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VOLUME I

*Begun and held at the Session Hall of the Senate,
GSIS Building, Pasay City, on Monday, July 23, 2007*

Session No. 1

Monday, July 23, 2007

CALL TO ORDER

Pursuant to Section 15, Article VI of the Constitution, the First Regular Session of the Senate of the Fourteenth Congress of the Philippines was declared open on July 23, 2007, 10:55 a.m., at the Senate Session Hall, GSIS Building, Pasay City, with Senate President Manny Villar presiding.

PRAYER

Sen. Alan Peter S. Cayetano led the Body in prayer, to wit:

Lord, Father God, we give You praise and honor; we thank You for this opportunity to, as a nation, give you praise, Lord, Father God;

Lord, You said that unless the Lord builds the house, the builders labor in pain;

We ask You, Lord, to build this nation; to build the Senate. We ask that we be an instrument of justice and truth for this nation to fulfill our destiny, for check and balances in our system.

Please bless every single Member of the Senate, our staff, and the members of the media;

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Lord, Father God, in Psalm 1 You said, "Blessed is the man who does not walk in the counsel of the wicked or stand in the way of the sinners, or sit in the seat of the mockers but his delight is in the law of the Lord, and on his law, he meditates day and night. He is like a tree planted by the streams of water which yields its fruit in season and whose leaf does not wither, whatever he does prospers."

Help us, Lord God, to meditate on Your law day and night as we make the laws of this nation; and Lord, we ask that You allow us to make laws that will help this nation prosper.

In the Name of Jesus and with respect to all religions, we lift this up to You, Lord, Father God.

Amen.

NATIONAL ANTHEM

The Las Piñas Boys Choir led the singing of the national anthem and thereafter rendered the song entitled *Bata, Ang Bukas*.

SUSPENSION OF SESSION

With the permission of the Body, the Chair suspended the session.

It was 11:00 a.m.

RESUMPTION OF SESSION

At 11:03 a.m., the session was resumed with Sen. Juan Ponce Enrile presiding.

COMELEC RESOLUTION NOS. NBC 07-15, NBC 07-28, AND NBC 07-67

Upon motion of Senator Pangilinan, there being no objection, the following Comelec resolutions were considered read into the Record of the Senate:

- ◆ Comelec Resolution No. NBC 07-15 on the proclamation of the 10 duly elected senators in the May 14, 2007 national and local elections:
 1. Loren B. Legarda
 2. Francis Joseph G. Escudero
 3. Panfilo M. Lacson
 4. Manuel B. Villar Jr.
 5. Francis N. Pangilinan
 6. Benigno Simeon C. Aquino III
 7. Edgardo J. Angara

8. Alan Peter S. Cayetano
9. Joker P. Arroyo
10. Gregorio B. Honasan

- ◆ Comelec Resolution No. NBC 07-28 on the proclamation of Antonio F. Trillanes IV as the eleventh duly elected senator in the May 14, 2007 national and local elections; and
- ◆ Comelec Resolution No. NBC 07-67 on the proclamation of Juan Miguel F. Zubiri as the twelfth duly elected senator in the May 14, 2007 national and local elections.

MANIFESTATION OF SENATOR ROXAS

Referring to Comelec Resolution No. NBC 07-28, Senator Roxas stated that since the other newly elected senators, whose names were in the other Comelec resolutions, would be taking their oath of office, he would like to ensure that the rights and privileges of Senator Trillanes shall not be prejudiced only because of his inability to take his oath.

The Chair explained that Senator Trillanes' presence or non-presence in the Chamber is the function of the judicial department and not of the Senate. It stated that following the doctrine of separation of powers, the Senate should respect the prerogative of the court, in the same manner that the judicial department recognizes and respects the prerogatives of Congress.

INQUIRY OF SENATOR BIAZON

Asked by Senator Biazon whether the inability of Senator Trillanes to take his oath would prevent him from performing his other functions that would not require his presence in the Senate such as the disposition of resources under his command, the Chair explained that based on the Constitution that governs the term of office of any elected official, the term of office of Senator Trillanes began at noon of June 30, 2007, and if he has taken his oath of office by some other means, he is entitled to all the privileges and emoluments, except perhaps the right to participate in the proceedings of the Chamber as it reiterated that Senator Trillanes' presence or non-presence in the Chamber is a function of the judicial department.

COLLECTIVE OATH TAKING

Thereafter, Senator Enrile administered the oath to the 11 newly elected senators.

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ROLL CALL

Upon direction of the Chair, the Acting Secretary, Emma Lirio-Reyes, called the roll, to which the following senators responded:

Angara, E. J.	Honasan, G. B.
Aquino III, B. S. C.	Lacson, P. M.
Arroyo, J. P.	Lapid, M. L. M.
Biazon, R. G.	Legarda, L.
Cayetano, A. P. S.	Madrigal, M. A.
Cayetano, C. P. S.	Pangilinan, F. N.
Defensor Santiago, M.	Pimentel Jr., A. Q.
Ejercito Estrada, J.	Revilla Jr., R. B.
Enrile, J. P.	Roxas, M.
Escudero, F. J. G.	Villar, M.
Gordon, R. J.	Zubiri, J. M. F.

With 22 senators present, the Chair declared the presence of a quorum.

Senator Trillanes was unable to attend the session.

ELECTION OF THE SENATE PRESIDENT

Pursuant to Section 12, Rule IX of the Rules of the Senate, upon motion of Senator Pangilinan, there being no objection, the Body proceeded to the election of the President of the Senate.

**NOMINATION SPEECH
OF SENATOR CAYETANO (P)**

In nominating Sen. Manny Villar for the position of Senate President, Senator Cayetano (P) delivered the following speech:

It is an honor and privilege to stand before this august Body today to nominate for the Senate presidency a distinguished colleague who led this Chamber to a sterling performance in the last regular session in the Thirteenth Congress of the Philippines.

This Representation finds no need to showcase the nominee's brand of leadership. Suffice it to say that the nominee has shown and practiced the outstanding qualities of a leader, both in private and public endeavors. He is a team player and a consensus-builder, honest, trustworthy, humble, and a man with a fresh vision. He is respected as Senate President, admired as former Speaker of the House of Representatives, and recognized as a titan in Philippine business.

This Representation has also noted the nominee's work and commitment in this Chamber, including bills that he believes will benefit the people most – bills on health, education, housing, consumer protection, entrepreneurship, environment, women and children, and reforms in the government bureaucracy, among others.

Noteworthy too was how he has rallied this Chamber and the people in defense and preservation of the integrity and independence of the Senate at the height of unconstitutional maneuvers to undermine and abolish this political institution.

Clear is the nominee's recognition of and stand on the vital oversight and check-and-balance function of Congress vis-à-vis the Executive branch. Doubly clear is his commitment for this Chamber to exercise the same with utmost freedom and responsibility. Unambiguous is his recognition of the opposition's role in a healthy and vibrant democracy, and unequivocal is his position on the doctrine of separation of powers in a republican system of government. It is no wonder that the nominee was rated as the most trusted public official among the top five leaders of the government during a survey taken by a polling organization during the first and second quarters of this year. He garnered a 55% and 57% trust ratings, respectively.

Under his leadership, the Senate was adjudged as the government institution with the highest public satisfaction rating of 51%. This is an indication that the Senate matters to the Filipinos and that the nominee is an acknowledged leader, one who is accepted by the people.

It is indeed with pride and honor that I nominate Sen. Manny Villar for the position of Senate President.

**SECONDING MOTION
OF SENATOR PANGILINAN**

Senator Pangilinan seconded the nomination of Senator Villar as Senate President.

**NOMINATION SPEECH
OF SENATOR LEGARDA**

In nominating Senator Pimentel for the position of Senate President, Senator Legarda delivered the following speech:

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Some men are born to struggle, others are born to lead. A special breed, men of towering virtue, is born to do both. They live perilous lives fighting for principles dear to them, battling despots and dictators, defying authoritarianism at every turn. Then, after having secured the peace, they lead. Such is Cagayan de Oro's Aquilino Q. Pimentel, Jr.

The chapters of Nene Pimentel's life that he had devoted to struggle are now the stuff of legend. He was one of less than ten delegates to say "no" to the 1972 Constitution. He established a freedom plaza in Cagayan de Oro City in the early 1980s, built around the statue of martyred Ninoy Aquino.

In the 1986 snap presidential elections, he never left the side of Cory Aquino to preach the gospel of democracy. He stayed in the shadow of the widow, although Ninoy Aquino once said that "Nene Pimentel had the leadership qualities and the greatness that would make him a good *President of the Republic*."

The rebirth of democracy in 1986 pushed Nene into his predestined role – to be a leader of men. He gave order as Minister of the Interior and Local Government during the transition government to the unruly and contentious changing of the guards at the LGU level. He was a top choice in the senatorial elections in 1987, the first post-martial law electoral exercise.

He served this Chamber as Senate President with distinction. He authored and sponsored varied laws such as the expansion of the LGU autonomy, health and education laws, environment, social justice, and legislation for those in the margins of society.

Under his watch as Senate President, the Senate was characterized by respect, credibility and true public service through legislation crafted to work for and with the Filipino people. His gravelly voice has been a calming presence in this great institution for many years.

Beyond his towering virtues is his unwavering and untainted integrity – integrity in principles and a personal integrity that has remained unsullied through his many decades in politics.

It is men like Aquilino Pimentel, Jr., whom I nominate today to be the Senate President of the Fourteenth Congress, who should lead this sacred and hallowed ground of democracy. I am confident that Nene can lead this Chamber with credibility, competence and utmost dedication to

justice, fairness and human rights as he has shown in the past. He has the heart and mind of a true leader, and he has not failed us in his long service in government.

As we discharge our duties in serving our people, we must be led by a person whose values we share, whose beliefs we subscribe to, and whose convictions have stood the test of time.

To preserve the integrity and the independence of the Philippine Senate, I respectfully and humbly nominate Sen. Aquilino Pimentel, Jr. as Senate President.

SECONDING SPEECH OF SENATOR AQUINO

Seconding the nomination of Senator Pimentel as Senate President, Senator Aquino delivered the following speech:

Forty years ago, the Philippine Senate welcomed into its Chamber a young man who would be its youngest elected member. This young man came to characterize the Senate's responsibility to serve as the public's source of crucial and reliable information, as an institutional check on Executive power, and perhaps, most significantly, as an advocate and champion of individual rights. This young man was my father.

It should come as no surprise then that I have taken the occasion of my first address here in the Senate to speak of a man who shares my father's history.

Sen. Aquilino Pimentel, Jr. has lived most of his life as an oppositionist. He was arrested and detained four times during the Marcos years – the first, for his opposition to the 1973 Martial Law Constitution for which he was imprisoned for three months; the second, for his role in leading demonstrations against the fraudulent 1978 Interim Batasang Pambansa elections where he ran under the Lakas ng Bayan banner with my father, for which he was jailed for two months; and the last, for unsubstantiated charges of rebellion for which he was put in prison for almost seven months. He was also among the few opposition candidates who dared to run – successfully – in the Marcos-dominated polls of 1980 and 1984.

Oppositionists are often portrayed as unproductive and a stumbling block to governance. To this, I would like to point out some of Senator

Pimentel's achievements as an illustrious public servant: the Local Government Code, the Act creating the Autonomous Region of Muslim Mindanao, and the Cooperative Code, and as a staunch reformist of our electoral processes, all of which encourage local participation in development and governance, a vital pillar to our democracy.

It is this unflinching commitment to protect our democratic institutions – the Constitution, our electoral process and the meaningful participation of citizens in governance – that I bear testament to today. At a time these institutions are threatened by the government that was put in place to protect them, the role of the Senate as an independent branch of government cannot be emphasized enough.

I therefore respectfully nominate for the presidency of this honorable institution the true face of the opposition, Sen. Aquilino Q. Pimentel, Jr. I believe that he can provide the leadership necessary to make the Senate the genuinely uncompromising and independent institution that the people voted us into office to be.

CLOSING OF THE NOMINATION

There being no other nomination, upon motion of Senator Pangilinan, there being no objection, the Chair closed the nomination for the position of Senate President.

NOMINAL VOTING

Pursuant to Section 2 of the Rules of the Senate, upon direction of the Chair, the Acting Secretary called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

For Senator Villar

Angara	Gordon
Arroyo	Honasan
Cayetano (A)	Lapid
Cayetano (P)	Pangilinan
Defensor Santiago	Pimentel
Ejercito Estrada	Revilla
Enrile	Zubiri
Escudero	

For Senator Pimentel

Aquino	Madrigal
Biazon	Roxas
Lacson	Villar
Legarda	

With 15 senators voting for Senator Villar, and seven senators voting for Senator Pimentel, the Chair declared Senator Villar as the elected President of the Senate.

EXPLANATIONS OF VOTE

By Senator Ejercito Estrada

In explaining his vote, Senator Ejercito Estrada delivered the following speech:

We begin the Fourteenth Congress of the Republic of the Philippines today faced by many overwhelming challenges and difficulties.

We continue to confront a society miserably enmeshed in political and economic crises, which are made even more burdensome because of an uncaring and repressive Administration. We are faced with an overpowering agenda of addressing increasing incidences of poverty, of hopelessness, of desperation and frustration, and of alienation of a growing majority of our people. We have to deal and cope today with a regime that has consistently refused to be accountable to our people. It is a regime that has systematically resorted to lying, cheating, deception and other maneuverings and legal posturings to retain power. It even attempted in a brazen effort last year to change the Constitution to ensure that our Charter will accommodate the powers and interest of a leader who grabbed power and stole the elections.

Amid all these, this Chamber, this august Body, this Assembly, this Senate stood its ground, refusing to be subservient to a leader obsessed and driven to keep power at all costs. And it must remain to be that, an independent Senate, critical and conscious of its duties, and ever respectful and mindful of the Rule of Law, the sacred principles enshrined in the Constitution, and the higher aspiration of truly representing the aspirations and ideals of our people.

It is on these grounds that I voted for Senator Manuel Villar to remain as President of the Senate. In doing so, I assure my colleagues and, more importantly, the Filipino people that

I remain and I will remain to be with the opposition, opposed to anomalies and scandals, opposed to cheating and lying, opposed to deception and fraud, and to the many things that this regime now represents.

My vote is a vote for continuity of what this august Body has begun, what it has nurtured, what it has advocated, and that is the fight against corruption, against anomalies, against repression, against suppression of the rights of our people, and against a *de facto* dictatorship.

I take this position to assume a position of principled and critical collaboration, but never subservient and docile obedience to Malacañang, or to any powerful and vested interest.

I cast my vote for Senator Villar because he ran and won under the coalition of the Genuine Opposition. But once he is shown to be consorting or conspiring with Malacañang, I will not hesitate to withdraw my support. I vote here today with some colleagues identified with the Administration as well as with colleagues associated with the opposition. And I ask those who criticize me unfairly to look beyond the narrow division of Administration and the Opposition. I choose not to dignify these because what we need today is to unify the opposition against an oppressive regime instead of dividing it, as what happened, unfortunately, in 2004. Because we were not united, because we cannot restrain personal ambitions, Mrs. Gloria Arroyo was able again to steal the elections.

There is no room for animosities and sarcasm with such uncalled for language and labels like "political mongrels" and "lack of political breeding" in the arena of statesmanship. These are plain gutter talk that should remain in the gutter.

I am certain Sen. Manny Villar as Senate President will not betray nor compromise the duties and responsibilities of his office, nor will he turn his back on the loftier and noble duty of serving the interests and welfare of our people.

Again, I repeat, I shall not hesitate to withdraw my support if he is shown consorting or conspiring with Malacañang.

By Senator Lacson

Voting for Senator Pimentel, Senator Lacson nonetheless accepted and respected the will of the Majority in the election of the Senate President. He expressed relief that the political conundrum

that has confronted the Senate of the 14th Congress in a long while, at least, has finally been solved, if not clarified. But he pointed out that when the senators return the next day for their second day of session, the center aisle would clearly establish the undeniable fact that there are eight Minority senators and 15 Majority senators in the Chamber.

Senator Lacson conceded that he had assumed, a month or so ago, that seven or eight opposition senators were joining three holdovers of the 13th Congress, two members of the Liberal Party and possibly one or two independents, to form a new opposition Majority block – but history would have it another way. Despite the harsh words, suspicions and accusations, he expressed hope that the Members could still work as one independent body, very much like the 13th Congress which fought hard against forces that attempted to undermine the integrity of the Senate.

Senator Lacson clarified that he joined six of his colleagues in electing Senator Pimentel to the position of Senate President out of principle and personal conviction, and out of gratitude to the tens of millions of voters who entrusted their mandate to the Opposition and to allow it to continue fiscalizing and providing checks and balances in the government. Finally, he congratulated Senator Villar on his election as Senate President.

By Senator Pangilinan

Senator Pangilinan explained that he voted for Senator Villar as the Senate President because he was very proud of the record and performance of the Senate in the 13th Congress, that is, an independent and vigilant Senate where partisan political differences were set aside for the greater good of the institution and the nation. He believed that the leadership first, of Senator Drilon, and then, of Senator Villar ensured such independence and vigilance.

Senator Pangilinan stressed that he ran as an independent in the last elections to give the people alternatives to those who presented themselves as choices of the people. He believed that the Senate in the 14th Congress must continue to be independent and vigilant, and to rise above political differences in order to serve the people. He reminded the Body that the people are looking for solutions to the country's problems and are tired of political maneuverings. *AC*

Finally, he urged the Body to put aside the divisive elections and begin governing and serving the people to its utmost.

By Senator Madrigal

In explaining her vote, Senator Madrigal delivered the following speech:

Since 2005, the Senate has faced a near-constant assault on its integrity and independence. It has resisted that assault. Our resistance has been warmly applauded by the people who have made our institution's cause the public's own. Whatever victories have been achieved have been embraced and made the citizenry's own triumphs.

We have thrown it all away, in the name of making deals. Yet, rather than remain true to our mandate from the people, the leadership of this Chamber seems to have been decided in terms of an accommodation with the Administration, rather than by means of the Opposition exclusively deciding the Senate leadership.

Rather than reducing the Administration contingent to the minority status it deserves, we are at the brink of giving, and we have given it an undeserved new lease on political life.

Last May, the electorate overwhelmingly voted to repudiate the present Administration. It handed the ranks of the Opposition a mandate matched only twice in the long history of our Chamber. Only Presidents Quirino and Marcos, in 1951 and 1971, respectively, had faced a similar, and near-total, rejection at the senatorial polls.

With such a large mandate, with such an immense vote of confidence in our good fight, should have come, on our part, a great demonstration of statesmanship and unity. The fulfillment of our mandate should have begun with the selection of one of our own to head the Senate. From there, the allocation of this Chamber's important committees among the Opposition that represents the true majority in the Senate would not only have been logical, but also about more than just mere political horsetrading.

Instead of trying to find, as Abraham Lincoln called it, "the better angels of our nature," we have betrayed the electorate by surrendering to the baser instincts that have discredited our country's political class.

Among our own ranks, too many senators are prepared to ignore our public mandate. We have substituted political maneuverings,

the kind that serve their narrow political interests, for our public duties. The agenda we have proclaimed, at the start of the 14th Congress, is not the one outlined by public opinion, but rather one hastily put together as a result of back-room deals. The sort of *quid pro quo* that comes from setting aside what the public wants, insisting instead on what each senator desires.

The late Leon Ma. Guerrero, quoting the Duke of Maura in his "*Grandeza y Decadencia de España*," observed that "the word *politics* come to mean, for some, the most pleasant and least demanding of professions; for others, the most thrilling and expensive of sports; and for the very few, the art of knowing, evaluating and serving the national interest."

Instead of presenting a united front against the Administration, instead of demonstrating transparency in the selection of this Chamber's leadership, and rather than behaving as statesmen, our Chamber has degenerated into factions that recognize neither loyalty nor principle, nor a dedication to anything more substantial than ambition.

Guerrero, again by way of Maura, also pointed out that "*political power* is interpreted in terms of satisfying vanity and ambition, of indulging covetousness, of being prodigal with the money of others, of expediting vengeance, of amassing a fortune, of rising in society, in short, of glutting every ignoble appetite."

Our electorate does not want more of the same politics, the same sort of back-channel deals. It wants an opposition worth its salt, in the spirit of the lessons that the May elections taught us. These are the reasons I voted for Sen. Aquilino Q. Pimentel Jr. I have nothing against Sen. Manny Villar. This is strictly a political and a principled move. And the reason I voted for Senator Pimentel is that it is only right for a statesman, who has proven his mettle in history, who has been jailed for principle, to lead this Chamber in times where we have an anti-terrorist law that has brought us back to martial law. These are the reasons that I believe we need a statesman who is willing to be jailed for principle. We do not need more businessmen to run this country nor the Senate. Statesmen are willing to be jailed; businessmen are not made of the same mettle.

Now is a crucial time in the history of this country. Now is a crucial time in the history of this Senate. Too many of our gadfly colleagues are trying to justify their tendencies to move from one side to the other in the name of unity. *ASB*

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They have their opinions, the solid eight in the Opposition have ours. We wish not to cast aspersions nor to cast judgment, but I believe history shall be the judge, and it will be a dark day, as it is today for the Senate in its history, that such selection has happened.

May God help us.

By Senator Escudero

Quoting a passage from the Bible, Senator Escudero said, "Do not judge, or you too will be judged. For in the same way you judge others, you will be judged, and with the measure you use, it will be measured to you." Thus, he asserted that no one has the power to judge whether or not one belongs to the opposition, adding that in his case, it was difficult to choose between two individuals who both belong to the Opposition, especially since he ran alongside one of the two nominees.

Senator Escudero stated that during the campaign, the Opposition candidates campaigned utilizing issues and platform, not banking on personalities and the promise of future committee chairmanships. He assured that the Opposition would deliver on its promise to serve the Senate and the entire nation.

Expressing his utmost respect for both Senate President Villar and Senator Pimentel, Senator Escudero hoped that the Opposition would set aside personal differences by not being waylaid by one issue, in view of the huge number of issues the senators should have to address hand in hand. He also expressed hope that the Chamber would unite in the best interest of the nation and not for the interests of a few individuals and groups.

OATH TAKING OF THE SENATE PRESIDENT

Thereupon, witnessed by members of his family, Senator Villar took his oath of office as President of the Senate before Senator Enrile.

At this juncture, Senator Enrile relinquished the Chair to Senate President Villar.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 11:46 a.m.

RESUMPTION OF SESSION

At 11:47 a.m., the session was resumed.

ACCEPTANCE SPEECH OF SENATOR VILLAR

Senate President Villar delivered the following acceptance speech:

I wish to thank my esteemed colleagues for their renewal of confidence in my humble leadership.

I also wish to convey my deepest appreciation for giving me their humble trust.

In all humility, I accept the great responsibility this hallowed Chamber has once again bestowed upon me. With the grace of God and with your continued support, I will carry on the leadership of the Senate with a firm resolve to remain faithful to the noble mission our nation has given us.

Over the years, the Senate has been the subject of much criticism and doubt, leading many to conclude that it is best to abolish it. However, the recently concluded senatorial elections only emphasized the Senate's crucial role in the balance of power among its co-equal branches of government. The overwhelming consensus was that the Philippine Senate must maintain its institutional independence, beholden to no political power but to the sovereignty of the Filipino people. No less than the will of the people validated this.

A legislative body like the Senate is an effective instrument of check and balance in a republican and democratic government. But the grandeur of this purpose is lost to some who think that the Senate's role is one of unflinching negative criticism bordering on sheer obstructionism. On the contrary, the Senate exists to repair deficiencies and remove the very obstacles to national economic growth, such as inefficiency, instability and corruption.

The dynamics of democracy dictates that we cannot be a passive Senate. It calls for reforms, accountability and transparency. Embedded in this proactive principle is a matter of greater value. This is the urgent need to rise above political differences and destroy the walls of divisiveness that get in the way of progress. We must seek to collaborate and find workable solutions under the guidance of a shared national vision. We must revisit the agenda of

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national development, identify the missing link, and redirect our combined legislative wisdom to achieve a sustainable and equitable economic growth for all.

Indeed, much remains to be done as we begin our work in the First Regular Session of the Fourteenth Congress. The fragile peace situation in Mindanao, the pervading social injustice and human rights violations, threats to civil and political liberties, corruption in government, a wasteful bureaucracy and widespread poverty, among others, are continuing and valid concerns that the Senate ought to address through legislation.

And yes, we will continue to carry out our investigative duties as part of our power of oversight. Shenanigans in government should never be condoned.

Since no piece of legislation is crafted in isolation and detached from the realities around us, it is essential that we gain an expanded understanding and appreciation of our environment, both on a global scale and in regional context. It is incumbent upon us to thoroughly examine the implications and ramifications of every major challenge facing us as a nation.

Specifically, how adequate are our responses to the difficulties and opportunities posed by the rapid pace of economic development? How globally competitive have we become? What new markets have our exporters penetrated? By world standards, how do Philippine products and services rate in terms of quality, reliability, availability and cost advantage?

Compared to our ASEAN neighbors, are we an attractive destination for investors? How investor-friendly are we in terms of current infrastructure, tax structure, peace and order situation, and the speed and convenience of doing business? We must address these pressing issues if we are to market the Philippines as a haven for foreign investors.

Where are we in the area of agricultural modernization? How many new farm-to-market roads have been built? What post-harvest facilities have been set up, and where? Are there adequate and easily accessible rural credit facilities? What other concrete measures are in place to enhance farmers' productivity? What best practices can we learn from other countries with sizeable agricultural sectors?

In the social front, we need to know the real picture of the so-called war against poverty. Just exactly how poor are we, and what have

been done to improve our standard of living? What is the actual state of our public education system? What about health care delivery, nutrition for children and social housing? To say that some efforts have been made to address these concerns is not good enough. Much needs to be done. And soon.

It is to the credit of NGOs, environmental advocates in civil society and government that the protection of the environment has become a major national concern. The painful truth needs repeating – the denudation of our mountains, our dwindling forest cover, the pollution of our rivers, lakes and municipal waters, and our dwindling marine resources are a loud wake-up call. Laws have been passed to address the problem of environmental degradation, but we must realize that our legislative duty does not stop there.

By reason of its structure, nature and orientation, the Senate is precisely at the right vantage point to exercise its oversight function on how the legislative intent in the implementation of laws is carried out. Have the objectives been met for each of the landmark legislations passed by Congress? If not, why? Getting feedback is an effective tool to aid us in coming up with remedial measures.

Looming large on the horizon of national priorities is the urgency of generating additional income for more Filipinos. The answer lies not so much in creating more jobs but in enabling those who are resourceful, hardworking and success-driven to become job providers themselves through their own enterprises, however small. We must create a climate that encourages and rewards those with the vision, courage and skills to create wealth. More importantly, we must promote a culture of self-sufficiency to stimulate economic development.

An entrepreneurial revolution is a great idea whose time has finally come. It requires a refocusing of our educational perspective. It also means expanding the landscape of Philippine agriculture to give space to agri-entrepreneurs. It is my hope that we can bring about this positive undertaking.

I am pleased to see that this Chamber is composed of distinguished Members who are, without a doubt, individually and collectively committed to direct their talents and energies in legislative work. Let us show the Filipino electorate that they did not commit the fatal mistake of choosing the wrong people as their

voice in the Senate. Let us prove our worth, our relevance, and give back what is expected of us as public servants in the truest sense of the word.

The Senate is only as strong as the nobility of its purpose, and as relevant as its commitment to help carve a better future for all Filipinos. As your Senate President, I urge you to put these words into action by crafting and passing laws that mirror our collective goal to improve the lives of our fellow Filipinos.

Let us all work together and forge a stronger alliance to move the Philippine Senate towards change and enhanced productivity, and lead our country towards stability and progress.

Mabuhay ang Senado! Maraming salamat po.

REMARKS OF SENATOR PIMENTEL

Senator Pimentel stated that the legislative agenda of Senate President Villar that he masterfully explained deserves the support not only of the Majority but also of the Minority. He asked that the records reflect the unanimous vote for the Senate President as a sign that the Minority would not be obstructive but supportive of whatever is good for the people.

Senator Pimentel wondered, however, if it was the opportune time to speak on behalf of Sen. Antonio Trillanes IV, under military detention, who has been deprived of his right to attend the Senate sessions to represent his almost 12 million constituents who voted for him.

Relative thereto, he manifested that he had filed Proposed Senate Resolution No. 22, expressing the sense of the Senate that Senator Trillanes be allowed to attend the sessions and discharge the functions of his office. He informed the Body that the resolution had been signed by Senators Aquino, Biazon, Madrigal, Lacson, Legarda, Roxas, Villar, Escudero, Cayetano (A), Revilla, Lapid, Honasan, Cayetano (P) and Ejercito Estrada.

Citing a precedent, Senator Pimentel recalled that in the 1950s, in spite of the fact that then Sen. Justiniano Montano had been charged with multiple murders, a non-bailable offense, the Supreme Court ruled that the senator, having been duly

elected, had the right to participate in the Senate proceedings, as it added that the possibility of flight was remote.

Given the fact that he had already opted for a peaceful solution to his grievances when he ran as a senator, Senator Pimentel believed that Senator Trillanes would not be a flight risk. He explained that the resolution was simply asking that Senator Trillanes be allowed to perform his duties and responsibilities for which purpose the courts could place him under the custody of the Senate, to ensure that he would not be able to escape and be available to the authorities at any time.

INQUIRY OF SENATOR ENRILE

Pointing out that it was the Supreme Court that made it possible for Senator Montano to participate in Senate functions, Senator Enrile queried whether it would be best for the proponents of the resolution to bring the issue before the Supreme Court. He stated that, precisely, in reply to the earlier query of Senator Pimentel, the Chair had clarified that the emoluments and benefits of Senator Trillanes would not be affected by his non-presence in the sessions.

Agreeing to the suggestion to bring the issue before the Supreme Court, Senator Pimentel believed that as a preliminary step, it would be best that the Senate already express their collective sense that Senator Trillanes should be allowed to perform his duties.

Adverting to his own experience, Senator Enrile recounted that he was not allowed to participate in Senate proceedings when he was placed under arrest many years ago. To show the Minority that the Majority were not opposed to the proposal, he said that he would join Senator Pimentel in expressing the sense of the Senate to the appropriate government authorities.

REMARKS OF SENATOR ARROYO

Senator Arroyo said that he would rather have kept silent, but he could not compromise on the issue of constitutionality.

He acknowledged that all the elements favor Senator Trillanes. However, he pointed out that

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under the constitutional principle of separation of powers, neither the Executive nor Congress may suggest in any manner anything that would affect or influence the decision of the courts. Thus, he said, the issue of whether Senator Trillanes could attend the sessions is entirely out of the hands of the Senate. He stressed that the principle of constitutional law is very simple — where the Judiciary steps in, the Executive and the Legislature step out.

He said that despite all the sympathy for Senator Trillanes and the request of Senator Pimentel for a unanimous vote on the resolution, he would disagree with it.

Senator Pimentel stated that there is nothing in the Constitution that says that the Senate cannot express its sense even on a pending case involving one of its Members. After reading the entire text of the resolution, he underscored that there is nothing in the resolution that would lead anyone to say that the Senate is transgressing into the domain of the courts as he added that, in fact, it recognizes the primary jurisdiction of the Regional Trial Court of Makati over the person of Senator Trillanes.

REMARKS OF SENATOR PANGILINAN

Senator Pangilinan noted that the Senate has passed resolutions on issues, some of which have been elevated to the courts. For instance, he pointed out that when the Executive issued Executive Order No. 464, the Senate adopted a resolution opposing it and eventually, filed a petition before the Supreme Court; similarly, the Senate passed a resolution with respect to Proclamation No. 1017 that also ended up before the Supreme Court.

Having heard the text of the resolution, Senator Pangilinan said that there is no reason why it should not be supported by the Members, subject to the recognition that, ultimately, the courts would decide the status and liberty of Senator Trillanes.

REMARKS OF SENATOR ANGARA

Senator Angara observed that as some Members have pointed out, the issue involves more than an expression of the sentiments of the Senate as it also involves constitutionality. Without prejudice to a further discussion of the issue at some later time,

he suggested that the Body proceed with the election of the Senate officers as there is need to certify that the Senate was already in business and therefore ready to act on the resolution. He assured the Members that in the next day's session, he would support the resolution.

For his part, Senator Pimentel stated that given the support of 16 senators for the resolution, there was no need to defer any action on it until the next day's session.

SUSPENSION OF SESSION

With the permission of the Body, the Chair suspended the session.

It was 12:22 p.m.

RESUMPTION OF SESSION

At 12:23 p.m., the session was resumed.

Given the desire of some senators to speak on the issue, the Chair announced that the Body would resume the discussion in the next day's session and, for now, would continue with the election of the Senate officers.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended

It was 12:26 p.m.

RESUMPTION OF SESSION

At 12:28 p.m., the session was resumed.

ELECTION OF THE SENATE PRESIDENT PRO TEMPORE

Thereafter, the Body proceeded to the election of the Senate President Pro Tempore.

NOMINATION REMARKS OF SENATOR CAYETANO (A)

In nominating Senator Ejercito Estrada, Senator Cayetano (A) recalled that nine years ago, the Filipino people elected a very popular but at many times underestimated politician, Joseph Estrada,

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as President and six years ago, they elected his better-half Luisa "Loi" Ejercito Estrada as senator.

Their offspring, he noted, has also been underestimated by some of the country's leaders but he is a graduate of Ateneo (elementary and high school), a graduate of the University of the Philippines (Bachelor of Arts degree in Economics); and an undergraduate of the Lyceum in the Philippines (Bachelor of Laws). He added that the nominee became a mayor of a municipality and was elected head of the Municipal Mayors League and the National President of the League of Municipalities in 1998 and 2001.

Senator Cayetano (A) recounted that during his campaign sorties in the recent elections, he met many mayors affiliated with the Arroyo Administration who nonetheless showed respect for the leadership of Senator Ejercito Estrada. He stated that while the nominee has asked him not to read all his achievements, he could not help but take note that Jinggoy Ejercito Estrada won the FAMAS as Best Supporting Actor. He believed that Senator Villar is the best man for the job of Senate President and Senator Ejercito Estrada is the best man for the job of Senate President Pro Tempore.

SECONDING MOTION OF SENATOR PANGILINAN

Senator Pangilinan seconded the nomination of Senator Ejercito Estrada as Senate President Pro Tempore.

CLOSING OF THE NOMINATION

There being no other nomination, upon motion of Senator Pangilinan, there being no objection, the Body closed the period of nomination.

ELECTION OF SENATOR EJERCITO ESTRADA AS SENATE PRESIDENT PRO TEMPORE

Thereupon, the Chair declared the election of Senator Ejercito Estrada as Senate President Pro Tempore

OATH TAKING OF SENATOR EJERCITO ESTRADA

Witnessed by members of his family, Senator Ejercito Estrada took his oath of office as Senate President Pro Tempore before Senate President Villar.

ELECTION OF THE CHAIRMAN OF THE COMMITTEE ON RULES*

Thereafter, the Body proceeded to the election of the Chairman of the Committee on Rules.*

NOMINATION REMARKS OF SENATOR HONASAN

In nominating Senator Pangilinan for the position of chairman of the Committee on Rules,* Senator Honasan pointed out that the nominee was the only incumbent senator who won reelection as an independent. He stated that just like him, Senator Pangilinan ran as an independent, believing that it would be difficult to find solutions to the nation's problems using the usual approaches that have been proven ineffective; and that it is time to find new ways.

Senator Honasan stated that Senator Pangilinan has been acknowledged as one of today's most hardworking and productive senators, having served as chair of the Committees on Justice and Human Rights; Urban Planning, Housing and Resettlement; Education, Arts and Culture; Ethics and Privileges. He said that Senator Pangilinan filed the most number of committee reports during the 12th Congress and having earned the respect and trust of his colleagues, he was elected Majority Leader during the same Congress.

Senator Honasan pointed out that Senator Pangilinan has been the youngest Senate Majority Leader since 1937, and as the Senate's representative to the Judicial and Bar Council, he continues to defend the importance of the Judiciary and the rule of law by ably screening nominees of the Supreme Court, Court of Appeals and lower courts to help ensure that the Judiciary is led and manned by persons of competence, probity and integrity.

Senator Honasan lauded Senator Pangilinan's passion for strengthening the nation's foundations such as the family, the youth, and the judicial system, as well as the promotion of human rights and the objective of working for an accountable and responsive government. He stated that Senator Pangilinan's vision of a new leadership has not wavered as he continuously encourages Filipinos to

*As corrected by Senator Lacson on July 25, 2007.

take a stand and participate actively in working towards a better Philippines.

Senator Honasan believed that Senator Pangilinan would work well with the Senate President and the other Members to accomplish the objectives of an independent, collegial and consensual Senate which shall serve the highest interest of the nation.

SECONDING MOTION OF SENATOR CAYETANO (P)

Senator Cayetano (P) seconded the nomination of Senator Pangilinan as Chairman of the Committee on Rules.*

CLOSING OF THE NOMINATION

There being no other nomination, upon motion of Senator Cayetano (P), there being no objection, the Chair closed the nomination for the position of Chairman of the Committee on Rules.*

ELECTION OF SENATOR PANGILINAN AS CHAIRMAN OF THE COMMITTEE ON RULES*

Thereupon, the Chair declared the election of Senator Pangilinan as Chairman of the Committee on Rules.*

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 12:39 p.m.

RESUMPTION OF SESSION

At 12:39 p.m., the session was resumed.

ELECTION OF THE SECRETARY OF THE SENATE

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the election of the Secretary of the Senate in order.

Senator Pangilinan nominated Judge Emma Lirio-Reyes as Secretary of the Senate.

There being no other nominee for the position, the Chair declared the election of Judge Emma Lirio-Reyes as Secretary of the Senate.

OATH TAKING OF THE SECRETARY OF THE SENATE

Judge Emma Lirio-Reyes took her oath of office as Secretary of the Senate before Senate President Villar.

ELECTION OF THE SERGEANT-AT-ARMS OF THE SENATE

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the election of the Sergeant-at-Arms of the Senate in order.

Senator Pangilinan nominated Maj. Gen. Jose V. Balajadia Jr. as Sergeant-at-Arms of the Senate.


There being no other nominee for the position, the Chair declared the election of Maj. Gen. Jose V. Balajadia Jr. as Sergeant-at-Arms of the Senate.

OATH TAKING OF THE SERGEANT-AT-ARMS OF THE SENATE

Maj. Gen. Balajadia took his oath of office as Senate Sergeant-at-Arms before Senate President Villar.

PROPOSED SENATE RESOLUTION NO. 1

Upon motion of Senator Pangilinan, there being no objection, the Body considered Proposed Senate Resolution No. 1, entitled

RESOLUTION INFORMING HER EXCELLENCY, THE PRESIDENT OF THE PHILIPPINES, THAT THE SENATE HAS BEEN ORGANIZED WITH THE ELECTION OF ITS OFFICERS AND THAT THIS BODY HAS ENTERED UPON THE EXERCISE OF ITS FUNCTIONS FOR THE FIRST REGULAR SESSION OF THE FOURTEENTH CONGRESS OF THE PHILIPPINES. 

*As corrected by Senator Lacson on July 25, 2007.

Secretary Reyes read the text of the resolution, to wit:

Resolved by the Senate, that Her Excellency, the President of the Philippines, be informed that the Senate has been organized with the election of its officers and that this Body has entered upon the exercise of its functions for the First Regular Session of the Fourteenth Congress of the Philippines.

**ADOPTION OF PROPOSED
SENATE RESOLUTION NO. 1**

Upon motion of Senator Pangilinan, there being no objection, Proposed Senate Resolution No. 1 was adopted by the Body.

PROPOSED SENATE RESOLUTION NO. 2

Upon motion of Senator Pangilinan, there being no objection, the Body considered Proposed Senate Resolution No. 2, entitled

RESOLUTION INFORMING THE HOUSE OF REPRESENTATIVES THAT THE SENATE HAS BEEN ORGANIZED WITH THE ELECTION OF ITS OFFICERS AND THAT THIS BODY HAS ENTERED UPON THE EXERCISE OF ITS FUNCTIONS FOR THE FIRST REGULAR SESSION OF THE FOURTEENTH CONGRESS OF THE PHILIPPINES.

Secretary Reyes read the text of the resolution, to wit:

Resolved by the Senate, That the House of Representatives be informed that the Senate has been organized with the election of its officers and that this Body has entered upon the exercise of its functions for the First Regular Session of the Fourteenth Congress of the Philippines.

**ADOPTION OF PROPOSED
SENATE RESOLUTION NO. 2**

Upon motion of Senator Pangilinan, there being no objection, Proposed Senate Resolution No. 2 was adopted by the Body.

HOUSE CONCURRENT RESOLUTION NO. 4

Upon motion of Senator Pangilinan, there being no objection, the Body considered House Concurrent Resolution No. 4, entitled

CONCURRENT RESOLUTION PROVIDING FOR THE SENATE AND THE HOUSE OF REPRESENTATIVES TO HOLD A JOINT SESSION TO HEAR THE MESSAGE OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES.

Secretary Reyes read the text of the resolution, to wit:

Resolved by the House of Representatives, the Senate concurring, That both Houses of Congress of the Republic of the Philippines hold a Joint Session on July Twenty-Three, Year Two Thousand and Seven, at four o'clock in the afternoon at the Session Hall of the House of Representatives to hear the message of the President of the Republic of the Philippines.

**ADOPTION OF HOUSE
CONCURRENT RESOLUTION NO. 4**

Upon motion of Senator Pangilinan, there being no objection, House Concurrent Resolution No. 4 was adopted by the Body.

SENATE CONCURRENT RESOLUTION NO. 1

Upon motion of Senator Pangilinan, there being no objection, the Body considered Senate Concurrent Resolution No. 1, entitled

CONCURRENT RESOLUTION CREATING A JOINT COMMITTEE OF THE SENATE AND THE HOUSE OF REPRESENTATIVES TO NOTIFY THE PRESIDENT OF THE PHILIPPINES THAT CONGRESS, NOW CONVENED FOR ITS FIRST REGULAR SESSION OF THE FOURTEENTH CONGRESS OF THE PHILIPPINES, IS READY TO HEAR HER STATE OF THE NATION ADDRESS IN A JOINT SESSION OF BOTH HOUSES. *AS*

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Secretary Reyes read the text of the resolution, to wit:

Resolved by the Senate, the House of Representatives of the Philippines concurring, that a Joint Committee of both Houses of Congress be created, composed of ten members, five to be appointed by the President of the Senate and five to be appointed by the Speaker of the House of Representatives, to notify the President of the Philippines that Congress, now convened for its First Regular Session of the Fourteenth Congress of the Philippines, is ready to hear her State of the Nation Address in a Joint Session of both Houses.

ADOPTION OF SENATE CONCURRENT RESOLUTION NO. 1

Upon motion of Senator Pangilinan, there being no objection, Senate Concurrent Resolution No. 1 was adopted by the Body.

JOINT COMMITTEE TO NOTIFY THE PRESIDENT

Pursuant to Senate Concurrent Resolution No. 1, nominated by Senator Pangilinan, there being no objection, the following were appointed by Senate President Villar as members of the Joint Notification Committee, on the part of the Senate: Senators Defensor Santiago, Revilla, Lapid and Zubiri.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 12:49 p.m.

RESUMPTION OF SESSION

At 12:49 p.m., the session was resumed.

Upon resumption, Senator Pangilinan informed the Body that the senators earlier appointed to the Joint Notification Committee were sufficient for the purpose.

ANNOUNCEMENT OF THE CHAIR

The Chair advised the Members to proceed to the Session Hall of the House of Representatives at four o'clock in the afternoon for the Joint Session of Congress.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the session suspended until four o'clock in the afternoon for the Joint Session of Congress, after which, the session of the Senate shall be considered adjourned until three o'clock in the afternoon of the following day.

It was 12:51 p.m.

Joint Session held at the Session Hall of the House of Representatives, Quezon City.

At 4:00 p.m., the Deputy Secretary General of the House of Representatives announced the arrival of the President of the Philippines.

OPENING OF THE JOINT SESSION

The President of the Senate and the Speaker of the House of Representatives declared the Joint Session open at 4:03 p.m.

NATIONAL ANTHEM AND PRAYER

The national anthem was sung by the House Chorale, followed by a prayer led by representatives of the different religious groups.

THE STATE OF THE NATION ADDRESS

The President of the Philippines, Gloria Macapagal Arroyo, delivered her State of the Nation Address, to wit:

Thank you. Thank you very much, Speaker De Venecia, Senate President Villar, other newly elected leaders of both Houses, congratulations to you, Senators and Congressmen and Congresswomen. Vice President De Castro, former President Ramos, Chief Justice Puno, our host mayor, Mayor Sonny Belmonte, other government officials, members of the Diplomatic Corps, ladies and gentlemen.

We meet here today to inaugurate a new Congress after a fresh election. I congratulate every elected official, from municipal to provincial to Congress, on hard-fought and successful campaigns.

Tapos na ang halalan at pamumulitika; panahon na para maglingkod nang walang damot, mamuno nang walang pangamba, maliban sa kagalingan ng bayan, and to

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govern with wisdom, compassion, vision and patriotism.

Hangarin kong mapabilang ang Pilipinas sa mayayamang bansa sa loob ng dalawampung taon. By then, poverty shall have been marginalized; and the marginalized raised to a robust middle class.

We will have achieved the hallmarks of a modern society, where institutions are strong.

By 2010, the Philippines should be well on its way to achieving that vision.

With the tax reforms of the last Congress, and I thanked the last Congress, we have turned around our macroeconomic condition through fiscal discipline, toward a balanced budget. *Binabayaran ang utang, pababa ang interes, at paakyat ang pondo para sa progreso ng sambayanang Pilipino!!! Maraming salamat muli sa nakaraang Kongreso.*

We have been investing hundreds of billions in human and physical infrastructure. The next three years will see record levels of well-thought out and generous funding for the following priorities:

First, investments in physical, intellectual, legal and security infrastructure to increase business confidence. *Imprastraktura para sa negosyo at trabaho. Isang milyong trabaho taun-taon.*

Second, investments in a stronger and wider social safety net — *murang gamot, abot-kayang pabahay, eskwelang primera klase, mga gurong magaling at mas malaki ang kita, mga librong de-kalidad*, more scholarships for gifted students, and language instruction to maintain our lead in English proficiency. *Dunong at kalusugan ang susi sa kasaganaan.*

Third, investments in bringing peace to Mindanao; in crushing terrorism wherever it threatens regardless of ideology; and in putting a stop to human rights abuses whatever the excuse.

We pay tribute to the fearless fourteen who were savagely massacred at Tipo-Tipo trying to pursue a peaceful and progressive Philippines. We will not disappoint their hopes. We will not waste their sacrifice. We will not be swayed from the course we have set in this conflict for peace with justice throughout our land.

We have created a Philippine model for reconciliation built on inter-faith dialogue, expanded public works and more responsive

social services. These investments show both sides in the Mindanao conflict that they have more at stake in common; and a greater reason to be together than hang apart, including being together isolating the terrorists.

Imprastraktura ang haliging nagtitindig hindi lamang ng kapayapaan kundi ng ating buong makabagong ekonomiya: mga kalsada, tulay, paliparan, public parks and power plants.

Last year, I unveiled the Super Regions — Mindanao, Central Philippines, North Luzon Agribusiness Quadrangle, Luzon Urban Beltway and the Cyber Corridor — to spread development away from an inequitable concentration in Metro Manila. *Hindi lamang Maynila ang Pilipinas.*

The Super Regions was not a gimmick for the occasion but the blueprint for building a future.

In Mindanao, our food basket, I said we would prioritize agri-business investments. We have. And I am happy to see in the latest survey in June that the hunger rate has sharply gone down nationwide.

The Departments of Agriculture, Agrarian Reform, and Environment and Natural Resources will devote 30 percent of their program budgets to Mindanao. This was the recommendation articulated by Cong. Rufus Rodriguez during our Peace and Security Summit in Cagayan de Oro. The Department of Agrarian Reform will move to Davao.

Dapat maging daan sa tagumpay sa agri-business ang reporma sa lupa. Done right, reform will democratize success, as Ramon Magsaysay and Diosdado Macapagal envisioned. We must reform agrarian reform so it can transform beneficiaries into agri-businessmen and agri-businesswomen.

Sa gayon, dadami pa ang mga tampok na magsasaka gaya ng mga nagwagi ng Gawad Saka, sina Ananias Cuado ng Comval at Demetrio Tabelon ng Butuan; at Nelson Taladhay ng Sultan Kudarat, pangunahing agrarian reform beneficiary ng 2007. We also have outstanding farmers from the other super-regions, like Joseph Fernando and Heherson Pagulayan, Nestor Bautista, Joseph Lomibao, Arturo Marcaida, Peter Uy, Arturo Pasacas and Glenn Saludar. Congratulations to all you.

Sa anim na taon, nagtayo tayo at nag-ayos ng patubig para sa isang milyong ektarya sa buong bansa — pinakamalaki sa matagal na panahon. *AS*

Magtatayo tayo ng mariculture o palaisdaan sa dagat. Isa rito ay ilalagay natin sa Sibutu sa Tawi-Tawi. Hiling ito ni Nur Jaafar.

Para sa buong bansa, naglaan tayo ng P3 billion para sa tatlong libong kilometro ng farm-to-market roads. Sanlibong kilometro sa Mindanao. Gawa na ang tatlong daan.

The road and Roll-On, Roll-Off (RORO) network has cut the cost of bringing agri-business products from Mindanao to Luzon. A 10-wheeler used to pay P32,000 from Dapitan to Batangas. Now, it pays P11,000.

Fresh fish that cost P20,000 a ton to move, now travels at P14,000.

Construction is criss-crossing Mindanao: Dapitan-Dakak to bring Cely Carreon's paradise closer to civilization; Sibuco-Siraway-Siocon-Baliguian; Dinagat Island Network, a baptismal gift for Glenda Ecleo's new province; the 66-kilometer Manay-Mati section of Davao-Surigao; and Maguindanao-Lebak, Sim Datumanong's brainchild when he headed DPWH.

We want better airports, new bridges and ample energy for Mindanao's rising economy.

The Dipolog and Pagadian airports will be improved by year's end. Also the Cotabato airport. No doubt eagerly awaited by Au Cerilles, Rolando Yebes, Digs Dilangalen, Ros Labadlabad and Victor Yu, and Mayors Evelyn Uy and Sammy Co.

Last July 10, we inaugurated a P1.7 billion, 900-meter bridge in Butuan, built on the initiative of Mayor Boy Daku Plaza, located near the P4 billion second-generation flood control project that we also built. The first was built by my father, after the great flood of Butuan in the 1960s. *Kailangan ipagtanggol ang kapaligiran at mamamayan sa sakuna.*

In Agusan del Norte, I hope Edel Amante will be happy with our plans to pilot micro-agri-business in Jabonga.

On July 8, Ozamis Airport opened, bankrolled partially by Leo Ocampos, Aldo Parojinog and Hermie Ramiro's congressional fund. Now, that is the kind of pork that has good cholesterol.

At that occasion, the MOU was signed for the Pangil Bay Bridge that will connect Ozamis to Lanao del Norte and Iligan. As urged by Bobby Dimaporo, I declared Mt. Inayawan Range a protected nature park. On Mayor Lawrence Cruz's recommendation, I instruct DPWH to build the Iligan Circumferential Road.

In 2004, we opened a solar plant in Cagayan de Oro. Still, Mindanao faced a 100-megawatt gap by 2009 but now, a 210-megawatt clean coal plant in Phividec will fill that gap. We count on Oca Moreno and ex-congressman, now Mayor Tinex Jaraula to continue providing a good investment climate.

We thank Miriam Defensor Santiago and Migz Zubiri for sponsoring the Biofuels Law in the last Congress. We now have 160,000 hectares of jatropha nurseries in Bukidnon and 30,000 in General Santos. Jatropha is a 100% substitute for diesel, with only 5% of its emission.

But Mindanao's energy challenge lies not in generating power but in power lines. Terrorists target transmission towers. We must resolutely apply the Human Security Act. This Act was first filed by Johnny Enrile in 1996, three years after the first World Trade Center bombing, four years before the Rizal Day bombing and five years before 9/11. He ably crafted the final Senate version with Senate President Manny Villar and Sen. Nene Pimentel.

Let us now go to Central Philippines, our tourism super region:

- ◆ We protect its natural wonders and provide the means to travel to those wonders.
- ◆ For Boracay, the leading overall destination, the Kalibo Airport is now international with an instrument landing system as we said last year. Next is an P80 million terminal on request of Joben Miraflores.
- ◆ The Aklan-Libertad-Pandan Road, waiting for Japan to approve the contractors, will connect Boracay to the nature park we declared in Northwest Panay Peninsula. We are improving other Panay roads and building the road from the Iloilo Airport which we inaugurated in Santa Barbara, the road from Santa Barbara to Iloilo and the Metro Radial Road that Mayor Jerry Treñas asked for. When we inaugurated the airport, I said that "Art Defensor conceived the airport when he was governor and Governor Niel Tupas midwifed it into delivery."
- ◆ Iloilo connects to Guimaras via Jordan Wharf. For the P900-million oil spill calamity fund to save the environment of Guimaras, I thank once again the previous Congress. Thank you very much on behalf of the people of Guimaras, who are now back on their feet. The other side of the island will connect to Bacolod soon because we started building the Sibunag RORO Port last May on recom-

mentation of Governor, now Congressman, Rahman Nava.

- ◆ Bacolod-Silay Airport, near the nature park we declared in Northern Negros, is completed and just awaiting the access road requested by Monico Puentevella.
- ◆ We awarded the contract for upgrading the Dumaguete airport as I reported to George Arnaiz last week.
- ◆ Boracay investors are expanding in Palawan, whose Tubbataha Reefs we declared a nature park. After the Puerto Princesa-Roxas Road opened last year, we opened Taytay-El Nido last March. The P1-billion Taytay-Roxas section is ongoing. San Vicente airstrip and Busuanga Airport are under construction. And Mayor Hagedorn has been reminding us to work on the Puerto Princesa terminal.
- ◆ Under construction also are airport aprons of the surfing edens: Governor Ben Evardone's pet project in Guiuan and Lalo Matugas' home town in Siargao.
- ◆ A 100-megawatt energy gap looms in the Visayas in 2009. The Korea Electric plant in Cebu will plug in 200 megawatts only in 2010 so there is a one-year gap. In the meantime, three power barges will supply 100 megawatts and the Panay diesel power plant will increase its run from 70 megawatts to 100 megawatts.
- ◆ In Central Cebu, we declared a nature park. From Cebu, the top destination for foreign tourists, the tourists can easily radiate to other destinations. Optimism is infectious, and opportunity irresistible. Progress follows progress. Someone, even government, just has to get it started.
- ◆ Going south, Cebu connects to Tubigon and on to Ubay, Jagna and Panglao through the Bohol Circumferential Road that we inaugurated last May 9. The local government has acquired 85 percent of the land for the international airport on Panglao Island, now a tourism destination of its own.
- ◆ Ubay links to Maasin RORO Port which was completed last October. Now I hope there will be more divers visiting the province of Mian Mercado.
- ◆ Jagna RORO Port opened last May 9. It will connect to Loloy Romualdo's Mambajao and Lanzones in November, and on to Guinsiliban, the gateway to Mindanao.
- ◆ Going north from Cebu City, we take the North Coastal Road to Daanbantayan which

was recommended to us by Gwen Garcia. Heavy traffic will cease when the P1.2-billion Mandaue-Consolacion Bridge opens. This will be good not only for Malapascua tourism but also for Nitoy Durano's industrial city of Danao.

- ◆ Daanbantayan, Benhur Salimbangon's home port, connects to Naval, Maripipi, or Esperanza, which started construction last May. We aim to finish all three RORO ports next year.
- ◆ Esperanza will link by road to Aroroy in 2009. I will be there with Lina Seachon and Tony Kho for the inauguration. Please invite me.
- ◆ Last May, I switched on the lights of Masbate in a palace ceremony. But the long-term solution will come next year when a new power plant will serve half a million customers on the beautiful but isolated island of Masbate.
- ◆ From Aroroy, we can go to Claveria, whose RORO ramp is under construction. On to Pasacao where RORO operations started in 2002. That is Bong Bravo of Claveria. This brings us to Bicol, including Mt. Isarog Park.
- ◆ Mt. Isarog feeds the Bicol River. For the next three years, we are funding the Bicol River Basin and Watershed with the World Bank at \$15 million for irrigation, flood control and water conservation. For Bicol, we have given P7-billion of the P10-billion Calamity and Rehabilitation Effort, that is the biggest one-time calamity fund release in our history. At last, Bicol is getting its rightful share.

And, so is the North Luzon Agri-business Quadrangle:

- ◆ We are building 1,000 kilometers of farm-to-market roads; 200 are done. *Ngayong tapos na ang election ban, pinapaspan ang trabaho para sa nalalabing target.*
- ◆ Halsema Highway from Mount Data to Bontoc and the Tabuk-Tinglayan Road are being built. If you look at the chart, there is something incomplete in between.
- ◆ So that the Cordillera LGUs can also contribute to building more of their much-needed roads, I ask Congress to require companies to pay directly to the LGUs their share of the natural wealth. I hope Governor Dalog hears that.
- ◆ *Nagtatayo tayo ng mga paliparan para sa mga produkto ng agri-business.* *MS*

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- ◆ *Noong 2005 nagka-airport sa Baler. Sunod under construction ang airport sa Casiguran, at kalsada sa pagitan.*
- ◆ There were no takers in the bidding to upgrade the Batanes runway so ATO will get it done before the end of the year with the support of DPWH and Governor Telesforo Castillejos.
- ◆ Joe de Venecia and Mayor Nani Braganza are asking for an airport in Alaminos. We will do.
- ◆ The Cagayan Economic Zone Authority and the private sector expanded the San Vicente naval airstrip, so we do not have to build a Lallo airport.
- ◆ *Pero, sa Lallo naman, mayroon tayong inaprobahan na agri-business zone. Ang mga agri-business zone ay payo sa atin ni Pangulong Ramos. Chief Justice Puno, I am very happy to have you present here. I think it is the first time that Chief Justice attends the state of the nation address.*
- ◆ The Tarlac-La Union Road will be advertised for private sector BOT bidding this August.
- ◆ Poro Point's international terminal started construction early this year. The Bagabag airport is being lengthened. We are spreading the cheer across the political spectrum from Vic Ortega to Caloy Padilla. *Inuuna ang bansa, at itinatabi ang politika.*
- ◆ Some towns in Nueva Vizcaya, Quirino, and Isabela are included in the geo-hazard mapping we have done for 700 cities and towns all over the country to protect the environment.
- ◆ The Bangui Bay Wind Power Project, which was put up when Bongbong Marcos was governor, is now expanding. *Sa paggamit ng hangin, nababawasan ang kailangang langis sa enerhiya.*

And now the Luzon Urban Beltway, our top magnet for industry and investment:

- ◆ This quarter, we start the P5-billion Mt. Pinatubo Hazard Urgent Mitigation Project that will protect San Fernando City, Sasmuan, Guagua and my home town, Lubao, from flooding.
- ◆ The Subic-Clark-Tarlac Expressway is in its final stages. This first-world road will cut travel time between Clark and Subic from two hours to 30 minutes. *Gagawa tayo ng interchange sa Porac, bayan ni Lito Lapid.*

- ◆ Last Thursday, with Dick Gordon, we inaugurated the container port that will make Subic, together with Clark, one of the best international service and logistics centers in the region.
- ◆ Clark airport got its approach control radar in April. It now has 50 international flights and 50 cargo flights a week, the second busiest after NAIA. We want more airline service centers there.

Now, speaking of NAIA, I am sure everyone wants to know about NAIA Terminal 3. The ceiling that fell was not the only thing in danger of falling. There are more serious dangers from construction and structural defects. We cannot risk the grim consequences of a major earthquake. But NAIA is accelerating the remediation, completion and opening of the terminal. Public safety comes first.

- ◆ Because public safety comes first and we have many more modern airports now, I ask Congress to create the Civil Aviation Authority of the Philippines.
- ◆ Last year, I said we would connect North and South Expressways through C-5. *Ginagawa na ang C-5 bandang Katipunan. Kausap na ang UP para sa bagong daan patungong Commonwealth at North Avenue. Ang Commonwealth naman ay kasulukuyang pinapalapad. Sa kabilang dulo ng Mindanao Avenue, binibili na ang lupa para sa bagong daan mula Barangay Talipapa hanggang Malinta at tuloy na ito sa NLEX. Sana bumawas ang trapik pa-North Metro Manila.*
- ◆ We just broke ground to continue the Skyway up to Alabang. And in a year, aside from that, the fast train from Caloocan to Alabang will be serving thousands daily. From Alabang to Santo Tomas, the South Luzon Expressway is currently being widened. And by March, SLEX will reach all the way up to Batangas Port, a message not only for Ricky Reyes but also for Dodo Mandanas.
- ◆ The Coastal Road to Bong Revilla's province is finally under construction after so many ground-breaking ceremonies.
- ◆ Our investment in vital infrastructure is already bearing fruit, such as the \$1-billion Hanjin shipbuilding facility, said to be the largest in the world, and the \$1-billion Texas Instruments microchip plant in Clark. *Maging ex-OFW o ex-tambay kapwang nakahanap*

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ng trabaho sa mga malalaking puhunan na ito.

- ◆ As we build industry, we must ensure people have clean air to breathe. We have closed 88 firms for polluting the environment. *Gaya ng sabi ko, una ang kaligtasan ng publiko.*
- ◆ We proclaimed a critical habitat within the coastal lagoon of Las Piñas and Parañaque.
- ◆ Maynilad's new owners have invested P7 billion to bring clean and, at last, running water to Parañaque, Parola, Manila and elsewhere. Manila Water did a similar P2-billion project for Antipolo.
- ◆ *Gumagawa tayo ng septage tank sa Antipolo sa halagang P600 million na maglilinis ng sewage bago ito dumaloy sa mga estero, gaya ng tinayo ng Manila Water sa Taguig at sa San Mateo.*
- ◆ *Matapos ang maraming taong usapan, ang ating administrasyon ang nakapag-simula ng Flood Control Project sa Caloocan, Malabon, Navotas at Valenzuela (CAMANAVA).*
- ◆ On energy, Luzon needs 150 megawatts more by 2010. This is covered by the 350-megawatt, \$350-million expansion of the Pagbilao plant by Marubeni and Tokyo Electric, part of their \$4 billion that constitutes the biggest Japanese investment in Philippine history.
- ◆ We count on Governor Raffy Nantes and the people of Quezon to take care of the investment climate. Last year, I said we must reduce the cost of electricity. Some houses have reported paying less in their bills but it is still high. I ask Congress to amend the Electric Power Industry Reform Act for open access and more competition.
- ◆ The Cyber Corridor encompasses centers of technology and learning running the length of all the super regions, from Baguio to Clark to Metro Manila to Cebu to Davao and neighboring areas.
- ◆ The Philippines ranks among top off-shoring hubs in the world because of cost competitiveness and more importantly our highly trainable, English proficient, IT-enabled management and manpower.
- ◆ IT ability won for Warren Ambat of Baguio City High the most innovative teacher and leadership award in Cambodia last February, topping contestants from 70 countries. Congratulations, Baguio and Warren.

Information technology will help the BIR bring in more taxes in the coming months. Its Revenue Watch Dashboard will monitor revenue collections in real time from the national level down to the examiners. Its LGU Revenue Assurance will share information within the BIR and the LGUs to uncover fraud and non-payment, before heads would need to roll per Danny Suarez's Attrition Law.

While our strength in contact centers is well-established, we must now focus on growing the higher value-added services, including accounting, legal, human resources and administrative services.

And so that no Taiwan tremor can cut off our cyber services from their global clients, thanks to PLDT and Globe which are investing P47 billion in new international broadband links through other regional hubs for redundancy in our cyberspace.

The cyber service sector has become the fastest growing in the economy providing 400,000 jobs compared to 8,000 in 2000. By 2010, the forecast is one million jobs earning \$12 billion, the same amount remitted by our overseas Filipinos today.

On safety net and education

Last year, I said that in today's global economy, knowledge is the greatest creator of wealth.

Mahusay na edukasyon ang pinakamabuting pamana natin sa ating mga anak. Iyon din ang tanging pamana na ayon sa batas kailangang ibigay sa bawat mamamayan.

This year, we are investing more for education: P150 billion, P29 billion more than last year.

And last year, government and private sector built 15,000 classrooms, instead of the usual 6,000.

Noon, isang libro bawat limang mag-aaral. Ngayon, tig-isang aklat na bawat grade schooler.

One-third of our public high schools now have Internet access, with private sector support.

We have a scarcity of public high schools but a surplus of private high schools. So instead of building more high schools, we give more high school scholarships — 600,000 scholars this year.

For college, we launched a P4-billion fund for college loans, to increase beneficiaries from 40,000 to 200,000. *AS*

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And for teachers, we have created more than 50,000 teaching positions.

But we have to improve their training.

Benefits, too. *Salamat, dating* Senador Tessie Oreta *at dating* Congressman Dodong Gullas, *na di na kailangan ng mga guro maghabol sa Maynila ng sweldo at pensyon. Pinoproceso na sa rehiyon sa regionalization ng payroll.*

Teachers and all other national government employees for that matter get a raise effective end of this month.

Sa TESDA, bukod sa mga sariling kurso, nagbibigay ito ng mga scholarship sa vocational schools: P600 million noong isang taon, P1 billion ngayon. May P1 billion pa ang DOLE for training.

We are investing P3 billion in science and engineering research and development technology, including scholarships for masters and doctoral degrees in engineering in seven universities. Upgrade know-how and learning, and Filipino talent is unbeatable.

Proof is biochemist Baldomero Olivera of the University of Utah who was named Scientist of the Year by the Harvard Foundation.

In the International Math and Science Olympiad 2006 in Jakarta, Robert Buendia of Cavite Central School and Wilson Alba of San Bada Alabang won the gold. Congratulations, guys. Six Filipinos bagged the awards at the Intel Young Scientists Competition in New Mexico last May: Ivy Ventura, Mara Villaverde, Hester Mana Umayam and Janine Santiago of Philippine Science High; Melvin Barroa of Capiz National High, congratulations, Melvin; and Luigi John Suarez of Benedicto National High. Congratulations *naman*. Last week, Filipino students topped by Amiel Sy of the Philippine Science High dominated the Mathematics World Contest in Hong Kong. Congratulations, Amiel. Congratulations, Philippine Science High School. Earlier this month, Diona Aquino of the Presidential Management Staff won with her team from UP the Youth Innovation Competition on Global Governance in Shanghai.

Ito ay malaking kunsuwelo sa atin. We have spent more on human capital formation than ever in the past. Why? Because if government of the people and by the people is not for them as well, it is a mockery of democracy.

May malaking pag-angat ang kalagayan ng maralita, gaya ng trabaho, pag-aaral at

pagamot if you look at the chart about how fare the poor.

Sa unang pagkakataon, gumastos ang PhilHealth ng higit P3 bilyon sa paospital ng maralita.

Noong 2001, sinabi kong hahatiin natin ang presyo ng gamot na madalas bilhin ng madla. Ngayon, sampung libong Botika ng Barangay ang nagtitinda ng murang gamot. Ang paracetamol na tatlong piso sa labas ay piso lamang sa Botika ng Barangay. Ang antibiotic na binibenta ng mga pangunahing parmasya sa P20 ay P2 lamang sa Botika ng Barangay.

Kaya sa isang survey, halos kalahati ang nagsabing abot-kaya ang gamot kumpara sa 11% noong 1999.

So we can spread this even more, I ask Congress to pass the cheaper medicines bill that was almost enacted in June. Almost is not good enough. Let us help Mar Roxas, Ferge Biron and Teddy Boy Locsin give our people meaningful, affordable choices, from abroad and here in the Philippines.

I also ask Congress to pass legislation that brings improved long-term care for our senior citizens. *Asahan natin si Ed Angara.*

Si Noli de Castro na isa pang kampeon ng senior citizens ay namumuno ng ating programa sa pabahay. Congratulations, Noli. The low interest rates for housing are unprecedented. Naglaan ang Pag-IBIG ng P25 billion na pa-utang, six times the amount when we started it in 2001. P50 billion pa ang ilalaan hanggang 2010.

On terrorism and human rights

We fight terrorism. It threatens our sovereign, democratic, compassionate and decent way of life.

Therefore, in the fight against lawless violence, we must uphold these values. It is never right and always wrong to fight terror with terror.

And so, I ask Congress, I urge you to enact laws to transform state response to political violence: *First*, laws to protect witnesses from lawbreakers and law enforcers. *Second*, laws to guarantee swift justice from more empowered special courts. *Third*, laws to impose harsher penalties for political killings. *Fourth*, laws reserving the harshest penalties for the rogue elements in the uniformed services who betray public trust and bring shame to the greater

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number of their colleagues who are patriotic.

We must wipe this stain from our democratic record.

Ngunit pangunahin pakikibaka pa rin para sa karapatan ang pagpapalaya ng masa sa gutom at kahirapan.

Together with economic prosperity is the need to strengthen our institutions of government. Let us start with election reform. We have long provided funds for computerization. We look forward to the modernization of voting, counting and canvassing.

We can disagree on political goals but never on the conduct of democratic elections. I ask Congress to fund poll watchdogs and to enact a stronger law against election-related violence. We must weed out corruption and build a strong system of justice that the people can trust. We have provided unprecedented billions for anti-graft efforts. Thus, the Ombudsman's conviction rate hit 77% this year, from 6% in 2002. We implemented lifestyle checks, dormant for half a century. *Taun-taon, dose-dosenang opisyal ang nasususpinde, napapatal sik o kinakasuhan dahil labis-labis sa suweldo ang gastos at ari-arian nila.* Firms who were asked for bribes in taxes, permits and licenses dropped to one-third from one-half. Contract bribes are also down. Graft will not be eliminated overnight but we are making progress.

In conclusion, what I have outlined today is just a sampler of our P1.7 trillion Medium-Term Public Investment Program. How will we fund all these? P1 trillion from state revenues, with tax reforms and firm orders to BIR and Customs to hit their targets. P300 billion from state corporations. The balance from government financial institutions, private sector investments, local government equity and our bilateral and multilateral partners.

Our new confidence and momentum for progress have imbued our foreign relations, with the ASEAN Summit last year and the coming ASEAN Regional Forum, with increased assistance from our allies and with continued support for our peace and security efforts in Mindanao.

We were able to strengthen our economy because of the fiscal reforms that we adopted at such great cost to me in public disapproval. But I would rather be right than popular.

Our fundamentals are paying off in huge leaps in investment. *Anim na milyong trabaho*

ang nalikha sa anim na taon, most in sustainable enterprises. Sa lakas ng piso, bumagal ang pagtaas ng bilinghin.

It is my ardent wish that most of the vision I have outlined will be fully achieved when I step down. It is my unshakeable resolve that the fundamentals of this vision will by then be permanently rooted, its progress well-advanced, and its direction firmly fixed with our reforms already bearing fruit. All that will remain for my successor is to gather the harvest. He or she will have an easier time of it than I did.

They say the campaign for the next election started on May 15, the day after the last. Fine. *I stand in the way of no one's ambition. I only ask that no one stand in the way of the people's well-being and the nation's progress.*

The time for facing off is over. The time is here for facing forward to a better future our people so desperately want and richly deserve.

Uulitin ko: Hindi ako sagabal sa ambisyon ninuman.

But make no mistake. I will not stand idly when anyone gets in the way of the national interest and tries to block the national vision. From where I sit, I can tell you, a President is always as strong as she wants to be.


Pagpalain tayo ng Diyos at ang dakilang gawaing hinaharap natin. The state of the nation is strong. *Inyong lingkod, Gloria Macapagal Arroyo, Pangulo ng Republika ng Pilipinas.*

ADJOURNMENT OF JOINT SESSION

Thereafter, the President of the Senate and the Speaker of the House of Representatives declared the Joint Session adjourned.

It was 5:03 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO-REYES
Secretary of the Senate

Approved on July 25, 2007