



REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 31

Wednesday, November 3, 2004

**THIRTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 31
 Wednesday, November 3, 2004

CALL TO ORDER

At 3:39 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

Gordon, R. J.	Pangilinan, F. N.
Lapid, M. L. M.	Pimentel Jr., A. Q.
Lim, A. S.	Revilla Jr., R. B.
Magsaysay Jr., R. B.	Roxas, M.
Osmeña III, S. R.	

PRAYER

Sen. Luisa "Loi" P. Ejercito Estrada led the prayer, to wit:

Lord, please hear our humble prayer.

Give us peace. Give us hope. And make our hearts clean and pure.

Give us courage. Give us strength. And help us go on and on.

Give us food. Give us shelter. And let us not go hungry.

Give us passion. Give us desire. And may we do Your will wholeheartedly.

Give us love that we may give it back. Give us faith that we may seek Your glory.

Give us pardon. Give us mercy. And make us instruments of Your forgiveness.

In all things, let Your light shine upon us that we may be kept from wicked ways, now and forevermore.

Amen.

ROLL CALL

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

Arroyo, J. P.	Ejercito Estrada, J.
Cayetano, C. P. S.	Ejercito Estrada, L. L. P.
Defensor Santiago, M.	Enrile, J. P.
Drilon, F. M.	Flavier, J. M.

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

Senator Biazon arrived after the roll call.

Senators Angara, Lacson, Madrigal and Villar were on official mission.

Senator Recto was absent on account of illness.

APPROVAL OF THE JOURNAL

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session No. 30 and considered it approved.

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 Secretary General of the House of Representatives, transmitting to the Senate the attached letter dated 20 October 2004 of the Honorable Speaker Jose de Venecia Jr., addressed to the Honorable Franklin M. Drilon, informing the Senate of the designation of the following House members as members of the House panel in the Congressional Oversight Committee on Labor created pursuant to Committee Report No. 31 (Converting the Congressional Commission on Labor into a Congressional Oversight Committee on Labor):

1. Hon. Roseller L. Barinaga
2. Hon. Crispin Beltran
3. Hon. Edcel C. Lagman
4. Hon. Ernie D. Clarete
5. Hon. Juan Edgardo Angara

To the Committee on Rules

BILL ON FIRST READING

Senate Bill No. 1840, entitled

AN ACT STRENGTHENING AND EXPANDING THE POWERS OF THE SUBIC BAY METROPOLITAN AUTHORITY AND THE CLARK DEVELOPMENT CORPORATION, ALLOWING THEM TO DEVELOP OTHER SPECIAL ECONOMIC ZONES IN LUZON TO OPTIMIZE THE THREE (3) AIRPORTS IN SUBIC, CLARK AND MANILA, TWO (2) SEAPORTS IN SUBIC AND MANILA, AND ONE (1) CONNECTING HIGHWAY AND RAILWAY IN LUZON, AND FOR OTHER PURPOSES

Introduced by Senator Gordon

To the Committees on Government Corporations and Public Enterprises; Economic Affairs; and Ways and Means

COMMUNICATIONS

Letter from Director Benjamin T. Guingona of the eTelco, Inc., informing the Senate of their acceptance and commitment to comply with the provisions of the franchise granted under Republic Act No. 9321.

To the Committee on Public Services

Letters from Deputy Executive Secretary for Legal Affairs Manuel B. Gaité of the Office of the President of the Philippines, transmitting to the Senate two (2) original copies of the following Republic Acts which were approved and signed by Her Excellency, President Gloria Macapagal Arroyo on March 30, April 21, June 25, 29, July 27, 30, August 2, 4 and 7, 2004, respectively:

Republic Act No. 9279, entitled

AN ACT GRANTING ADDITIONAL COMPENSATION IN THE FORM OF SPECIAL ALLOWANCES FOR THE MEMBERS OF THE NATIONAL PROSECUTION SERVICE AND THE STATE COUNSELS IN THE DEPARTMENT OF JUSTICE AND FOR OTHER PURPOSES;

Republic Act No. 9293, entitled

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED SEVENTY-EIGHT HUNDRED AND THIRTY-SIX (R.A. NO. 7836), OTHERWISE KNOWN AS THE PHILIPPINE TEACHERS PROFESSIONALIZATION ACT OF 1994;

Republic Act No. 9299, entitled

AN ACT CONVERTING THE CENTRAL VISAYAS POLYTECHNIC COLLEGE (CVPC) INTO A STATE UNIVERSITY TO BE KNOWN AS THE NEGROS ORIENTAL STATE UNIVERSITY (NORSU), INTEGRATING THEREWITH THE GENARO GOÑI MEMORIAL COLLEGE IN THE CITY OF BAIS, THE SIATON COMMUNITY COLLEGE IN THE MUNICIPALITY OF SIATON, AND THE MABINAY INSTITUTE OF TECHNOLOGY IN THE MUNICIPALITY OF MABINAY, ALL LOCATED IN THE PROVINCE OF NEGROS ORIENTAL AND APPROPRIATING FUNDS THEREFOR;

Republic Act No. 9300, entitled

AN ACT CONVERTING THE ISAAC LOPEZ ELEMENTARY SCHOOL IN MANDALUYONG CITY INTO AN INTEGRATED SCHOOL TO BE KNOWN AS THE ISAAC LOPEZ INTEGRATED SCHOOL

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AND APPROPRIATING FUNDS THEREFOR;

Republic Act No. 9301, entitled

AN ACT AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7471, ENTITLED "AN ACT TO PROMOTE THE DEVELOPMENT OF PHILIPPINE OVERSEAS SHIPPING" AND FOR OTHER PURPOSES;

Republic Act No. 9302, entitled

AN ACT AMENDING REPUBLIC ACT NUMBERED THREE THOUSAND FIVE HUNDRED NINETY-ONE, AS AMENDED, OTHERWISE KNOWN AS THE "CHARTER OF THE PHILIPPINE DEPOSIT INSURANCE CORPORATION" AND FOR OTHER PURPOSES;

Republic Act No. 9303, entitled

AN ACT DECLARING MT. HAMIGUITAN RANGE AND ITS VICINITIES AS PROTECTED AREA UNDER THE CATEGORY OF WILDLIFE SANCTUARY AND ITS PERIPHERAL AREAS AS BUFFER ZONE AND APPROPRIATING FUNDS THEREFOR;

Republic Act No. 9304, entitled

AN ACT TO ESTABLISH MT. MALINDANG NATURAL PARK, LOCATED IN THE PROVINCE OF MISAMIS OCCIDENTAL AS A PROTECTED AREA AND ITS PERIPHERAL AREAS AS BUFFER ZONE, PROVIDING FOR ITS MANAGEMENT PURSUANT TO REPUBLIC ACT NO. 7586 (NIPAS ACT OF 1992) AND FOR OTHER PURPOSES;

Republic Act No. 9305, entitled

AN ACT ESTABLISHING ADDITIONAL BRANCHES OF THE MUNICIPAL TRIAL COURT IN THE CITY OF ILIGAN, PROVINCE OF LANA DEL NORTE, AMENDING FOR THE PURPOSE SECTION 29 OF BATAS PAMBANSA BILANG ISANG DAAN AT DALAWAMPU'T SIYAM, OTHERWISE KNOWN AS THE JUDICIARY REORGANIZATION ACT OF 1980, AND APPROPRIATING FUNDS THEREFOR;

Republic Act No. 9306, entitled

AN ACT ESTABLISHING ADDITIONAL BRANCHES OF THE MUNICIPAL TRIAL COURT IN THE CITY OF ILOILO, AMENDING FOR THE PURPOSE THE JUDICIARY REORGANIZATION ACT OF 1980, AND APPROPRIATING FUNDS THEREFOR;

Republic Act No. 9307, entitled

AN ACT CREATING ONE ADDITIONAL REGIONAL TRIAL COURT BRANCH FOR THE PROVINCE OF EASTERN SAMAR, WITH STATION AT THE MUNICIPALITY OF BALANGIGA, AMENDING FOR THE PURPOSE SECTION 14, PARAGRAPH (1) OF BATAS PAMBANSA BLG. 129, AS AMENDED, OTHERWISE KNOWN AS THE JUDICIARY REORGANIZATION ACT OF 1980;

Republic Act No. 9308, entitled

AN ACT PROVIDING FOR TWO (2) ADDITIONAL BRANCHES OF THE MUNICIPAL TRIAL COURT IN THE CITY OF CALAMBA, LAGUNA,

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AMENDING FOR THE PURPOSE SECTION 29 OF BATAS PAMBANSA BLG. 129, OTHERWISE KNOWN AS THE JUDICIARY REORGANIZATION ACT OF 1980, AS AMENDED, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES;

Republic Act No. 9309, entitled

AN ACT CREATING TWO (2) ADDITIONAL BRANCHES OF THE MUNICIPAL TRIAL COURT IN CITIES IN THE CITY OF TAGBILARAN, AMENDING FOR THE PURPOSE SECTION TWENTY-NINE OF BATAS PAMBANSA BILANG ISANG DAAN DALAWAMPU'T SIYAM (BP 129), OTHERWISE KNOWN AS THE JUDICIARY REORGANIZATION ACT OF 1980, AND APPROPRIATING FUNDS THEREFOR;

Republic Act No. 9310, entitled

AN ACT CREATING TWO (2) ADDITIONAL BRANCHES OF THE MUNICIPAL TRIAL COURT IN CITIES (MTCC) FOR THE CITY OF BUTUAN, AMENDING FOR THE PURPOSE SECTION 29 OF BATAS PAMBANSA BLG. 129, OTHERWISE KNOWN AS THE JUDICIARY REORGANIZATION ACT OF 1980, AND APPROPRIATING FUNDS THEREFOR;

and Republic Act No. 9311, entitled

AN ACT CONVERTING THE LEYTE INSTITUTE OF TECHNOLOGY (LIT) IN THE PROVINCE OF LEYTE INTO A STATE UNIVERSITY TO BE KNOWN AS THE EASTERN VISAYAS STATE UNIVERSITY AND APPROPRIATING FUNDS THEREFOR

To the Archives

COMMITTEE REPORT

Committee Report No. 4, submitted jointly by the Committees on Justice and Human Rights; and Finance on Senate Bill No. 1745, introduced by Senators Arroyo, Serge Osmeña and Pimentel Jr., entitled

AN ACT PROVIDING FOR COMPENSATION TO THE VICTIMS OF HUMAN RIGHTS VIOLATIONS DURING THE REGIME OF FORMER PRESIDENT FERDINAND MARCOS, DOCUMENTATION OF SAID VIOLATIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES,

recommending its approval without amendment, taking into consideration Senate Bill No. 1330.

Sponsors: Senators Arroyo, Serge Osmeña, Pimentel Jr., Recto and Villar Jr.

To the Calendar for Ordinary Business

ADDITIONAL REFERENCE OF BUSINESS

BILLS ON FIRST READING

Senate Bill No. 1841, entitled

AN ACT TO RATIONALIZE THE COMPOSITION AND FUNCTIONS OF THE NATIONAL LABOR RELATIONS COMMISSION, AMENDING FOR THE PURPOSE ARTICLES 213, 214, 215 AND 216 OF P.D. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

Introduced by Senator Pangilinan

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

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Senate Bill No. 1842, entitled

AN ACT AMENDING SECTIONS 4 AND 9 OF REPUBLIC ACT NO. 7309, ENTITLED "AN ACT CREATING A BOARD OF CLAIMS UNDER THE DEPARTMENT OF JUSTICE FOR VICTIMS OF UNJUST IMPRISONMENT OR DETENTION AND VICTIMS OF VIOLENT CRIMES AND FOR OTHER PURPOSES" AND FOR OTHER PURPOSES

Introduced by Senator Pangilinan

To the Committees on Justice and Human Rights; Social Justice, Welfare and Rural Development; and Finance

Senate Bill No. 1843, entitled

AN ACT ESTABLISHING A CREDIT INFORMATION BUREAU SYSTEM, AND FOR OTHER PURPOSES

Introduced by Senator Angara

To the Committee on Banks, Financial Institutions and Currencies

COAUTHORS

Senator Pangilinan manifested that Senators Lapid, Revilla and he are coauthors of Senate Bill No. 1840.

PRIVILEGE SPEECH OF SENATOR DEFENSOR SANTIAGO

Availing herself of the privilege hour, Senator Defensor Santiago delivered the following speech:

THE DISTINCTION BETWEEN ACADEMIC FREEDOM AND ADMINISTRATIVE PROCEDURAL DUE PROCESS

The Constitution (Article XIV, Section 5, paragraph 2) provides: "Academic freedom shall be enjoyed in all

institutions of higher learning." Accordingly, the present bill known as the UP Charter of 2004 provides:

Sec. 5. Academic Freedom. The University shall have the right to enjoy and the responsibility to exercise academic freedom.

The term "academic freedom" is defined as "the freedom of teachers and students to teach, study, and pursue knowledge and research without unreasonable interference or restriction from law, institutional regulations, or public pressure." Academic freedom is limited by the general laws of society, such as those on obscenity, pornography, and libel.

In short, academic freedom is the freedom to live the life of the mind. Since it is not only a right but also a responsibility, academic freedom does not grant the teacher the power to be arbitrary in his or her judgments, for the academic world is a world of reason. No teacher has a right to be unreasonable.

Since academic freedom involves the intellectual freedoms to discuss or investigate, it does not apply to the administrative or procedural functions of the university. A teacher who happens to be sitting in an admission committee for a particular college is performing an administrative function where the concept of academic freedom is not called into play. Instead, the concept of administrative procedural due process governs the proceedings for admission. The concept of administrative due process requires notice, opportunity to be heard, an open hearing, and a neutral and detached decision-maker.

In the case of my son and many other applicants to the U.P. College of Law, particularly those who are children of public figures, they duly passed the written entrance examinations for the College of Law, and yet after only a 15-minute

interview of the applicant conducted by four members of the admission committee, they decided to reject these applicants. In our case, the motion for reconsideration was referred to the faculty, which invariably upheld the committee's decision, apparently without going into the facts. This is a clear violation of administrative due process of law which binds all persons, whether or not they are professors even of the great and almighty U.P.

In the admission process at the U.P. College of Law, it appears that the concept of academic freedom has been confused with the concept of administrative procedural due process. Under the concept of academic freedom, the teacher can teach any how he wants. But under the concept of administrative procedural due process, the teacher is required to observe strictures of fairness and justice, regardless of his or her own personal prejudices.

It appears that today, in the U.P. College of Law, there is a cabal of self-proclaimed leftist teachers who work collectively to reject or otherwise oppress the children of public figures with whose politics they disagree. In other words, they punish the child—using humiliation, ridicule, and supreme arrogance—because they dislike or hate the public actuations of the parents. This situation is reprehensible and revolting, for it reveals not only their psychological incapacity to be teachers and lawyers, but also their deep ignorance of the canons of civilized conduct among intellectuals.

None of the teachers who were in my son's admission committee can even begin to approach the genius of the existential teacher and writer Jean-Paul Sartre, who won but declined the Nobel Prize for Literature. At first, Sartre displayed pronounced leftist leanings, without becoming a member of the Communist Party. However, when he set out to examine critically the Marxist

dialectic, he discovered that it was not livable in the Soviet form. Sartre conceded that Marxism had become ossified because it compelled the particular to fit a predetermined universal. Sartre wrote that "Marxism must learn to recognize the existential concrete circumstances that differ from one collectivity to another, and to respect the individual freedom of man." In full sorrow, I accuse my political enemies in the U.P. law faculty of refusal to give my son the respect that he deserved as a simple human being.

It is ironic that the leftist cabal succeeded in rejecting from the U.P. College of Law my son, who was a dedicated advocate of Marxism as the only philosophy for the current times. He had hoped to take up law in order to follow the example of his leftist hero, Che Guevara.

My son Alexander was modest and humble, and insisted on a low-key lifestyle. Very few of his classmates knew that I was his mother. I understand from his classmates that although soft-spoken, he was eloquent and principled in classroom discussions. He was on the dean's list in Ateneo, and was in the first semester at Ateneo law school when he shot himself. The night before, as was customary with the two of us, he gave me a bonecrushing hug, he looked me in the eye for a space of time, and said, "Goodbye, mother." I thought he was being histrionic, as he sometimes was.

You, in the U.P. College of Law admission committee for school year 2003, were directly responsible for the suicide of my son Alexander. You left him no sense of honor, and therefore no other alternative. But other mothers' sons and daughters preferred to accept your verdict, and for your information, dozens of them went on to graduate as valedictorian with honors from other law schools, and some even went on to top the bar examinations. *W*

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Is this not a condemnation in fact of your misplaced arrogance, and a marked indication of your incompetence and inefficiency as members of the admission committee? Who gave you the power to play God with the lives and the loves of your fellow human beings? What undiagnosed personality disorders are you suffering from, your wretched miniscule intellects suffering from delusions of grandeur? Given a little bit of power, you inflated your egos to cover the whole outdoors. If you want to change Philippine politics, then I challenge you to run for public office in the democratic way, *instead of resorting to illegal methods*, such as holding a rally in front of my residence which is, for your information, unconstitutional; or to immoral and unethical methods, such as ganging up on an innocent student. You ill-conceived, half-baked leftists are a *menace to democracy*. Your main problem is that you want authority without responsibility.

As a nationally elected senator, I have a duty not only to help pass laws, but also to denounce and fight injustice and oppression. Please do not mistake me, I continue to love and respect U.P., my alma mater, where I spent many happy days of learning from wise professors, in the company of the best and brightest minds in the country, some of whom are with me now in the Senate. I desire to vote for the proposed new U.P. charter because brilliant professors deserve higher salaries. But like all U.P. alumni, I resist any attempt to turn U.P. into a savage kingdom of warring tribes with selfish conflicting interests. I wish for my alma mater to remain an unsullied institution of unquestioned academic and moral excellence.

In order not to waste time, I withdraw my earlier motion to suspend discussion of the proposed U.P. charter of 2004, on condition that the U.P. authorities shall, on or before November 15, submit a memorandum on the admission procedure to the U.P. College of Law, particularly

explaining why the interview phase of the admission process should not be eliminated for being corrupt and arbitrary.

On a personal basis, I request strongly that the memorandum should give the following facts:

1. The names, addresses, and brief resumés of the members of the admission committee for school year 2003 who interviewed my son; and whether they continue to remain in the faculty;
2. The names of those who voted against my son;
3. The criteria, if any, that the committee applied to my son Alexander Robert Defensor Santiago, which led to his fatal rejection, although he had passed the written admission examinations;
4. The voting at the faculty meeting to which my motion for reconsideration was referred, and the basis, if any, for the decision to confirm my son's rejection;
5. The administrative procedure for filing a complaint for conduct unbecoming a U.P. professor. Following the law, I shall exhaust this administrative remedy before filing the proper cases in court;
6. The reason for deliberately ignoring the principle of administrative procedural due process, by failure in the rules and regulations of the U.P. College of Law to provide for a grievance and appeal procedure with notice, opportunity to be heard, public hearing, and a neutral decision-maker.

With your indulgence, let me add one last personal note. Immediately or during my speech yesterday, a male caller told my staff upstairs that "they" would very soon bury me and the rest of my staff: "*Sabihin mo kay Senadora, sa boss mo, malapit na siya sa hukay at*"

lahat din kayo!" As a consequence, a number of my staff are absent today. Mr. Caller, whether you represent the leftists in U.P., or the rightists in the armed forces, this is my response: When my son died last year, I died with him. So please take careful aim when you shoot me, because if you kill me, you will be doing me a very big favor and ending my misery as a disconsolate mother. Whether yesterday you wanted to threaten me, I assure you that you failed; or whether you wanted to entertain me, I assure you that you succeeded. *Hindi mo ba alam na laos na ang death threat? Weapons of mass destruction na ang uso ngayon, tanga!*

In the meantime, I shall, with the consent of the Senate, continue my interpellation on the rest of the bill. Before doing so, however, I move that my request from U.P. authorities for a memorandum on the case of Alexander Santiago should be referred to the Chair of the Committee on Rules, for compliance.

REFERRAL OF MOTION TO THE COMMITTEE ON RULES

At the instance of Senator Pangilinan, there being no objection, the Chair referred the motion of Senator Defensor Santiago to the Committee on Rules.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the session was suspended.

It was 4:03 p.m.

RESUMPTION OF SESSION

At 4:04 p.m., the session was resumed.

COMMITTEE REPORT NO. 2 ON SENATE BILL NO. 1833 (Continuation)

Upon motion of Senator Flavier, there being no objection, the Body resumed consideration,

on Second Reading, of Senate Bill No. 1833 (Committee Report No. 2), entitled

AN ACT TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL UNIVERSITY.

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

Thereupon, the Chair recognized Senator Pangilinan, sponsor of the measure, and Senator Defensor Santiago for her interpellation.

INTERPELLATION OF SENATOR DEFENSOR SANTIAGO (Continuation)

Resuming her interpellation, Senator Defensor Santiago suggested the insertion in Section 5 of the bill of a provision that makes a distinction between academic freedom which the State or any other entity is prohibited from interfering with and administrative procedural due process which, under the legal system, has to comply with all appropriate applicable decisions of the Supreme Court. Senator Pangilinan said he had no objection to the proposed amendment, subject to style.

Referring to Section 6 on *Academic Excellence*, Senator Defensor Santiago observed that the ranking of U.P., which used to occupy the No. 1 slot in the Asian region, has continued to decline through the years. Further, she cited an *Asiaweek* survey which showed how the U.P. ranking has slid from 1997 to 2000, to wit:

Year	U.P. ranking (Asiaweek Survey)
1997	25
1998	46
1999	32
2000	48

Noting that the decline is relative not only to U.P. but also to all other Philippine state colleges and universities, she wondered whether there is a need to amend the entire U.P. charter or merely to increase the allocation of resources to

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the education sector. Senator Pangilinan opined that there is a need to do both. With respect to the cost per student, he noted that U.P. is receiving a meager amount compared to other universities in the region and is truly lagging behind. He cited the students of the University of Malaysia who are receiving five times more; the students of the Chulalongkorn University, three times more; the students of the Tokyo University, six times more; and the students of the National University of Singapore, 11-12 times more.

While acknowledging that the current fiscal crisis in the Philippines makes it difficult for the government to provide more than what it should for the education sector, Senator Pangilinan believed that in about five to seven years, with a more stable economy, the government would be able to provide greater subsidies to U.P.

On the need to amend the U.P. charter, Senator Pangilinan explained that the U.P. charter, which was enacted in 1908, reflected the conditions in the University at a time when it had only 49 students and one campus. At present, he pointed out, the University has some 55,000 students and seven autonomous constituent universities in Luzon, Visayas and Mindanao. Further, he said that since 1908 piecemeal amendments were made on the charter but to truly address the entire requirement of U.P., the charter has to be revised.

On another matter, Senator Defensor Santiago wondered why U.P. Diliman allowed two supposed PhD graduates to teach in the Political Science Department for several years even though later on, they were revealed to have faked their transcripts of records.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:13 p.m.

RESUMPTION OF SESSION

At 4:16 p.m., the session was resumed.

Senator Pangilinan stated that he had to verify the issues concerning former U.P. professors Garrett Evans and Paul Condorum. He affirmed that Messrs. Evans and Condorum taught in U.P. and subsequently, the U.P. administration received information that they were not doctorate degree holders. What was important, he said, was that the U.P. administration acted swiftly by terminating the services of the two men and filing administrative cases against them.

Senator Defensor Santiago suggested that a penal clause concerning the falsification of academic credentials and public documents also be included in the charter.

Pointing out that the act of submitting falsified records is already a criminal act, the Chair asked whether U.P. took any other action aside from filing administrative cases against the two professors.

Senator Pangilinan explained that University regulations require the submission of documents which, if falsified, is a crime. He informed the Body that the University had filed administrative cases which are quicker to prosecute and suspended the availment of benefits while the cases are pending. He agreed with Senator Defensor Santiago that administrative complaints should be accompanied by proper criminal complaints which should be referred automatically to the Office of the Prosecutor. Senator Defensor Santiago manifested that she would introduce an amendment pertinent thereto at the proper time.

As regards Section 7 on *Social Responsibility*, Senator Defensor Santiago observed that in the University Health Service of U.P. Diliman, doctors, nurses and health workers working there are graduates of other universities. She asked why U.P.-PGH cannot supply the demand for health workers of the entire U.P. system considering that the U.P.-PGH receives more than 25% of the entire U.P. budget. Also, she proposed that graduates of Social Sciences be asked to help during the elections to free the schoolteachers from this obligation and in the process, inculcate in the youth the value of preserving clean, honest

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and peaceful elections. With regard to the rest of the U.P. graduates, she said that they can be recruited to work in U.P. itself.

In response, Senator Pangilinan explained that the University health centers focus on primary health care while the U.P.-PGH focuses on secondary and tertiary health care, so, it is in PGH that U.P. graduates train, practice or take up their residency. In addition, he said, the University health centers pay very low wages compared to U.P.-PGH

Asked on the possibility of requiring every U.P. graduate to first work for the government, say, for a period of one year, as some form of social responsibility, Senator Pangilinan agreed that, in principle, U.P. students should work for the government in return for the State subsidy they received. He wondered, however, how such a program could be implemented with regard to architecture graduates, for instance.

Pertinent to Section 9 on *Institutional Autonomy as the National University*, Senator Defensor Santiago proposed that U.P. also offer courses in which the Philippines is competitive, citing the demands in the international labor market for nurses, caregivers, call center operators, engineers, and seamen, among others. She believed that U.P. should offer more realistic courses rather than the noble professions which have always characterized the standards of academic excellence in the University but which have not been necessarily functional in reality.

Senator Pangilinan disclosed that he has some reservations about tailor-fitting the U.P. academic programs to meet fluctuating demands. He recalled that about ten years ago, the demand was for information technology experts, hence, students went into computer science courses, but after a while, the demand waned. He expressed the view that the University should focus on core academic programs like science and technology rather than on what the market dictates.

On another matter, considering that the State invests P5 million to P7.5 million on students in the doctorate program, Senator Defensor Santiago

opined that the University should require PhD graduates to work in U.P. or other government agencies for a number of years. Senator Pangilinan pointed out that most of the PhD graduates become faculty members of other state colleges and universities. He assured the Body that he would look into proposals that would further maximize the investment that the State puts into these graduates.

Replying to further queries, Senator Pangilinan informed the Body that a PMA cadet receives a State subsidy at least double that of a U.P. student. He welcomed the proposal that U.P. graduates serve the public sector for a given period in return for having been educated through the taxpayers' money, in much the same way that PMA graduates are hired to be members of the Armed Forces.

Asked whether the Secretary of the Department of Science and Technology should be included in the Board since national universities in Asia have a number of faculty members and researchers who specialize in science and technology, Senator Pangilinan said that having two representatives from the Executive department would be a bit top-heavy, pointing out that the chairperson of the Board is the Chairman of the Commission on Higher Education who is a representative of the Executive department. He conceded, however, that the University does not have a lot of doctors in philosophy in science and technology.

As regards the need to add three more members to the Board when five other regents are appointed by the President of the Philippines, Senator Pangilinan explained that the charter would actually reduce the presidential appointments to three who would be elected by the Board after a democratic consultation. This amendment, he affirmed, would insulate the national university from partisan political appointments.

Noting that Section 10(3) provides that the members of the Board shall serve without compensation other than actual and necessary expenses incurred in attendance of meetings or other official business, Senator Defensor

Santiago asked why the members of the Board would be denied the fiscal incentives under the U.P. charter which seeks to increase the compensation of the University faculty and staff.

Senator Pangilinan stated that when he was a member of the Board, he viewed serving in the Board without compensation as a commitment to education. He said that some individuals consider being part of the governing body as compensation enough.

Senator Defensor Santiago posited that these individuals should be given the legal means to earn money, pointing out that when people are appointed to nominal or titular positions where they do not receive a regular wage or compensation, some of them find loopholes so that they can earn income by way of illegal means. Moreover, she observed that while the Board is given extensive powers as provided for in Section 11, the bill lacks safeguards that would ensure that the members of the Board would not abuse their authority. She suggested the inclusion of a provision to that effect. Senator Pangilinan welcomed the inclusion in the bill of safeguards in the exercise of the Board functions, subject to style.

Anent Section 11 (l), asked on the basis of extending the tenure of faculty members who have passed the age of 70 when Section 6 (k) of Act No. 1870 provides otherwise, Senator Pangilinan replied that the University allows those who have been appointed professors *emeriti* to teach one or two subjects. He clarified that while the retirement age is 65, an extension is allowed on a yearly basis up to the age of 70.

Asked by the Chair if the provision is included in the bill, Senator Pangilinan said that the Committee would make the corrections on the bill at the proper time.

Asked how a faculty member becomes a professor *emeritus*, Senator Pangilinan replied that the Board using a set of criteria, screens the outstanding professors and appoints them as professors *emeriti*.

On Section 11(m), asked what mechanisms were placed in the bill to ensure that the University

would not make education a money-making venture, Senator Pangilinan replied that he would not have any objection to an amendment to address said concern. He stated that it has been a practice of the University to go through a consultation process on how the funds are to be utilized. He said that it is not a blanket authority to increase fees since there must be a specific determination as to where the funds are to be used.

As regards Section 11(o) on the power of the Board to authorize the construction, maintenance or repair of buildings, Senator Defensor Santiago asked what mechanisms were placed in the bill to ensure transparent transactions. Senator Pangilinan stated that the Board is required to observe bidding laws and that the procedure must go through a COA audit.

Citing the recent issues plaguing the Armed Forces of the Philippines, Senator Defensor Santiago said that while the AFP observes bidding and auditing laws, the network of corruption has evaded safeguards. Senator Pangilinan stated that unlike the AFP, U.P. does not have the reputation of being a graft-ridden institution; however, he said he would be willing to accept, at the proper time, proposals to strengthen the present safeguards.

On whether it would be constitutional for U.P. to compel its graduates to render a minimum of two years of work in the country before they are allowed to go abroad, Senator Pangilinan replied that in principle, it is within the limits allowed by the Constitution to come up with some degree of regulation as to where or how a graduate of U.P. pursues his profession. He pointed out that educational institutions like the Philippine Military Academy and the Philippine Science High School require their graduates to render services as a way of repaying the State subsidy they received.

For her part, Senator Defensor Santiago said that the requirement would not violate the Constitution because there is no violation of the equal protection and due process clauses in view of compelling state interest for such an arrangement.

Senator Defensor Santiago asserted that the inclusion of Section 18 on the exemption of faculty

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members, research, extension and professional staff from any Civil Service examination as a requisite to appointment is reasonably justified, describing it as an affirmative action in favor of U.P. Moreover, she said that U.P. graduates are entitled to some display of appreciation for their contribution to the governance and scientific progress of the country.

Asked where U.P. sources its funds other than the GAA, Senator Pangilinan replied that there are four major sources of funds – tuition fees; interest earnings from endowments; donations; and the auxiliary services – dormitory rentals, cafeteria rentals and sales.

On the issue that alcoholic beverages are being sold in restaurants within or near the U.P. Diliman campus particularly Tree House, Chateau Verde and Chocolate Kiss, Senator Pangilinan said that Tree House had been closed, Chateau Verde is a subject of litigation at the moment, and Chocolate Kiss is unfamiliar to U.P. officials. Senator Defensor Santiago expressed hope that U.P. officials would have the will to implement ordinances within the campus.

Asked how U.P. could maintain its independence and objectivity in determining its research agenda if private corporations and multinationals will finance research activities, Senator Pangilinan replied that as a matter of policy, it is still the faculty member who decides and determines the thrusts of the research.

On the matter of long-term leases that the University entered into, Senator Defensor Santiago stated that U.P. may have entered into leases, particularly the Philcoa lease, that are not favorable to U.P. She said that the lessee of Philcoa pays P80,000 monthly rent while he subleases to several commercial establishments, thus enabling him to rake in huge rental payments that should have gone to U.P.

Queried on what safeguards were placed in the bill to ensure transparency of transactions, Senator Pangilinan replied that the Philcoa contract specifically provides that subleasing is prohibited, so there was an obvious violation of the terms and conditions of the contract which is now the subject of litigation before the Regional

Trial Court in Quezon City. He also clarified that the 2,000 square meter property was leased for P140,000. Senator Defensor Santiago expressed satisfaction that action has been taken on the matter.

Asked what exceptional cases would enable the Board of Regents to dispose of U.P. properties, Senator Pangilinan explained that lands owned by the University are classified either through an act of Congress or donation where the terms and conditions set forth therein allow either their sale or disposition. He expressed willingness to accommodate a proposed amendment, subject to style, which specifies each and every exceptional case when the Board is authorized to dispose of U.P. property.

On another point, Senator Defensor Santiago reiterated her proposal to give full salaries to the members of the Board to avoid abuse of the power to sell or lease lands.

Finally, Senator Defensor Santiago believed that although the government is suffering a huge budget deficit and needs all the taxes and duties that it could possibly generate, U.P. deserves the grant of tax exemptions.

INTERPELLATION OF SENATOR EJERCITO ESTRADA (J)

At the outset, Senator Jinggoy Ejercito Estrada said that while he has always been known as being a product of the Ateneo de Manila University, he was also proud to be a product of the University of the Philippines.

Replying to the query of Senator Defensor Santiago, Senator Ejercito Estrada said that he graduated from U.P. with a degree in A.B. Economics. Senator Defensor Santiago remarked that that would explain his fine performance in the Senate discussions.

Asked by Senator Ejercito Estrada on the basic points that make U.P. different from other schools, especially ADMU, Senator Pangilinan said that U.P., established in 1908, is the oldest public university in the country. With respect to degree programs, he said that U.P. offers 405 different graduate programs and

more than 230 undergraduate programs, while ADMU has 85 graduate programs and De La Salle University, less than 85. In terms of geography, he said that U.P. has students who come from all regions; its campuses are the largest in the country; and it has seven constituent universities.

Moreover, Senator Pangilinan said that close to 50% of the members of the U.P. faculty have master's degrees; 30% have PhDs; and 25% have baccalaureate degrees.

Senator Ejercito Estrada recalled that in the early 1980s when he was studying in U.P., there were many very affluent students in U.P., 70% of whose tuition fees were subsidized by the State. Senator Pangilinan affirmed that this was the concern during the late '70s up to the mid-'80s when he was in U.P. because U.P. was providing quality education, ironically, to graduates of private schools.

Senator Pangilinan recalled that U.P. instituted the Socialized Tuition Fee and Financial Assistance Program (STFAP) in 1989 and the Excellence and Equity Admission in 1997, as a result of which, he pointed out, majority of the students currently studying in U.P. are products of the public school system. Moreover, he said that current STFAP figures indicate that only 3% of U.P.'s 55,000 student population could be considered millionaires with the remaining 97% coming from the lower income families.

Senator Ejercito Estrada expressed doubt that only 3% comes from affluent families as he lamented that students from low income families almost always do not make it to quota courses because the affluent students who are graduates of the best schools naturally get better grades in the examinations. He said that this is evident in the huge number of luxury cars inside the U.P. campus.

Asked whether the other state universities such as Mindanao State University, Central Luzon State University and Polytechnic University would consequently become second raters compared to U.P., Senator Pangilinan expressed the belief that these institutions could draw their own unique expertise and specializations that

are regional in nature which the national university, even as it provides programs that cover a wide array of degrees, could not address; for instance, Mindanao State University could have its own expertise in the area of conflict resolution and development of the region; Central Luzon State University could address issues of biotechnology and agriculture; and Polytechnic University of the Philippines could address vocational programs.

Queried on the effectiveness of the use of Filipino as the medium of instruction which U.P. adopted several years ago, Senator Pangilinan disclosed that the program has been effective in some colleges but not in others. He said that although there was an emphasis on the use of Filipino as the medium of instruction, the overall policy is still the use of both English and Filipino.

As regards the total land area of U.P., Senator Pangilinan said that its seven campuses total 24,000 hectares, 496 hectares of which is situated in the Diliman campus; and 100 hectares is idle.

Asked what would be done to the idle lands, Senator Pangilinan said that one of the programs that is still under negotiation would be to utilize these lands as science and technology parks, lease these to private companies that could, in turn, provide students with state-of-the-art equipment. He disclosed that U.P. was still making representations with the Office of the President for the proclamation of the idle lands as science and technology parks.

INTERPELLATION OF SENATOR ROXAS

At the outset, Senator Roxas mentioned that he signed the committee report with reservations particularly on Section 20. He stated that central to the purposes of the proposed legislation is the question of resources and their management. Section 20, he noted, speaks of absolute ownership over properties and gives the University the flexibility to generate revenues and other resources from land grants and other properties. He added that mention of key words like "modernization," "research," "excellence," "centers of science and learning," among others, translates into funding which is the core of Section 20.

Adverting to the General Appropriations Act, Senator Roxas asked about the income and expenditure of U.P. over the last years.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:23 p.m.

RESUMPTION OF SESSION

At 5:24 p.m., the session was resumed.

According to Senator Roxas, U.P.'s expenditure for operation for the year 2005 is P5.4 billion, P950 million of which is derived from internally generated income and spent by the U.P. System.

Asked if this spending pattern reflects the philosophy on how to carry out the mandate of the University, Senator Pangilinan replied in the affirmative. He explained that the income on tuition fees is used to fund the scholarship programs, and expenditures for laboratories, libraries and research projects.

On whether U.P., in spite of its generated income, is a beneficiary of financial subsidies from the State, Senator Pangilinan replied in the affirmative.

As regards autonomy and making better use of the resources of the system, Senator Roxas asked if U.P. has a projection in the succeeding years and whether it would continue receiving State subsidy. Senator Pangilinan clarified that the State subsidies shall continue as there is no debate whether or not the government should provide subsidies to U.P., the issue being that since the State cannot fully provide the needed funds, it should at least give the University the ability to generate additional resources to augment its income. He affirmed that he shared the views of the U.P. leadership.

Senator Roxas stated that he also shared the same views but he questioned for what purpose the alternative sources of funding (Section 20) would be. He inquired how much the subsidies would be in view of the other sources of income

arising from the powers vested in the Board. Senator Pangilinan argued that State subsidies should continue for the next twenty years because U.P. has provided quality tertiary-level education to the underprivileged. He stated that the question of how much State subsidies U.P. should receive in spite of its generated revenue should be answered when the country "gets to the bridge."

Senator Roxas posited that the end premise of the bill is the grant of certain powers to the Board, particularly with respect to engaging in business. In fact, he noted that Section 11(r) talks about powers under the Corporation Code, hence, he believed that there should be some estimation on the revenues and services, and where the grant of powers would lead. He added that there is no debate on the need for the State to subsidize U.P. but the question is what would happen to the finances of the University in light of the powers to be granted to the Board. Senator Pangilinan replied that a study showed that science and technology parks would help raise an additional P375 million and there are other sources of funds that have been projected.

Senator Pangilinan explained that coming up with a fixed figure would be difficult since variables such as the cost of education and the depreciation of the peso vis-à-vis the dollar would have to be factored in. He noted, however, that in the long run, the reliability of the figures is another question altogether.

Agreeing that projections are always difficult to make, Senator Roxas nevertheless requested the University to make a projection as to where the grant of powers would lead. Further, he observed that under Section 11 of the bill, U.P. shall enjoy powers that are provided for in the Corporation Code, powers that are not in the present charter of U.P.

Senator Pangilinan explained that it was the intent of the previous Congresses to provide state universities and colleges the power to utilize their assets to be able to generate additional income. He cited R.A. No. 8292 which gave state universities and colleges powers similar to those found in the Corporation Code. He added that it was the intent of the Congress to strengthen the state universities and colleges, so that what is being

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proposed is to give U.P. the same powers. He noted the valid concerns of Senator Roxas as he added that at the proper time, amendments that provide safeguards against abuse would be accepted.

Asked what would be considered an adequate level of funding, Senator Pangilinan replied that out of the requested amount of P7 billion, only P5.4 billion was actually provided. He affirmed that Section 20 seeks to bridge the P1.6 billion gap by granting the Board the authority to generate revenues to further the University's ends, such as the P375 million-science and technology project which would give U.P. an annual cash flow receipt. He promised to provide Senator Roxas with the breakdown of the P375 million project.

Replying to other queries, Senator Pangilinan said that U.P.-PGH alone accounts for about P1 billion. He affirmed that P4 billion or P40,000 per student per semester is the cost of the State subsidy for about 55,000 U.P. students which, he conceded, translates to about P2,000 per unit, so that, in effect, the State is paying the highest tuition fee in the country. But he argued that other private institutions like De La Salle and Ateneo are not deep into research programs, citing the 405 graduate programs of U.P. compared with De La Salle's 85. He added that in a sense, U.P. shoulders other expenditures that private institutions do not.

As a hypothetical exercise, on the suggestion to just allocate P40,000 to every parents to fund the education of their child either at La Salle or Ateneo as a measure of determining whether the citizens are indeed obtaining good value for the money that they put into U.P., Senator Pangilinan argued that although a major component, teaching is not the only undertaking of the university which also funds research that requires laboratory work. He noted that laboratory equipment is very expensive especially if one wants to compete with the rest of the world.

Senator Roxas expressed the view that it would be useful for U.P. if it undertakes a research differentiating the "missionary" activities of the University from its pure instructional activities to determine if it is in the interest of the State to set aside money for research. It is in

the interest of the State, he stated, to set aside money to subsidize the tuition of deserving but financially incapable students but it might not necessarily be in the interest of the State to undertake activities that are already being pursued by private institutions.

Senator Pangilinan agreed that the State must provide the necessary resources in certain areas in education by allowing U.P. to spend more on a particular program like a research facility. He added that the thrust of U.P.'s current administration is to discourage providing services and courses that would duplicate other courses already available in other public or private institutions.

Senator Roxas pointed out that it is not really a matter of duplicating such activities but of pricing them accordingly. He stressed that this would improve the transparency of the allocation of resources so that activities that are not necessarily a public good should not be subsidized.

Senator Pangilinan informed the Body that there are certain courses that may not be deemed marketable but U.P. still has to offer them. Courses like Archaeology, he said, are offered at a higher cost in terms of faculty and facilities. He remarked that it is difficult to put a price tag on a valuable program that preserves the culture of a people.

Senator Roxas pointed out that there should be transparency so that the State could make a conscious statement of intent and action on where to put the money and the reasons for it. He underscored the importance of a transparent dialogue between the government and U.P. as to what is really in the interest of the State. Senator Pangilinan said that the Board already started discussing these concerns. He informed the Body that he had already requested university officials to submit figures and other supporting documents to illustrate where some of the resources are appropriated.

On another matter, Senator Roxas asked if the exemption from the Salary Standardization Law is already reflected in the P5.4 billion or whether it is going to be subject to monies to be raised from the powers to be granted to the Board

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of Regents. Senator Pangilinan explained that funding the salaries of the faculty and personnel is contingent on income. He said that the intention is to raise the necessary additional income to augment the current salaries received.

Asked what the allocation for personal services in the new 2005 budget would be once the Salary Standardization Law is lifted, Senator Pangilinan replied that it would depend on the income derived by U.P. He estimated that the projected P375 million additional income would result in a 10% increase in the budget. He expressed willingness to provide Senator Roxas with projections prepared by U.P. officials.

Senator Roxas asked if the increase in personal services would be internally generated by U.P. or would come from the General Appropriations Act. Stating that he would not argue against the proposed salary increase, he stressed that the State must clearly set salary classifications relative to the qualifications and tenure of every faculty member to show that U.P. does support a "living wage". Relative to this, he inquired about the mechanics for the implementation of the provision including the salary scale and the benchmark by which such increases would be measured. In reply, Senator Pangilinan said this information could be prepared for the perusal of Senator Roxas.

On the matter of tuition, Senator Roxas asked whether P300 fee per unit is the highest amount charged under the University's socialized tuition program which becomes less for other levels. Senator Pangilinan replied in the affirmative, adding that the socialized tuition scheme is applicable to the undergraduate program.

Senator Roxas disclosed that he has relatives who can afford the higher tuition rates at the ADMU but pay only P300 per unit at U.P. He then inquired how the University determined this amount. In reply, Senator Pangilinan stated that the P300 per unit fee was based on the previous fee as well as on the results of the administration's consultations with the students. For instance, he said that the P300 fee represents a 400% increase from the previous P87 fee.

Noting that three percent of U.P. students are millionaires, Senator Roxas wondered why such individuals are paying P300 only when data from the Committee on Education showed that other colleges and universities are charging higher fees per unit: De La Salle - P1,600; Ateneo -P1,500; Mapua Institute of Technology - P1,200; University of the East -- P676. He also asked whether there had been any discussion on the matter of charging well-to-do students based on their actual worth. Senator Pangilinan conceded that theoretically, millionaire students should bear the full tuition costs. However, he said that although U.P. officials had undertaken studies on the matter, there has not been any decision to charge well-to-do students full tuition cost.

Senator Roxas opined that it is important for them as representatives of the people to obtain value for money for services offered to the public. As such, he said that any instance when an individual is allowed undue advantage over others should be discussed so that the matter could be resolved.

On another matter, Senator Roxas noted that in effect, U.P. has two mandates - to educate which means to spend, and to be a custodian of resources. He acknowledged that he has problems when the mindset of the Board, as the custodian, is applied to commercial endeavors. He surmised that the lack of funds and the relative lack of transparency by the State and the University in ascertaining which projects to undertake could be the reason for the inclusion of Section 20 in the bill. He stated that he has no problem with subsection (a) on subsidy, and subsection (b) on absolute ownership of landholdings; however, subsection (c) on the power of the Board to plan, design and/or cause the implementation of contracts and the like that are in the nature of commercial transactions gives him pause especially when taken into consideration with Section 11(r) on the exercise of general powers in the Corporation Code. He asked if, in effect, this power would transform the University into a corporation.

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SUSPENSION OF SESSION

At this juncture, the Chair suspended the session.

It was 6:14 p.m.

RESUMPTION OF SESSION

At 6:14 p.m., the session was resumed.

Acting on Senator Roxas' request, Mrs. Annie Agaran of the Debate Reporters Service read back the question propounded by Senator Roxas.

Senator Pangilinan stated that he understood the concern of Senator Roxas that the powers of the Board could be abused; however, he underscored that under the 1908 charter, U.P. enjoys the powers of a corporation that it has exercised judiciously through the years. He clarified that the powers were merely being codified. To avoid the possible abuse of these powers, he stated that he would welcome proposals to include safeguards in the bill.

Senator Roxas then proposed the deletion of Sections 20(c) and 11(r) since the powers provided therein are already being exercised by the Board. However, he disagreed that the powers of the Board were just being codified as he recalled that in the previous interpellation, U.P. officials had said that they were waiting for permission from Malacañang to put up a science and technology park. He stated that when he was then trade secretary, the putting up of a science and technology park was brought up and the thinking then was that it requires the approval of the President or some authority, a requirement which is no longer contained in the bill. In response, Senator Pangilinan clarified that even if the bill is passed as presently worded, U.P. has to secure a presidential proclamation granting the science and technology park the same perks and privileges of a processing zone authority.

Senator Roxas stated that he had served two administrations and helped push the science and technology park agenda and in those two instances, it was clear in the minds of the U.P. Board members that it needed the approval of the President. He cautioned there is no guarantee that the future

Board members would be as trustworthy and conscientious as the present Board.

Asked how the power to enter into joint ventures and commercial undertakings would be operationalized, Senator Pangilinan replied that the Board would create a committee that shall, on the basis of studies, make the necessary recommendation on how to utilize, for instance, 20 hectares of U.P. Diliman for the science and technology park and present it to the Board which shall then decide whether to adopt the same. Procedurally, he said, this was how previous joint ventures were undertaken.

Senator Roxas proposed the deletion of Section 20 if it is, in fact, harmless. Senator Pangilinan stated that the deletion of the provision would curtail the powers already being enjoyed by the Board, to which Senator Roxas disagreed.

Asked where in the U.P. charter are the powers enumerated, Senator Pangilinan adverted to Section 6 of Act No. 1870 which states, "The Board of Regents shall have the following powers and duties in addition to its general powers of administration and the exercise of the powers of the corporation."

On whether the word "corporation" as used in Section 6 of the charter refers to U.P. which does not have the nature of a commercial corporation, Senator Pangilinan replied that the term "the corporation law" is used in the charter.

Senator Pangilinan reiterated that the general powers of a corporation have already been enjoyed and exercised by the University of the Philippines since it was established, and the deletion of Section 20 would prevent the University from enjoying what it has previously enjoyed.

But Senator Roxas insisted that those powers are additional powers.

SUSPENSION OF SESSION

Upon motion of Senator Roxas, the session was suspended.

It was 6:31 p.m.

RESUMPTION OF SESSION

At 6:32 p.m., the session was resumed.

In response to Senator Roxas' queries, Senator Pangilinan informed the Body that the Board, based on its previous practices, has the power to engage the services of experts to provide the necessary inputs so it could come up with a wise judgment based on a thorough study and appraisal of a particular project proposal.

Asked about the history, status and other details of those commercial transactions that had been undertaken in the past, Senator Pangilinan replied that the University officials were willing to provide the Members with the requested documents and materials. Relative thereto, Senator Roxas requested that a detailed report be submitted to the senators, for example, on the use of properties of greater magnitude.

On the concept of custodianship, following the premise that U.P. is not a corporation that makes money, enters into contracts, and buys services or raw materials and sells them for profit which is the layman's understanding of what a corporation is, Senator Roxas asked whether the assets are in the custodianship of the University through the Board as trustees that can be the subject of transactions.

Senator Pangilinan replied that there is no single definition for the University assets or properties. He said it is best determined on the basis of how U.P. acquired the land.

On the argument that the University should have a clear view of its custodianship of the 24,000 hectares of land that were given to it as trusts, Senator Pangilinan stated that the University is guided by the terms and conditions of a particular conveyance; for example, in the case of the properties in Mindanao, the conveyance provides that U.P. is a trustor or a steward; with regard to the properties in U.P. Diliman, the terms and conditions are set forth in the deed of sale.

Senator Roxas argued that regardless of the nomenclature, these people are the guardians or custodians of the U.P. assets. He asked how the guardians conceive of themselves in relation

to the assets. Senator Pangilinan replied that the obligations of a party are laid down in a particular contract or a deed, adding that the role of U.P. with respect to its assets is to ensure their proper utilization so that future generations would be benefited by quality education. He stressed that U.P. has utilized its assets in such manner.

Asked if the U.P. leadership has issued a declaration on how it has instituted or operationalized that philosophy, Senator Pangilinan surmised that U.P. officials agreed with it. He stated that if Senator Roxas wanted to place a provision in the bill on the role of U.P. with regard to its assets, he would be willing to accommodate the same.

At this juncture, Senate President Drilon relinquished the Chair to Senator Gordon.

Senator Roxas clarified that he was trying to voice his concerns about entrusting dual mandates on one entity, a situation that has given rise to moral hazard. He noted that if the only operating parameter in the custodianship or guardianship of the assets is that the transaction must pass the COA audit, there is nothing to prevent a repeat of the bad experience with government entities whose excuse has always been "we complied with the COA." Senator Pangilinan stated that he shared this concern as he invited Senator Roxas to introduce a more stringent criterion.

Senator Roxas underscored that it is incumbent upon the U.P. leadership to make the proper recommendations; however, they must first show if they have put in place checks and balances in the system. Clearly, he said, if the assertion of Senator Pangilinan that U.P. has enjoyed these powers was correct, they would have already been in operation. He stated that oftentimes he has been brokenhearted by the folly of government entities, custodians and repositories of public funds, who have not lived up to the mandates of the institutions they serve.

Thereafter, Senator Roxas suspended his interpellation on the bill.

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SUSPENSION OF SESSION

Upon motion of Senator Flavier, there being no objection, the session was suspended.

It was 6:48 p.m.

RESUMPTION OF SESSION

At 6:49 p.m., the session was resumed.

At this juncture, Senator Biazon asked to be allowed to interpellate after the other senators as he would be leaving on Monday, November 8, and would be back on Friday, November 12.

Senator Pangilinan stated that as soon as U.P. shall have furnished Senator Roxas with the requested documents, the Body could proceed with its work. He reiterated the appeal of Senate President Drilon for the Members to finish their interpellations on the bill so they could begin the consideration of the tax measures.

The Chair gave assurance that U.P. would forward the requested documents to Senator Roxas. It manifested the desire of Senate President Drilon to expedite the consideration of the U.P. Charter Bill in view of the pending tax measures.

Senator Roxas stated that he expected U.P. to transmit the documents to Senator Pangilinan who shall make them available to all the Members.

The Chair stated that the documents shall be submitted to the properly designated Senate officer who shall forward them to Senator Roxas.

At this juncture, Senator Flavier announced that Senator Biazon would proceed with his interpellation on the bill.

SUSPENSION OF SESSION

Upon motion of Senator Flavier, there being no objection, the session was suspended.

It was 6:49 p.m.

RESUMPTION OF SESSION

At 6:56 p.m., the session was resumed.

INTERPELLATION OF SENATOR BIAZON

Asked by Senator Biazon if the change in the status of U.P. would change its structure, Senator Pangilinan clarified that the structure of U.P. would remain the same.

As regards the changes in the powers of the Board, Senator Pangilinan stated that these would include the power to fix the salary scales. He stated that U.P. already exercises the power to create constituent universities.

In view thereof, Senator Biazon asked whether the law creating the U.P. campus in Mindanao was unnecessary. Senator Pangilinan amplified that the power to create constituent universities is vested in the Board through an act of Congress; therefore, Congress also has the power to create constituent universities.

Asked about additional powers to be granted to U.P. other than the power to fix the salary scales, Senator Pangilinan replied that there are no other powers proposed to be granted to U.P.

On whether the three functions of U.P., namely, teaching, extension work or public service and research would change, Senator Pangilinan replied in the negative.

Noting that there would be no change in the structure, functions and the powers of U.P., except the power to fix the salary scales, Senator Biazon asked if the bill only seeks to convert U.P. into a national university. Senator Pangilinan answered that additionally, the bill seeks to amend the composition of the Board and exempt U.P. from taxes.

On whether U.P. has an existing research institute, Senator Pangilinan stated that it has several research institutes. He affirmed that while students and teachers are involved in research, there is a full-time research staff.

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With respect to the Office of the Vice Chancellor for Research and Development, Senator Biazon pointed out that its work is closely related to classroom teaching. He stated that universities abroad like the University of Singapore receive funds to conduct research on national and global concerns. He noted that while the senators could rely on their staff to make strategic studies, it would be better if they could go to U.P. to access studies, for instance, on the different forms of government and population issues. He believed that U.P. cannot be transformed into a center for strategic studies without strengthening its research function and in the process enabling it to acquire the status of a national university.

Senator Pangilinan agreed as he underscored that legislators must be able to access research materials and avail themselves of the expertise of the national university.

Senator Biazon suggested putting in the bill a provision that focuses on the creation of a research institute as he noted that research is conducted by the different colleges in U.P. He posited that this would qualify U.P. as the national university.

Senator Pangilinan stated that he has no objection to putting in the bill a particular role for U.P. to provide such services, subject to style.

The Chair recalled that during the 1972 Constitutional Convention, the U.P. Law Center came out with a study on the proposed revision of the form of government.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1833

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

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the session was suspended.

It was. 7:13 p.m.

RESUMPTION OF SESSION

At 7:13 p.m., the session was resumed.

SPECIAL ORDERS

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of the following to the Calendar for Special Orders:

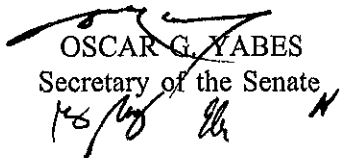
1. Committee Report No. 3 on Senate Bill No. 1837 (Competitiveness Enhancement Fund); and
2. Committee Report No. 4 on Senate Bill No. 1745 (Human Rights Compensation Act of 2004).

ADJOURNMENT OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, November 8, 2004.

It was 7:14 p.m.

I hereby certify to the correctness of the foregoing.


OSCAR G. YABES
Secretary of the Senate

Approved on November 8, 2004