninoy Aquino International Airport (NAIA) Capacity Expansion Project which supposedly would address a congestion problem in the airport. She stated that during the NEDA hearing, she was told that the Mega Consortium Proposal will be approved anytime soon and would be awarded, hopefully, after the Swiss challenge by March 2020. Senator Gatchalian confirmed the timeline of the proposal as related by Senator Poe.

Senator Poe shared having to fall in line at the local immigration counter at the airport and hearing of complaints about the long queue which, according to her, is common in many airports abroad. Comparatively, she opined that the Bureau of Immigration officials have a better sense of urgency in processing travel documents than their counterparts abroad. She nevertheless suggested that the concerned agency consider simple studies on queuing and that local airports should implement more efficient line designs in managing queues. Senator Gatchalian stated that he too has been in other airports where there is a designated person that traffics the applicants and actually has the power to change the shape of the lines through the post, the rails, and the cords that they install. He said that those were very common sense management

principles. He expressed confidence that the private proponent that would be managing the airport, would have more initiative in finding innovative ways not only in technology but also in management.

As regards provincial airports, specifically the Iloilo Airport expansion, Senator Poe noted that the government has been dillydallying on whether to enter into a public-private partnership (PPP) or conduct another bidding. She also mentioned the Bukidnon Airport development project and she asked for the timeline for this project.

In reply, Senator Gatchalian stated that he is supportive of privatizing the operation and maintenance of airports, noting the vast difference in terms of management as evidenced by the privately-run Mactan Airport. He encouraged the DOTr to move for the privatization of the operation and maintenance (O&M) of airports, put key performance indicators, and let the private sector manage it.

Senator Poe asked if the department already has a decision for the expansion of the Iloilo Airport. Senator Gatchalian replied that the direction of the DOTr is to privatize the O&M of the airports, starting with the major international airports. He said that the Iloilo International Airport is in the pipeline, and the target of privatizing the O&M will be next year.

At this juncture, Senator Drilon asked on the mode of privatization of the Iloilo International Airport. Senator Gatchalian said that it would be open for bidding.

Lastly, Senator Poe asked the DOTr's biggest accomplishments from 2016 to the present. Senator Gatchalian enumerated their top three achievements: the communication navigation and surveillance system in the airport which will improve safety and air traffic management of our airports; the completion of the Puerto Princesa Airport and the Panglao International Airport; and the commencement of the rehabilitation of the MRT 3. In addition, he cited that DOTr's numerous projects that are very significant to national development, like the completion of the Mactan-Cebu International Airport which was delayed and had a lot of management issues; the completion of the San Vicente Airport which would be the gateway to the beautiful San Vicente municipality; the Maasin Airport in Southern Leyte; the rehabilitation of the Marinduque Airport; and the rehabilitation of the Tacloban Airport considering that it was heavily damaged by *Yolanda*.

Senator Poe reiterated her requests for submission, particularly the list of MVIFs, as well as the new guidelines for the route rationalization and the franchising. Senator Gatchalian said that the department will submit all those documents to her office by Friday.

SUSPENSION OF SESSION

Upon motion of Senator Gatchalian, the session was suspended.

It was 3:56 p.m.

RESUMPTION OF SESSION

At 4:02 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF THE BUDGET OF THE DEPARTMENT OF TRANSPORTATION

Upon motion of Senator Zubiri, there being no objection, the Body suspended consideration of the budget of the Department of Transportation.

PRESIDENTIAL COMMUNICATIONS OPERATIONS OFFICE

Senator Gordon presented the budget of the Presidential Communications Operations Office (PCOO) and its attached agencies amounting to P1.6 billion.

SUBMISSION OF THE BUDGET OF THE PRESIDENTIAL COMMUNICATIONS OPERATIONS OFFICE AND ITS ATTACHED AGENCIES

There being no reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the Presidential Communications Operations Office and its attached agencies, namely, the Presidential Communications Operations Office (Proper), Bureau of Broadcast Services, Bureau of Communications Services, National Printing Office, News and Information Bureau, Philippine Information Agency, Presidential Broadcast Staff, Intercontinental Broadcasting Corporation, and People's Television Network, were deemed submitted for the Body's consideration.

DEPARTMENT OF TOURISM

Senator Gordon presented the budget of the

Department of Tourism and its attached agencies amounting to P3.8 billion. He stated that the DOT deserves to get a bigger budget given the tremendous impact of tourism in the country. He noted that compared to other countries, the country's allocation for the department is miniscule.

Regarding the budget of the Regional Tourism Promotions, Senator Gordon said that it was originally to be used for all regions, but the NCR was overlooked. Thus, he said that it would be included in the amendment.

MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino thanked the DOT for expressing their support to our athletes in the forthcoming Southeast Asian Games by putting up airport booths not just in NAIA, but also in Clark and in Subic as well. He hoped that it could be maintained as part of the sports tourism program of the DOT. Senator Gordon hoped that the department would be given more assignments as the DOT is ready to provide what is needed.

Senator Zubiri congratulated the Tourism Secretary for the successful rehabilitation of Boracay Island.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF TOURISM AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Tourism along with the Office of the Secretary, Intramuros Administration, National Parks Development Committee, the Nayong Filipino Foundation, and all its attached agencies was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 4:13 p.m.

RESUMPTION OF SESSION

At 4:14 p.m., the session was resumed.

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SUSPENSION OF SESSION

Upon motion of senator Zubiri, the session was suspended.

It was 4:15 p.m.

RESUMPTION OF SESSION

At 4:19 p.m., the session was resumed.

DEPARTMENT OF TRANSPORTATION

(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration of the budget of the Department of Transportation.

INTERPELLATION OF SENATOR RECTO

Asked by Senator Recto on the amount of DOTr's budget in 2017, Senator Gatchalian said that it was P73.6 billion.

Senator Recto noted that based on the budget documents, the budget of DOTr for 2017 which was prepared by the previous administration, was roughly P47 billion, with a capital outlay of P33 billion. He said that in 2017, only P17 billion of the P23 billion was obligated, only 5.89% was disbursed, and that what had earlier been presented by Senator Lacson and the new submission of DOTr were cumulative disbursements. This, he said, meant the budget for 2017 was obligated for two years and it was only in 2019 that the obligation for the 2017 budget was increased.

Asked on the amount allocated for the DOTr in 2018, including continuing appropriations, Senator Gatchalian said that the cumulative amount for 2018 was P83.2 billion, with P59.5 billion allotted for the DOTr Central Office, and that the obligation was 89% and disbursement at 35%. But Senator Recto noted that in 2018, the disbursement was only P12 billion or 23%.

As regards the 2019 budget, Senator Gatchalian said that the DOTr proper and the Office of Secretary would be allotted P77 billion, with P44 billion obligations and P30 billion in disbursements.

Senator Recto said that his figures coming from DOTr as of June 30 were different from Senator

Gatchalian's. He said that there was a big discrepancy in the obligations since most did not have a Notice to Proceed. He disclosed that the obligations in paper accounting were actually only covered by MOAs. However, he said that he wanted to know what projects had been completed, what projects are under procurement, or project development, as well as those that had been suspended, or under contract termination, and those covered by MOA, from 2015 up to the current period. He noted that many projects did not have Notice to Proceed and had not undergone formal bidding and that there was merely an agency transfer of funds and/or responsibilities. He said that he had raised the issue to help the Transportation Secretary know what was happening and improve the execution of the projects.

Asked on the budget of the DOTr in 2020, Senator Gatchalian replied that it was about P147 billion, with P90 billion in unprogrammed appropriations for a total of P237 billion.

Asked on the amount that would be carried over from the previous year as a consequence of the extension of the validity of the 2019 budget, Senator Gatchalian said that as of October, the balance was about P32 billion.

Senator Recto stated that upon enactment, DOTr's available balance for 2020 would be P269 billion given the proposed P237 billion allocation and the P32 billion extended 2019 budget, which is higher compared to its total budget of P187 billion for the past three years.

Senator Gatchalian stated that the Department has a catch-up plan to expedite the spending for the remaining P39 billion budget, since the 2019 budget was approved last May.

As regards the budget for right-of-way (ROW), Senator Gatchalian stated that the proposal was P18 billion which was reduced to P8 billion in the committee report. He said that for 2019, the budget was P13 billion.

To Senator Recto's observation that the P20 billion allocation for the DOTr in the 2019 NEP was reduced by P7 billion for a total budget of P13 billion and as of September 2019, not even P1 billion has been spent, Senator Gatchalian stated that the DOTr would spend P5 billion out of the P13 billion by December 2019.

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Senator Recto stated that while the Department would to spend P5 billion by December, a balance of P8 billion would be carried over. Asked if the DOTr has a list of obligations lined up for the P8 billion to be spent by December, Senator Gatchalian explained that it would be used for various right-of-way acquisitions including those for the subway project which involves 171 out of 460 parcels, one of which is the 40-hectare property in Valenzuela City where the depot would be stationed, while the rest are in Quezon City. He said that the funding will not be downloaded to the LGU and that an estimated P6 billion would remain by the end of the year.

Senator Recto computed that if the P16 billion is carried over and added to P10 billion, the agency would have P16 billion for 2020. Asked if the DOTr was comfortable with a P16 billion budget, Senator Gatchalian replied that while the DOTr believed that it might not be enough, they could still work with it. He said that he had urged Undersecretary Batan to submit the DOTr's program for the following year.

Citing newspaper reports, Senator Recto noted that many challenges are foreseen in relation to the subway project. He noted that the previous DOTr administration paid for a small portion of ROW for the Line-1 Cavite extension project but because of the new alignment, another area had to be purchased but nothing has happened since its acquisition.

Senator Gatchalian stated that the construction of the LRT-1 Cavite extension was ongoing and that only a small portion encountered problems with the alignment.

Senator Recto reiterated that the proposed P276 billion budget for 2020 would be P100 billion bigger than the budget for the last three years.

Senator Gatchalian clarified that the allocation for 2019 was P67 billion and would go up to P145 billion for 2020. He explained that the reason for the significant increase was to the rail projects lined up for the year – North-South Commuter Railway, Metro Manila Subway project, Cavite Extension project, MRT-3 rehabilitation among others.

As regards the North-South Railway, Senator Gatchalian stated that the project would be funded by a P777 billion JICA-ADB loan and would be due for completion by 2025, with P84 billion set aside for the project in the coming year. He stated that most

of the budget would be for civil works, while the remainder would be for the rolling stock, electro-mechanical system of the commuter rail and consultancy services, among others. He assured that the North-South Railway project was started on time.

Senator Recto noted that the government started the loan in 2015 coinciding with the start of construction of Phase I of the project; in 2017, the allocation was P6 billion; and in 2019, the appropriation was P13.7 billion. He asked if the DOTr could spend P107 billion on the project in 2020.

Senator Gatchalian stated that the Unprogrammed Fund was being utilized because the project was in its advanced stage.

As to the next biggest project, Senator Gatchalian stated that the subway project, which should have been started in 2019, was given a budget of P1.5 billion from the government and P11.2 billion Unprogrammed Fund from JICA in 2019. He stated that the loan proceeds would be used to pay the contractors, including civil works and other technical matters.

Senator Recto expressed doubt that the P13 billion has been spent on the project. Senator Gatchalian stated that P11 billion would be utilized in the next few weeks.

Responding to the comment that no work had been done on the project until 2019, Senator Gatchalian cited the Special Allotment Release Order (SARO) which has yet to be released.

Senator Recto questioned how the agency could pay its contractors and other technical works when its SARO has yet to be released. He stated that for 2020, P53 billion has to be spent for the Metro Manila Subway to be on track. He posited that with a P360 billion project and P53 billion earmarked for utilization in 2020, any delay could extend the completion of the project and the government would already pay the interest and fees, not to mention the escalation in prices which is inevitable.

Asked how many riders the subway could serve, Senator Gatchalian stated that subway targets 350,000 riders; the boarding rate is P22 and P2 would be charged for every kilometer or an average of P45 per individual or an average of P5.7 billion a year. For the yearly maintenance cost of the project, he said that the DOTr does not have the figures yet but they have spent about P2 billion for the MRT 3.

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Asked on the economic internal rate of return (IRR) of the Metro Manila Subway and whether it is financially viable, Senator Gatchalian replied that the return is 11%.

As regards the North-South Commuter Railway, Senator Gatchalian said that its economic IRR is little higher at 12%, and he agreed with Senator Recto that if the maintenance cost is 5% of the project, it would be P20 billion.

Senator Recto said that all the infrastructure projects of the government that are being funded by loans, should be completed on time because delays could result in additional costs for the government. He lamented that in the last three years, the government had spent P187 billion for the projects, and on the following year, it would spend about P276 billion; and with the two projects, the Metro Manila Subway and the North-South Commuter Railway, they would be spending more.

Asked on the third biggest project for 2020, Senator Gatchalian cited the South Long-Haul Project of the Philippine National Railways (PNR), which would link Metro Manila to the Bicol province and funded by China loans.

To Senator Recto's observation that the PNR had zero budget for the following year, Senator Gatchalian said that there was a recommendation to reinstate P2 billion but it was not approved by the DBM.

Asked on the 2020 budget of the South Long-Haul Project, Senator Gatchalian said that it is P877 million. However, Senator Recto said that the government should be spending P50 billion for the project on 2020 to finish it by 2024. Senator Gatchalian said that the loan was only for project management and consultants.

Noting that the Chinese firms are also the financiers, contractors, and project management consultants of the projects, Senator Recto believed that there was a conflict of interest because there would be no check and balance. Senator Gatchalian explained that the situation is similar to many ODA packages but for the said project, the consultants and the contractor would be different entities but still Chinese.

Senator Recto asked if he could propose certain amendments to reduce the programmed funds and

transfer the amount to its unprogrammed funds, so that when the agency is ready to implement the project, it would just request an authority to spend, Senator Gatchalian said that the agency agreed, provided that it is possible to transfer the programmed funds from loan proceeds to unprogrammed funds, and that they would not be utilizing the programmed funds for GOP (Government of the Philippines) counterpart funds.

Regarding the P2-billion budget for the operations of PNR for 2020, Senator Recto said that he would have to find fiscal space for such amount. He also noted that because of some carry-over of funds for 2019 which resulted in double appropriations, he would have to resort to transferring funds from programmed funds to unprogrammed funds.

Asked who were the professionals engaged in the project whose budget for services has increased over the years, Senator Gatchalian replied that most of them were technical consultants, like the engineers. He said that the DOTr would submit a list to Senator Recto of the professionals hired for their projects.

MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino stated that the President recently issued a directive to all agencies within the Executive Department "to finish, decide by December 10, 2020, all pending paper works, administrative requests, and all paper works that will involve a decision or denial." He then asked whether the DOTr as well as the other agencies under the Executive Department are ready to heed the directive of the President, including acting on projects that need to be approved or denied. Senator Gatchalian answered in the affirmative.

Senator Tolentino stated that the directive does not apply to projects with foreign funding because they require decisions coming from outside of the government's jurisdiction. He pointed out that the directive is applicable to matters that can be decided within the different agencies like DOTr, CAAP or MARINA. He stated that the President wanted the paper works submitted by December 10 so that project delays could be avoided.

Senator Gatchalian agreed with Senator Tolentino and that the Secretary already issued this directive to all DOTr agencies.

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Senator Tolentino reiterated that the directive of the President did not only apply to DOTr but to the entire Executive branch spectrum. He said that the directive reflected the sense of urgency of the President – that government projects should not be delayed. He said that he was looking forward to having a robust transport sector by 2020, and that all the agencies of the government would have disposed all the pending paperwork by December 11, 2019. He expressed confidence in Secretary Tugade's ability to manage the difficult projects in the DOTr, including the 15 railway projects which the agency has begun and is expected to finish by 2022 so that the country would have 169 railway stations and 1,425 trains, which is a big increase from the 221 trains in 2016. He compared the situation of the DOTr to Thailand and Malaysia which encountered several difficulties and problems in the construction of its elevated road and train station which lasted 21 years. He said that the first phase of the 23-kilometer mass transit system in Sungai Balak, Kajang in Malaysia took six years to be completed. He said that the two infrastructure projects are manifestations of the difficult challenges being forced by the DOTr but he believed that the agency only needed to realize the dream of every Filipino for a better mass transport system. He noted that the project which kicked off in 2016 with 77 kilometers, is expected to be finished with 1,144 kilometers before 2022. In closing, he reiterated his support for the budgetary requirements of the Department of Transportation.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri expressed his appreciation to Senator Tugade for the leadership and support extended to the construction of the Bukidnon Airport. He also thanked Senators Angara and Gatchalian and expressed hope that the airport would be completed by 2022.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF TRANSPORTATION AND ITS ATTACHED AGENCIES

There being no other interpellation, upon motion of Senator Zubiri, there being no objection, the budgets of the Department of Transportation, Office of the Secretary, Civil Aeronautics Board, Maritime Industry Authority, Office of the Transportation Cooperatives, Office for Transportation Security, Philippine Coast Guard, Toll Regulatory Board, Light Rail Transit Authority, and all the attached agencies were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 5:13 p.m.

RESUMPTION OF SESSION

At 5:28 p.m., the session was resumed.

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

Senator Angara presented the budget of the Department of the Interior and Local Government (DILG) and its attached agencies in the amount of P237,997,692,000.

INTERPELLATION OF SENATOR LACSON

Senator Lacson stated that the ideal police-to-population ratio is 1:500, and he asked what the current population-to-police ratio is in the Philippines. Senator Angara replied that it was 1:575 as of June 2019.

As regards the number of policemen that should be recruited to attain the ideal ratio, Senator Angara replied that about 54,000 more personnel are still needed to be able to attain the ideal ratio; and that for the current year, the PNP planned to recruit 10,000 non-commissioned officers and another 500 for commissioned officers for a total of 10,500.

Relative thereto, Senator Lacson pointed out that recruitment has a corresponding cost in terms of Personal Services (PS) and Maintenance and Other Operating Expenses (MOOE). He then asked for the approximate cost of the recruitment. Senator Angara replied that the approximate cost is about P4,700 per recruit.

Asked how fast the PNP could recruit the additional 10,500 commissioned and non-commissioned police officers, Senator Angara replied that they were already done with the recruitment.

Senator Lacson recalled that the budget of the PNP for 2019 was augmented for the same reason which is recruitment. He then asked if the PNP was able to recruit the number of policemen they said they would recruit then. Senator Angara replied in the affirmative, saying that it was made possible by

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the P54 million that was inserted in the previous budget. For 2020, he said that about P335,390,000 would be needed for the recruitment of 10,500.

Since P1,390 per month per personnel is needed, Senator Lacson asked on the total cost if multiplied by the number of police officers nationwide and by 12 months. Senator Angara replied that it is about P3,759,838,00; hence, the P3.659 billion proposed budget is short of more or less P100 million. Senator Lacson said that he and Senator Dela Rosa would, at the proper time, introduce an amendment to address the deficit.

Asked on the percentage of police officers and non-commissioned officers that are in the frontlines or in the field and in the headquarters. Senator Angara answered that about 85% are in the field, while the remaining 15% are in the offices. He confirmed that the PNP presently has no PNP chief.

Relative thereto, Senator Lacson asked DILG Secretary and concurrently the NAPOLCOM chair Eduardo Año on the extent of the powers and authority of the officer-in-charge. Senator Angara said that the OIC has no power to appoint second-level officers and to sit as the *ex officio* commissioner in NAPOLCOM but only acts as an observer without voting since he is not a full-fledged member of the board. Senator Lacson believed that while there is a provision in the law on the extent of the powers of the OIC, there could be a way for NAPOLCOM to have a representation from the PNP while they do not have a Chief PNP yet.

Asked by Senate President Sotto if permits to carry firearms are still being issued, Senator Angara replied in the affirmative, adding that the carrying of firearms is also allowed.

Asked by Senator Lacson how the authority to issue permit to carry firearms was granted to General Archie Gamboa, Senator Angara replied that it was granted through a NAPOLCOM resolution. He said that according to Secretary Año, they could issue another NAPOLCOM resolution granting other powers not being enjoyed by OIC General Gamboa such as to be allowed to sit as *ex officio* member with voting rights as well as the authority to appoint and promote up to lieutenant colonel.

Senator Lacson expressed the belief that the resolution would have an effect on the overall

efficiency of the PNP as an organization, particularly on discipline wherein the OIC would be allowed to grant incentives to personnel showing good performance through promotion.

On the issue again of personnel fill-up, Senator Lacson asked if the budget for 2020 for additional 10,000 police officers has been settled. Senator Angara replied in the affirmative, and he assured that he would accept any amendment that Senator Lacson would propose.

Senator Lacson posited that the personnel fill-up would be 225,510 police officers once recruitment is done which would represent the full complement as programmed. He then asked how the figure 225,510 would translate into ratio and if such ratio has reached the ideal. Senator Angara replied that it would translate to 1:504 which is close to the ideal ratio of 1:500. However, he believed that recruitment must still be done because only 85% are in the field and the remaining 15% are in the pencil-pushing jobs.

On another issue, Senator Lacson said that the PNP was given a budget to procure equipment and to modernize under its enhancement program. He noted, however, that every budget deliberation, the DBM does not fund the maintenance which should be included when procuring equipment because without funds for maintenance, equipment like a helicopter could easily become rusty. He noted that the maintenance requirements of newly-procured H125 helicopters include P63.583 million and P24.9 million for training of PNP personnel to operate Bell 429 and H125, among others, amounting to a total of P703 million. He said that he and Senator Dela Rosa would again, at the appropriate time, introduce their individual amendments on the matter. Senator Angara said that he would try his best to put another P703.7 million on top of the earlier request of P320.275 million which has already been granted.

On the DILG budget, Senator Lacson noted that under the item "Local Government Support Fund (LGSF)" which includes Assistance to Municipalities under the Special Purpose Fund, two of the three items managed by the DILG which are the P2.489 billion and the "Other Financial Assistance to LGUs" which was P4 billion were lodged with the DBM. He recalled that in the previous year, he asked Senator Legarda for the list of PAPs that would be funded by the item "Other Financial Assistance to LGUs" which was then P4 billion and which increased

to P7 billion, and again increased to P16 billion in the House version and P19 billion in the Senate version. Although he was told that there was a list, he said that he found out that there was actually no list of PAPs to be funded by P4 billion at that time.

Asked if a list of PAPs was already available, Senator Angara replied in the negative, and he agreed that such a lumpsum appropriation could either be deleted or be made more specific by making it a line item under the DILG or by realigning it to other activities.

As to the phrase “managed by DBM,” Senator Lacson asked what the phrase exactly meant and who implements the project. Senator Angara replied that the DBM is the one that processes the request, making sure that the LGU meets all the requirements and releases the money and that it is the LGU under the DILG that implements the project. He affirmed that the vetting is done by the DILG.

Senator Lacson said that upon asking the DBM about the lumpsum appropriation during the committee hearings, it appeared that the DBM also has no idea yet on where to use the appropriation. Senator Angara said that according to the DBM Secretary, they actually have a list, which is a separate list from the DILG.

Referring to the total budget for the devolved functions of LGUs under the Local Government Support Fund (LGSF) amounting to P182 billion, Senator Lacson noted that with the *Mandanas* ruling by the Supreme Court, the LGUs are demanding P250 billion—P100 billion for 2019 and P150 billion for 2020. To the observation that the national government was unprepared to fund it, Senator Angara said that a few options were considered, one of which was to remove some budgetary items and devolved them to the LGUs which could be converted to IRA. He said that although the plan seems unwieldy, converting some funds would prevent it from being used up for all development or infrastructure projects. He affirmed that only 20% could be used for development projects if the devolved fund would be converted to IRA.

To Senator Lacson’s remark that the remaining 80% of the funds would cover PS, SK, calamity, and general services which might disrupt the LGUs’ development goals, Senator Angara assured that the DBM would find time to study how the plan could be made more effective.

Asked if the 20% to 25% RDC-endorsed projects which were adopted by the national government could be increased, Senator Angara agreed that the total percentage in all agencies should be increased. He said that the DILG budget has 64% PAPs projects which were endorsed by the respective LGUs.

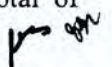
Asked if the GDP and poverty incidence were factored in the allocation of resources in the regions considering that the lion’s share always goes to the NCR, Senator Angara admitted that the allocation mostly goes to populated areas like Region III (Central Luzon) and Region IV-A (CALABARZON), while areas with high poverty incidence consist of the ARMM and BARMM which has autonomy of resources and a block grant, and Region IX or the Zamboanga Peninsula.

To the comment that while the Gross Regional Domestic Product in 2018 was 6.3%, only 2% was obligated which is not congruent to the needs of LGUs, Senator Angara said that the Gross Regional Domestic Product is not really a factor since the poor regions have no absorptive capacity and capability to submit local development plans, and even if they do, they could no longer be accommodated in the RDC.

Senator Lacson said that the arrangement should be corrected so that regions like Region X, which has a 25.4% poverty incidence, could be enhanced. He said that the RDC should be considered for future planning as a means to empower or capacitate local government units so that there would be equitable distribution of wealth. He said that the Senate as a policymaking body, should do something to address such inequity among LGUs. Senator Angara agreed that even regions with poverty incidences should be given the opportunity to improve their lot.

INTERPELLATION OF SENATOR DELA ROSA

At the outset, Senator Dela Rosa stated that for the current year, the DILG under the Office of the Secretary has an available budget of P260,400,000 for the Enhanced Comprehensive Local Integration Program (E-CLIP). Asked what projects and activities were implemented using the E-CLIP budget, Senator Angara said that 2,129 former rebels (FRs) consisting of 1,505 NPAs and 624 *Militia ng Bayan* (MB) were provided with benefits and assistance from 2018 to 2019; 1,939 FRs were granted P15,000 immediate assistance, or a total of P29 million; 1,433 FRs were given P50,000 livelihood assistance, or a total of



P71.65 million; 1,714 FRs received reintegration assistance which is P21,000 per former rebel, in the total amount of P36 million; and 407 FRs were given firearms remuneration, in the total amount of P28.64 million.

Asked on the proposed budget for E-CLIP, Senator Angara stated that the total budget for 2020 is P213,974,000 inclusive of the budget for such purpose in the DND budget.

Asked why the E-CLIP budget was reduced by almost 60%, Senator Angara stated that since the proposed budget was submitted at the time the budget for the current year was not yet utilized, the DBM reduced it.

To the remark that reducing the E-CLIP budget might affect the LCAT program such that the needs of rebel returnees might not be accommodated, Senator Angara said that the amount of P108 million, which used to be only P48 million, is in the DND budget for E-CLIP.

Senator Dela Rosa stated that before it was handled by the DILG, the forerunner of E-CLIP was the *Balik-Baril* program of the OPAPP. He recalled that when he was the PNP provincial director of Compostella Valley, he was able to persuade NPA members to surrender by assuring them that the government would provide them money in exchange of guns which they termed "economic package" or "livelihood package." However, he said that the previous administration suddenly stopped the E-CLIP program which caused the disgruntled surrenderees who were staying as aides in the camps to return to the mountains together with their wives and children. He then stressed the need for the E-CLIP funds to be properly utilized especially since the lives of the soldiers and the police are at stake.

In reply, Senator Angara noted that as of October 2019, there was still P195 million left in the 2019 budget for the program, and since the 2019 budget has been extended, the budget for E-CLIP would be carried over until 2020, which combined amounts would total P300 million. He also conveyed that the assurance of the DBM that it would derive funds from the contingency fund.

Regarding the status of the PNPI and PNPA's transfer to the PNP, Senator Angara stated that the physical transfer is 100% complete and only the 2020

salary is yet to be completed. Senator Dela Rosa noted that when he was still PNP chief, he lobbied for the measure before Senator Lacson who was then chairperson of the Committee on Public Order and Dangerous Drugs, the reason why the bill was immediately passed.

Senator Dela Rosa believed that the PNP should restore its training function to organic PNPs due to disciplinary issues, and to make attractive to good officers the assignment in training establishments as he believed that if there is no come-on offer, nobody would want to be assigned in trainings. Senator Angara disclosed that the PNP chief has assured that there would be a career path considering that a PNP director is considered a two-star general while the commandant is one-star. Senator Dela Rosa suggested that the instructor's duty pay which is exclusively given to instructors and assistant instructors (AIs) assigned in actual classroom training should also be given to all organic personnel assigned therein. Senator Angara said that the PNP Chief would consider the suggestion of Senator Dela Rosa.

Senator Dela Rosa hoped that in the coming years, he would see marked differences in trainees coming from the PNPA and PNPI, adding that he would like the training service to produce qualified, competent, intelligent, hardworking, and honest role model officers and PNCOs. Senator Angara guaranteed the training in the PNP would bring good results by next year.

Senator Dela Rosa hoped that no young patrolman would become a ninja cop for wanting easy money that comes from illegal dealings. He said that the PNP's strict handling of their trainings would bring best results. He recalled that when he entered the police service, he and his fellow graduates from the PMA sought immediate encounters and accomplishments because their orientation was to serve the country. He lamented how new graduates now would seek what station assignment would give them easy money. He hoped to restore the old orientation in the PNP by filling up the training service with the right people, for instance, promoting a tactical officer in a PNPA company after two years of serving there by making him the regional officer of a national support unit. From there, he said that they would just pick the best ones. He hoped that his frustrations when he was PNP chief would not be transferred to them. He added that low ranking police officers should first be assigned to first-line operations.

On whether the BJMP's budget of P15,702,000,000 for Inmate's Safekeeping and Development Program included the expense for inmates in provincial jails, who have been transferred to BJMP, Senator Angara answered in the affirmative.

Senator Dela Rosa said that he had filed Senate Bill No. 1100 which seeks to transfer the control and supervision of provincial jails and sub-provincial jails to the BJMP. He hoped that the BJMP would be ready with the additional responsibility if the bill is approved by Congress next year.

MANIFESTATION OF SENATOR ZUBIRI

Reacting to an earlier statement of Senator Lacson, Senator Zubiri stated that Bukidnon is no longer ranked sixth but has dropped to the 19th place in terms of poverty incidence due to the rapidly improving situation in the province.

INTERPELLATION OF SENATOR RECTO

Senator Recto expressed surprise upon learning that there was an increase in the budget of the DILG of around P8 billion, even though the capital outlay was lowered from P11.8 billion to P4.7 billion. He said that the PNP and many other of the departments under the DILG would always be needing additional capital outlay for expenses, such as vehicles, communication equipment, bullets, and others. He also noted that there was a P285 billion surplus among local government units in BSEF, which means that they were not able to spend their end-year cash balance.

Senator Recto recalled Senator Lacson's presentation on the ALGU, which amounted to P32 billion. He noted that some had a list of where the allocation would be spent, but the P4 billion was a lump-sum amount which could be a source for the increase in the capital outlay of the PNP.

Regarding the division of the MOOE among offices and stations in the country, Senator Recto suggested that an annex be included to clarify how much each station would receive. That way, he said that the budget for their operations would be clearly stated, and they would have a harmonious relationship with the LGUs. He added that the LGUs could also provide fund augmentation if necessary. Senator Angara pointed out that the formula of multiplying P1,390 the number of policemen in the station would give an estimate of the needed funding per station.

He also clarified that the money is released directly by the DBM to the regions and to the cities and that their budget is not properly presented to reflect the reality on the ground, but he gave assurance that that is the way it was happening.

Senator Recto said that a quick calculation, based on the formula given and without considering all other factors with a P15 billion allocation for MOOE and uniform strength of 186,000, would amount to about P79,000 per policeman. He then inquired if there is also an allocation for the improvement of camps. Senator Angara stated that the budget of P100 million is sufficient to cover 17 police stations, saying, however, that their allocation for 2020 is P1 billion which will be used for specific projects for each camp.

Senator Recto stated that there should also be a PNP Modernization Act to improve their human resources and develop their sites.

At this juncture, Senate President Sotto relinquished the Chair to Senate President Pro Tempore Recto.

MANIFESTATION OF SENATOR MARCOS

By way of response to the constant claim of the LGUs that they are not obtaining sufficient support in the anti-drug abuse councils, and that the DILG could possibly do more by way of training the LGUs, Senator Marcos asked that the agency provide 1) the number, the incidents, and the other data on said training in the anti-drug abuse council; 2) information on the alleged P1 billion remaining *Yolanda* funds, specifically a list of how the money was spent; and 3) an update relative to the COA's report on the failed modernization program of BFP. She noted further that the PNP created 10,000 new positions, but 25,885 positions are still vacant. Similarly, she said that BJMP created 2,000 new positions despite having 2,225 vacancies. She queried why their system is like that.

Senator Marcos manifested that it was time that the national government took seriously the planning of the implementation of the *Mandanas* ruling. She said that the DILG should take the lead in negotiating with the LGUs, as she believed that the governors and mayors have very open minds. She mentioned that Senator Recto has also filed a bill with regard to a local Build, Build, Build, and that she personally spoke to Secretary Villar who was willing to spin

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out some of the NEP items for implementation by the LGUs.

Furthermore, she noted that many of the governors and mayors will be very interested in directly implementing many of the projects of the Department of Agriculture, DOH, and DepEd at the local level, and that she was hopeful that the DILG would take the lead.

Senator Angara remarked that it was inevitable that the resources would go because of that ruling, and that there is no choice because there is no fiscal space for both the national and local finance to grow. He assured Senator Marcos that they will furnish her with a copy of the requested documents.

INTERPELLATION OF SENATE PRESIDENT SOTTO

Senate President Sotto noted that under the 2019 GAA, some of the selected locally-funded projects are the decentralization of the federalism program amounting to about P150 million, and then the public markets, *bagsakan* centers, and public cemeteries amounting to P970 million. However, he pointed out that those projects are not funded under the 2020 NEP. Asked if the department would discontinue those projects, Senator Angara replied that the DBM did not grant their request amounting to P200 million.

Senate President Sotto stated that one of the programs under the DILG-OSEC is the anti-illegal drugs information system which is a joint project of the DILG with the PNP, DSWD, DOH, and TESDA. Asked why PDEA and DDB were not included in this program, Senator Angara clarified that they were included and that they would amend the briefing paper to reflect the reality.

Regarding some COA compliance audit issue, Senate President Sotto asked on the reason why the DILG Regional Offices Nos. 3, 4(A), 5, and 11 failed to formulate activities, programs, and projects for senior citizens and differently-abled persons, contrary to Section 31 of the General Provisions of the GAA of 2018. Senator Angara assured that their projects took into account the needs of the special sectors like that for the PWDs, although there is no fund dedicated to that as the special facilities were already mainstreamed.

Senate President Sotto requested the DILG Secretary to take a look at the regional offices as

earlier mentioned — Regions III, IV-A, V, and XI — which said that they were not as blessed as the others. Senator Angara said that the Secretary pledged to make them comply.

On a related matter, Senate President Sotto noted that in the police disciplinary program of the IAS, only 67% of the complaints were investigated in 2018; for 2019 and 2020, their targets for “investigated cases” were only 30% and 40%, respectively. He wondered why the targets were so low.

Asked on the opinion of the PNP and DILG leadership about having the IAS as a separate entity and independent of the PNP, Senator Angara said that the agency has a TWG in place which is studying the matter.

Senate President Sotto recalled that on October 16, IAS Director Alfegar Triambulo mentioned in an article that all actions made by IAS are subject to the review or reversal of top PNP commanders. Senator Angara said that according to PNP Chief Gamboa, that was no longer the case.

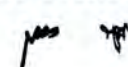
Senate President said that it was also mentioned that in other countries, the internal affairs services are independent from the police and that they also have the power to remove chiefs of police. Thus, he said that the IAS could have initiated the investigation against the former PNP Chief and his gang.

Asked which countries have independent internal affairs services in the police, Senator Angara said that almost all countries have independent internal affairs services.

Relative thereto, Senate President Sotto said that it would be best to take a look at the result of the study. He mentioned Senator Lacson’s bill on the matter which should be considered, as well as the inputs of Senator dela Rosa.

On the issue of the powers of the PNP Chief, Senate President Sotto asked if it includes the issuance of permit to carry firearms. Senator Angara replied in the affirmative. He said that he has been informed by the PNP that they would deliver the request of Senator Lacson the next day.

At this juncture, Senate President Pro Tempore Recto relinquished the Chair to Senate President Sotto.



INTERPELLATION OF SENATOR HONTIVEROS

At the outset, Senator Hontiveros commended the efforts of the DILG in monitoring the compliance of LGUs with the amended Fisheries Code and with DILG Memorandum Circular 2018-59: Policies and Guidelines on the Regulation and Monitoring of Fishery Activities in Municipal Waters Nationwide. She underscored its importance in reminding the LGUs to exercise their mandate in managing municipal waters, especially in fisheries law enforcement, fisherfolk registration, and implementing management measures during closed season. She noted that the Fisheries Compliance Audit was already rolled out in Manila Bay and that she was told that it would be rolled out nationwide. Relative thereto, she asked what other initiatives are being done by the DILG for the fisheries sector.

In reply, Senator Angara said that it is a continuing effort on the part of the DILG to work with the LGUs and the BFAR to ensure that there is no illegal fishing and that pertinent laws are observed.

Senator Hontiveros requested the DILG for a written report on what they have done for the fisheries sector. Senator Angara gave the assurance that the DILG would be submitting something more detailed on the matter.

On another matter, Senator Hontiveros said that the road clearing operations were triggered by the order of President Duterte during his SONA. She asked whether the DILG has a study on how many families would be displaced in the course of the continuing clearing of the roads and sidewalks in Metro Manila or Cebu City, and if she could be furnished with the data.

Senator Angara said that the LGUs have not yet submitted their reports and that the DILG was still in the process of collecting the data. He reported that as of November 15, 2019, there were 76 complaints arising from the road clearing operations that were endorsed by the DILG and were accordingly acted upon by the LGUs. Senator Hontiveros requested to be furnished with a copy of the database upon its completion. She assumed that once completed, the database would be used by the DILG for their action plans.

Asked by Senator Hontiveros whether the DILG is planning to enter into a MOA with the shelter agencies, such as the NHA, so that work and

financial plans could be developed for families who might want to avail of housing programs, Senator Angara replied in the affirmative, saying that it was the way forward to create a systematic and integrative housing plan for the affected sectors.

Senator Hontiveros noted that the database that was being created by the DILG would seem to point to a positive direction. She wondered whether it is possible for the DILG Secretary to coordinate more systematically, and even formally, with the LGUs and the NHA so that the displaced families would be taken care of. She requested that the DILG Secretary provide her a copy of the service standard or citizen's charter for the service as soon as it is formulated.

At this point, Senator Hontiveros said that it would appear that the DILG might be having thoughts about the transfer of the Resettlement Governance Program to the Department of Human Settlements and Urban Development (DHSUD). She said that the DILG is aware that DHSUD is still in the process of constructing its new organization, a process that, including the hiring of more than a thousand new staff, could take from three to six months. She said that the Resettlement Governance Program is currently working with LGUs which are host to 12 resettlement sites and that there are ongoing activities until January 2020. She agreed with Senator Tolentino's observation that the engagement of the DHSUD with the LGUs is very important since the latter are force multipliers that would enhance the effectiveness of the farmer. Likewise, she said that the DILG's mandate to supervise LGUs so that they comply with national policies cannot be underestimated since it is helping the HUDCC in mainstreaming the formulation of LGU local shelter plans by including it as among the criteria in the Seal of Good House-keeping program.

Senator Hontiveros believed that in 2020, two heads are better than one – the DILG and the DSHUD – two agencies overseeing the Resettlement Governance Program. She said that she would be providing Senator Tolentino with the draft special provision that they could jointly propose to the Chair of the Finance Committee at the proper time.

Asked by Senator Hontiveros on the possibility of the Resettlement Governance Program to start touching base with the resettlement sites outside the 12 that they are currently working with, Senator Angara replied in the affirmative.

Handwritten marks: A stylized signature or set of initials, possibly "JW", followed by a small scribble.

Senator Hontiveros that there are numerous resettlement sites and projects that lack basic amenities which add to the burden of the receiving LGUs. She believed that both the PCUP and DHSUD have information about the gaps in essential services and the unserved needs which are an affront to the spirit of the UDHA and to the dignity of the Filipinos.

On whether the Resettlement Governance Program would be the institution that would bridge the resettlement sites to the 2021 budget preparation process, Senator Angara said that he was told that the DILG is continuing to dialogue with the sending and receiving LGUs.

Addressing the PNP, Senator Hontiveros requested for the latest available data on deaths under investigation by the PNP. She recalled that after the murder of Kian delos Santos in 2017, there was a public clamor for police officers to wear body cameras. She said that many senators called for it in the 2018 budget and she requested the PNP to give her an update on the status of the body cameras.

Likewise, she said that according to news reports, PNP OIC P/Lt. Gen. Archie Gamboa was quoted to have said that there was no need for Vice President Robredo, who co-chairs the Inter-Agency Committee on Anti-Illegal Drugs (IACAD), to obtain a list of the high-value targets so she could focus on advocacy and rehabilitation. She wanted to know whether General Gamboa maintains such his position.

Relative thereto, Senator Hontiveros said that she found it interesting that the COA reported that the PNP achieved only a 19.37% accomplishment rate on arrests on most wanted persons and high-value targets, lower than its targeted 51.57%. She surmised that the PNP may have problems with high-value target and most wanted persons, presumably drug lords and syndicate heads. She proposed that the information be made available to the co-chair of the IACAD in order for her to help them attain their target and accomplishment.

On the matter of ninja cops, she requested that the Body be updated on the status of "ninja cop" investigations, specifically by providing information on the number of police officers who have been put under preventive suspension and the number of police who have been dismissed from the service.

Finally, she said that in behalf of the family and friends of retired Police Major Lito Pirote, she inquired from the PNP and the NBI the status of the investigation of his abduction, and she was told that the PNP created a task force to investigate his abduction. She requested that the PNP submit to her office a report regarding the matter.

Senator Angara asked whether it was alright to Senator Hontiveros if the answers would be submitted to her in writing at a later time. Replying in the affirmative, she said that Senator Angara may reply in plenary to a few of the questions she has raised.

On the issue of the body cameras, Senator Angara said that the PNP was in the process of conducting the bidding and that by December 10, they would have some results. As regards the rest of the information being requested, he said that the DILG would provide the data at the soonest possible time.

In closing, Senator Hontiveros appealed to the PNP Chief for a different policy pronouncement that would allow the Vice President an optimized role as vice chair of the IACAD.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri manifested that Senator Revilla has waived his reservation to interpellate on the DILG budget.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Zubiri, there being no objection, the budget of the Department of Interior and Local Government and its attached agencies was deemed submitted for the Body's consideration.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

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

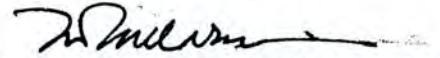
**SUSPENSION OF CONSIDERATION
OF HOUSE BILL NO. 4228**

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

ADJOURNMENT OF SESSION

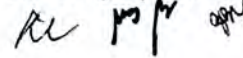
Upon motion of Senator Zubiri, there being no objection, the session was adjourned until three o'clock in the afternoon of Monday, November 25, 2019.

I hereby certify to the correctness of the foregoing.



ATTY. MYRA MARIE D. VILLARICA

Secretary of the Senate



Approved on November 26, 2020