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SESSION NO. 87

Tuesday, June 10, 2008

**FOURTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 87
Tuesday, June 10, 2008

CALL TO ORDER

At 3:05 p.m., the Senate President, Hon. Manny Villar, called the session to order.

PRAYER

The Body observed a minute of silent prayer.

ROLL CALL

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

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

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

Senators Cayetano (P), Lapid, Madrigal, Roxas and Zubiri arrived after the roll call.

Senator Trillanes was unable to attend the session as he is under detention.

**APPROVAL OF THE JOURNALS
OF SESSION NOS. 85 AND 86**

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of

the Journals of Session Nos. 85 (June 3, 2008) and 86 (June 4, 2008) and considered them approved.

REFERENCE OF BUSINESS

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

**MESSAGES FROM THE
HOUSE OF REPRESENTATIVES**

Letters from the Secretary General of the House of Representatives, informing the Senate that on May 28, 2008, the House of Representatives approved the following House bills in which it requested the concurrence of the Senate:

House Bill No. 1235, entitled

AN ACT CHANGING THE NAME OF
LAMO NATIONAL HIGH SCHOOL
IN BARANGAY LAMO, MUNICI-
PALITY OF DUPAX DEL NORTE,
PROVINCE OF NUEVA VIZCAYA
TO DUPAX DEL NORTE NATIONAL
HIGH SCHOOL

**To the Committee on Educations, Arts and
Culture**

House Bill No. 3930, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN BARANGAY
AGAY-AYAN, MUNICIPALITY OF
TINAMBAC, PROVINCE OF
CAMARINES SUR TO BE KNOWN
AS AGAY-AYAN NATIONAL HIGH

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SCHOOL AND APPROPRIATING
FUNDS THEREFOR

**To the Committees on Education, Arts and
Culture; and Finance**

House Bill No. 3931, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN BARANGAY
DIBACONG, MUNICIPALITY OF
CASIGURAN, PROVINCE OF AURORA
TO BE KNOWN AS DIBACONG
NATIONAL HIGH SCHOOL AND
APPROPRIATING FUNDS THEREFOR

**To the Committees on Education, Arts and
Culture; and Finance**

House Bill No. 3932, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN BARANGAY
EFEGENIO LIZARES, CITY OF
TALISAY, PROVINCE OF NEGROS
OCCIDENTAL TO BE KNOWN AS
EFEGENIO LIZARES NATIONAL
HIGH SCHOOL AND APPROPRIAT-
ING FUNDS THEREFOR

**To the Committees on Education, Arts and
Culture; and Finance**

House Bill No. 3933, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN BARANGAY
BANAWEL, MUNICIPALITY OF
NATONIN, MOUNTAIN PROVINCE
TO BE KNOWN AS BANAWEL
NATIONAL HIGH SCHOOL AND
APPROPRIATING FUNDS THEREFOR

**To the Committees on Education, Arts and
Culture; and Finance**

House Bill No. 3934, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN BARANGAY
DALICAN, MUNICIPALITY OF
BONTOC, MOUNTAIN PROVINCE
TO BE KNOWN AS DALICAN

NATIONAL HIGH SCHOOL AND
APPROPRIATING FUNDS THEREFOR

**To the Committees on Education, Arts and
Culture; and Finance**

House Bill No. 3935, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN BARANGAY
TABOC, MUNICIPALITY OF ANGAT,
PROVINCE OF BULACAN TO BE
KNOWN AS ANGAT NATIONAL
HIGH SCHOOL AND APPROPRIAT-
ING FUNDS THEREFOR

**To the Committees on Education, Arts and
Culture; and Finance**

House Bill No. 3936, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN BARANGAY STO.
NIÑO, CITY OF MARIKINA TO BE
KNOWN AS STO. NIÑO NATIONAL
HIGH SCHOOL AND APPROPRIAT-
ING FUNDS THEREFOR

**To the Committees on Education, Arts and
Culture; and Finance**

House Bill No. 3937, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN THE MUNICI-
PALITY OF TUBUNGAN, PROVINCE
OF ILOILO TO BE KNOWN AS
LANAG NORTE NATIONAL HIGH
SCHOOL AND APPROPRIATING
FUNDS THEREFOR

**To the Committees on Education, Arts and
Culture; and Finance**

House Bill No. 3938, entitled

AN ACT ESTABLISHING A NATIONAL
HIGH SCHOOL IN BARANGAY
BANGUITAN, MUNICIPALITY OF
BESAO, MOUNTAIN PROVINCE TO
BE KNOWN AS BANGUITAN
NATIONAL HIGH SCHOOL AND
APPROPRIATING FUNDS THEREFOR

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To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3939, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY TABLON, CITY OF CAGAYAN DE ORO, PROVINCE OF MISAMIS ORIENTAL TO BE KNOWN AS TABLON NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3940, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY TIGUHA, MUNICIPALITY OF LAPUYAN, PROVINCE OF ZAMBOANGA DEL SUR TO BE KNOWN AS TIGUHA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3941, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN THE MUNICIPALITY OF ILOG, PROVINCE OF NEGROS OCCIDENTAL TO BE KNOWN AS ILOG NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3942, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY BEHIA, MUNICIPALITY OF MAGALLANES, PROVINCE OF SORSOGON TO BE KNOWN AS BAGATAO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3943, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY BUENAVISTA, MUNICIPALITY OF CASTILLA, PROVINCE OF SORSOGON TO BE KNOWN AS BUENAVISTA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3944, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY MAYO, CITY OF MATI, PROVINCE OF DAVAO ORIENTAL TO BE KNOWN AS MAYO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3945, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY LAVIGAN, MUNICIPALITY OF GOVERNOR GENEROSO, PROVINCE OF DAVAO ORIENTAL TO BE KNOWN AS LAVIGAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3946, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY KINUMAN NORTE, CITY OF OZAMIZ, PROVINCE OF MISAMIS OCCIDENTAL TO BE KNOWN AS KINUMAN NORTE NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3947, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY RITAGLEND, MUNICIPALITY OF BASILISA, PROVINCE OF DINAGAT ISLANDS TO BE KNOWN AS RITAGLEND NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3948, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY BADAS, CITY OF MATI, PROVINCE OF DAVAO ORIENTAL TO BE KNOWN AS BADAS NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3949, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY BATERIA, MUNICIPALITY OF OLUTANGA, PROVINCE OF ZAMBOANGA SIBUGAY TO BE KNOWN AS PANTALEON CUDIERA MEMORIAL NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3983, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY GALA, CITY OF OZAMIZ, PROVINCE OF MISAMIS OCCIDENTAL TO BE KNOWN AS GALA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3984, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY KITUBO, MUNICIPALITY OF KITAO-TAO, PROVINCE OF BUKIDNON TO BE KNOWN AS KITUBO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3985, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY GIBACUNGAN, MUNICIPALITY OF TABANGO, PROVINCE OF LEYTE TO BE KNOWN AS GIBACUNGAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3986, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY TAMING, MUNICIPALITY OF DANAOG, PROVINCE OF BOHOL TO BE KNOWN AS TAMING NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 3987, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY TABID, CITY OF OZAMIZ, PROVINCE OF MISAMIS OCCIDENTAL TO BE KNOWN AS TABID NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4002, entitled

AN ACT ESTABLISHING A NATIONAL SCIENCE HIGH SCHOOL IN BARANGAY CADLAN, MUNICIPALITY OF PILI, PROVINCE OF CAMARINES SUR TO BE KNOWN AS CAMARINES SUR NATIONAL SCIENCE HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4003, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY PASIAN, MUNICIPALITY OF MONKAYO, PROVINCE OF COMPOSTELA VALLEY TO BE KNOWN AS PASIAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4004, entitled

AN ACT ESTABLISHING A NATIONAL COMPREHENSIVE HIGH SCHOOL IN BARANGAY UPPER USUGAN, MUNICIPALITY OF BONIFACIO, PROVINCE OF MISAMIS OCCIDENTAL TO BE KNOWN AS UPPER USUGAN NATIONAL COMPREHENSIVE HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4005, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY CALABAYAN, CITY OF OZAMIZ, PROVINCE OF MISAMIS OCCIDENTAL TO BE KNOWN AS CALABAYAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4006, entitled

AN ACT ESTABLISHING A NATIONAL AGRICULTURAL HIGH SCHOOL IN BARANGAY SIKATUNA, MUNICIPALITY OF TALIBON, PROVINCE OF BOHOL TO BE KNOWN AS SIKATUNA NATIONAL AGRICULTURAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4007, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY LUBANG, MUNICIPALITY OF BUENAVISTA, PROVINCE OF BOHOL TO BE KNOWN AS LUBANG NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4008, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY CANTUBOD, MUNICIPALITY OF DANAOG, PROVINCE OF BOHOL TO BE KNOWN AS CANTUBOD NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4009, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY MALACAMPA, MUNICIPALITY OF CAMILING, PROVINCE OF TARLAC TO BE KNOWN AS MALACAMPA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4010, entitled

AN ACT ESTABLISHING A NATIONAL AGRO-FISHERY HIGH SCHOOL IN THE MUNICIPALITY OF CANAMAN, PROVINCE OF CAMARINES SUR TO BE KNOWN AS NATIONAL AGRO-FISHERY HIGH SCHOOL OF BICOLANDIA AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4011, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY DANGGO, MUNICIPALITY OF TINOC, PROVINCE OF IFUGAO TO BE KNOWN AS DANGGO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4013, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN THE MUNICIPALITY OF CANTILAN, PROVINCE OF SURIGAO DEL SUR TO BE KNOWN AS CANTILAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4014, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY QUEZON, MUNICIPALITY OF TANDAG, PROVINCE OF SURIGAO DEL SUR TO BE KNOWN AS VICENTE L. PIMENTEL SR. NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4015, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY MARONQUILLO, MUNICIPALITY OF SAN RAFAEL, PROVINCE OF BULACAN TO BE KNOWN AS MARONQUILLO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4016, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY SALACOT, MUNICIPALITY OF SAN MIGUEL, PROVINCE OF BULACAN TO BE KNOWN AS VEDASTO R. SANTIAGO MEMORIAL NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4017, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY SAN MATEO, MUNICIPALITY OF NORZAGARAY, PROVINCE OF BULACAN TO BE KNOWN AS SAN MATEO NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4018, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY BALAONG, MUNICIPALITY OF SAN MIGUEL, PROVINCE OF BULACAN TO BE KNOWN AS BALAONG NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

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To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4019, entitled

AN ACT ESTABLISHING AN INTEGRATED NATIONAL SCHOOL IN BARANGAY CAPUY, CITY OF SORSOGON, PROVINCE OF SORSOGON TO BE KNOWN AS CAPUY INTEGRATED NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4020, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY LLAMERA, MUNICIPALITY OF LIBJO, PROVINCE OF DINAGAT ISLANDS TO BE KNOWN AS LLAMERA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4021, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY MACASANDIG, CITY OF CAGAYAN DE ORO, PROVINCE OF MISAMIS ORIENTAL TO BE KNOWN AS MACASANDIG NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4022, entitled

AN ACT ESTABLISHING A NATIONAL SCIENCE AND TECHNOLOGY HIGH SCHOOL IN THE MUNICIPALITY OF PILI, PROVINCE OF CAMARINES SUR TO BE KNOWN AS CAMARINES SUR NATIONAL SCIENCE AND TECHNOLOGY

HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

**POINT OF ORDER
OF SENATOR DEFENSOR SANTIAGO**

Senator Defensor Santiago proposed that the Majority Leader simply move that the Chair refer the bills to their respective committees as indicated in the Reference of Business, instead of reading each of the titles of the bills.

SUSPENSION OF SESSION

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

It was 3:16 p.m.

RESUMPTION OF SESSION

At 3:18 p.m., the session was resumed.

**DEFERMENT
OF THE REFERENCE OF BUSINESS**

Upon motion of Senator Pangilinan, there being no objection, the Body deferred the reading of the Reference of Business to a later hour.

**PRIVILEGE SPEECH
OF SENATOR PIMENTEL**

Availing himself of the privilege hour, Senator Pimentel delivered the following speech:

**INDEPENDENCE DAY IS JUNE 12:
JUST IN CASE THE PRESIDENT
HAS FORGOTTEN**

Our Republic has 14 holidays.

We have six religious holy days: 1) Maundy Thursday, 2) Good Friday, 3) Eidul Fit'r, 4) All Saints Day, 5) Christmas Day, and 6) New Year's Day.

Movable holy days

Four of the religious holy days are movable. They depend on the estimates of the religious calendars concerned. These are: Maundy

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Thursday; Good Friday; Eidul Fit'r; and All Saints Day.

Two are fixed holy days: Christmas Day and New Year's Day.

Secular holidays

We have eight secular holidays: 1) *Araw ng Kagitingan*; 2) Labor Day, 3) Independence Day, 4) National Heroes' Day, 5) Bonifacio Day, 6) Rizal Day, 7) Ninoy Aquino Day, and 8) Last Day of the Year.

I guess all of the secular holidays are fixed in the sense that they are supposed to be held on specific days of the year.

To cite a few examples, Labor Day, for instance, is supposed to be held on May 1 every year; Bonifacio Day on November 30; Rizal Day on December 30; Ninoy Aquino Day on August 21; and Independence Day on June 12.

Trivializing

I am one of those who feel aggravated by the penchant of President Gloria Macapagal Arroyo to transfer the observance of holidays to other dates just to please certain sections of society.

Because of time constraints, allow me to just focus on her recent order moving the holiday connected with Independence Day to June 9 instead of celebrating it on June 12.

I think that the meaning of such a holiday is trivialized by the President's simplistic order declaring June 9 a holiday in supposed observance of our Independence Day.

Indeed, there is a republic act that allows the President to move the observance of certain holidays to other dates. Still, prudence dictates that such a meaningful event as our Independence Day should not be moved cavalierly as if it is a day to celebrate Fathers' Day or Mothers' Day or Valentine's Day.

Cheapening the day

To underscore why we believe that the President is cheapening the observance of our national Independence Day, I would like to call attention to the fact that she has not and probably will not dare to transfer Christmas Day (December 25) to December 20 or December 29.

Christmas Day is among the holy of holies of the holy days of Christendom. It is the birth of the Savior of mankind, Christianity believes.

Secular equivalent

I suggest that our Independence Day, June 12, is to us Filipinos the secular equivalent of the December 25th birthday of Jesus Christ to the Christians of the world.

If Christ was born on December 25 on a mission to save the sinners in the five continents of the world, the Republic was born on June 12 on a mission to unify Filipinos of all religious creeds, political persuasions, and societal standing into one democratic nation under the rule of law.

June 12 is, therefore, a holiday and a holy day to us, Filipinos, and should not be cheapened by transferring its observance to another day this year or next year or in the future years.

Rethink

I submit that the President should rethink what she has already done. It is not yet too late to rectify the error of her announced policies on holidays.

Let us celebrate June 12 as June 12, a day of our birth as a nation.

Sacrifice

If we have to sacrifice to celebrate it on that day, let it be so. The heroes and the martyrs of our country did not shed their blood to enable us to attain our independence—our birth as a nation—so that we can play around with it and do with it as the President wishes.

Independence Day is the birthday of our country. Let us honor it as befits a free people on the day we were born as a nation: June 12, and not any other ill-conceived day that the misgovernors in Malacañang fix for us.

REMARKS OF SENATOR DEFENSOR SANTIAGO

Preliminarily, Senator Defensor Santiago explained that since the actual birthdate of Jesus Christ is unknown, Christians decided to celebrate Christmas Day on December 25 because it coincided with the winter solstice, which happens to be a pagan holiday.

She concurred with the sentiments expressed by Senator Pimentel, adding that she has always objected to the practice of "holiday economics" because the Philippines has too many nonworking

holidays unlike other Catholic countries which have working holidays even on Holy Thursday and Good Friday. She pointed out that the Philippines is the only country in the world where holidays such as those meant to commemorate the deaths and births of national heroes or the defeat or victory of the nation are not actually being celebrated.

INTERPELLATION OF SENATOR MADRIGAL

At the outset, Senator Madrigal associated herself with the speech delivered by Senator Pimentel as she too felt that national holidays are being desecrated for holiday economics.

Asked whether he has any proposal to stop the Executive from rearranging national holidays, Senator Pimentel replied that although admittedly not much thought had been given to the implications of the law that legalized holiday economics, he believed that an appeal to reason could be made to the President regarding the matter.

To the observation that a mere appeal to reason would be an extremely gentle way of reminding the President, whose father moved the celebration of Independence Day to June 12, against sacrificing the importance of the historic event for the sake of a good photo opportunity, Senator Pimentel agreed, adding that former President Diosdado Macapagal made a bold move that even antagonized the Americans when he transferred the celebration of Philippine Independence Day from July 4 to June 12.

Noting that other countries truly give value to the commemoration of their independence day, Senator Madrigal pointed out that the decision to move the June 12th holiday to June 9 trivializes the significance of Philippine Independence Day because the sanctity and the raising of the flag in Cavite and all other ceremonies associated with Independence Day have been subsumed merely to economic considerations.

For his part, Senator Pimentel maintained that such an important occasion could not be solely decided by the President since the sanctity of the day is lost in that respect.

Senator Madrigal stated that the privilege speech is important as it serves to remind Filipinos not only to stand up for historical authenticity and patrimony but also to guard against allowing the President from

moving such holidays merely for her convenience as well as for the few in her Cabinet who believe that it makes a difference. Senator Pimentel agreed, adding that keeping the Independence Day holiday on June 12 would be beneficial to all Filipinos.

COMMENTS OF SENATOR ARROYO

Commenting on Senator Pimentel's privilege speech, Senator Arroyo explained that transferring the June 12 holiday to June 9 was in keeping with a law which was unanimously passed and adopted by both Houses of Congress and was the result of a study that had been participated in by himself and other agencies including the National Historical Institute, Department of Education (DepEd) and Department of Labor and Employment (DOLE).

He recalled that the implementation of "holiday economics" stemmed from the President's penchant for declaring a day, which is sandwiched between two holidays, as a special holiday so that everyone could enjoy continuous holidays. He pointed out that this sentiment, shared all over the world, has been that with the exception of calendar and religious dates such as New Year's Day, Eidul Fit'r, Maundy Thursday, and Good Friday. All Saints' Day and Christmas Day, other holidays listed in the Revised Administrative Code would become movable dates.

Senator Arroyo explained that *Araw ng Kagitingan*, Labor Day, Independence Day, National Heroes' Day, Bonifacio Day, Rizal Day, Ninoy Aquino Day and the last day of the year were considered movable dates in line with the initial concept borne from committee hearings that a holiday falling near a Sunday would be celebrated on a Monday, while one falling on a Thursday would be moved to Friday. However, he said that all holidays within the week were moved to Monday to address the concern of the members of the labor sector that they would not enjoy a continuous holiday considering that they have a six-day work-week from Monday to Saturday; likewise, the business sector wanted holidays to be predictable so that they could program their businesses. Hence, he said that with this law, students and white collar workers would have three days of holiday while laborers would have two days off.

He noted that holiday economics is the consequence of progressive thinking of the modern world which is being practiced in the United States such as, for instance, its celebration of President's

Day which is a holiday set on a date between the birth anniversaries of former United States President Lincoln on February 12 and President Washington on February 22.

Senator Arroyo stressed the importance of having members attend committee hearings, such as the one held by the Committee on Constitutional Amendments, Revision of Codes and Laws, to avoid misunderstanding. He said that the matter could be resolved by repealing the law, even as he dared that the committee conduct a hearing and see what the odds will be. He said that for so long as the law is there, the President has no discretion but to implement it.

Senator Arroyo wished that Senator Gordon were present because it was his Committee that took up the measure that eventually became law.

Senator Pimentel clarified that he was only referring to Independence Day, the celebration of which no other country in the world has transferred to any other day just to please holiday seekers. He said that he would not put too much value on the stand of students on holidays because nothing would please them more than not going to school at all or having more holidays though it is not necessarily good for them. As far as unionized workers are concerned, he noted that they might support moving holidays but not non-unionized workers like casual and non-permanent employees who do not earn anything during holidays. Further, he assumed that companies that employ many workers would not want more holidays because they have to pay overtime if their workers come to work.

APPROVAL OF SENATE BILL NO. 2361 ON THIRD READING

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading, Senate Bill No. 2361, printed copies of which were distributed to the senators on June 4, 2008.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Pangilinan, there being no objection, Secretary Emma Lirio-Reyes read only the title of the bill, to wit:

**AN ACT PROVIDING A MECHANISM
FOR FREE LEGAL ASSISTANCE
AND FOR OTHER PURPOSES.**

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Lapid
Aquino	Madrigal
Arroyo	Pangilinan
Defensor Santiago	Pimentel
Ejercito Estrada	Roxas
Enrile	Zubiri
Escudero	Villar
Honasan	

Against

None

Abstention

None

With 15 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 2361 approved on Third Reading.

COAUTHOR

Senator Pangilinan manifested that Senator Ejercito Estrada has requested that he be made coauthor of Senate Bill No. 2361.

The Chair took note of the manifestation.

COMMITTEE REPORT NO. 42 ON SENATE BILL NO. 2121

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2121 (Committee Report No. 42), entitled

**AN ACT AMENDING SECTIONS 4, 9,
20, 21, 23, 25, 26, 30, 31, 32, 33, 34, 35,
38, 41, 43, 45, 48, 51 OF REPUBLIC
ACT NO. 9136 ENTITLED "AN ACT
ORDAINING REFORMS IN THE
ELECTRIC POWER INDUSTRY AND
FOR OTHER PURPOSES."** *AKC* *yo*

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

Thereupon, the Chair recognized Senator Enrile, Sponsor of the measure, and Senator Roxas for his interpellation.

SUSPENSION OF SESSION

Upon motion of Senator Enrile, the session was suspended.

It was 3:50 p.m.

RESUMPTION OF SESSION

At 4:00 p.m., the session was resumed with Senate President Pro Tempore Ejercito Estrada presiding.

INTERPELLATION OF SENATOR ROXAS (Continuation)

Senator Roxas recalled that in his earlier interpellations, certain points were raised, namely, open access would create a competitive dynamic in the consumer and producer sectors; the domination of an entity that could manipulate or undertake anti-competitive measures should not be allowed; the National Power Corporation (Napocor) has privatized 49% of its generation companies (Gencos) but its IPPs have not been privatized yet but there are prospects that they might be privatized in the next several months; and Napocor operates *pari passu* with private Gencos in the sense that it does not enjoy any tax breaks.

As regards the Napocor loans, Senator Enrile clarified that under the EPIRA, all assets of Napocor had been transferred to PSALM, so it cannot contract loans.

Asked whether PSALM borrowings are guaranteed by government, Senator Enrile replied that PSALM is not supposed to borrow because it is some sort of a liquidator.

On whether the bill allows Napocor to retain 50% of its generating assets, Senator Enrile explained that the bill intends to change the threshold where open access would start to operate without prejudice to government's effort to lower it to 30% retention of generation capacity. He noted that Napocor is disgorging some of its capacities which are taken over by the private sector which, in turn, is also putting up

its own plants and additional capacities. He said that he was thinking of the possible anti-competitive behavior of the private sector acquiring the disgorged generation capacities of Napocor that may injure the interest of the consuming public. He believed that there should be a capacity strong enough to thwart the behavior of the private sector in trying to abuse its power in the market.

Sharing the same sentiment, Senator Roxas expressed support for the subsequent provision limiting to 30% the ownership or operation in any particular grid.

Senator Enrile agreed, adding that a distribution company can buy 50% of its demand and lock it through bilateral contracts with its affiliate companies but that 50% in addition to the limitation of 30% cannot exceed 20% of the grid.

SUSPENSION OF SESSION

Upon motion of Senator Roxas, the session was suspended.

It was 4:09 p.m.

RESUMPTION OF SESSION

At 4:09 p.m., the session was resumed.

Senator Enrile stated that no generation company must be able to supply more than 30% of the total demand in a given grid.

Senator Roxas said that he would be amenable to such a prohibition to ensure that there would be no big player in the market that can swing the prices. He agreed that there is need to control both the market power of the generation as well as the distribution side, and that there is no competition in the transmission side because there is only one transmission organization in the country.

Senator Roxas adverted to Section 45 which limits any group or related interest from owning more than 30% of the generating capacity of a particular grid and no more than 25% of the total national grid, cognizant that there is such a limitation allowing Napocor to retain 50% of its owned and operated Gencos as well as IPPs while WESM becomes operational and this may be an undue advantage to the private sector. *AS JB*

Senator Enrile explained that WESM is already in operation. He assured the Body that the bill would prohibit any misbehavior by Napocor although it is a big player in the market having control of 50% of the generating capacity.

Asked if Napocor had been able to dispose of 1,850 megawatts of its 3,777-megawatt capacity both for the owned and operated Gencos, and that what was left is 1,927 megawatts, Senator Enrile replied in the affirmative, as he also confirmed that Napocor has 6,585 megawatts with its IPPs, the disposition of which would be accomplished in November, otherwise there can never be open access.

Upon inquiry, Senator Enrile stated that the sum for Luzon, Visayas and Mindanao before the implementation of the EPIRA was 10,362 megawatts, 1,850 of which had been disposed of, leaving a difference of 8,512 megawatts.

Considering that the threshold for open access is only for Luzon and Visayas, Senator Roxas asked the data pertinent thereto.

SUSPENSION OF SESSION

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

It was 4:15 p.m.

RESUMPTION OF SESSION

At 4:23 p.m., the session was resumed.

Senator Roxas stated that before the implementation of the first EPIRA, for the Luzon grid, Napocor owned and operated 3,547 megawatts and the IPPs, 6,401 megawatts, totaling 9,949 megawatts. He reiterated that since the original EPIRA was passed in 2001, 1,850 megawatts have been disposed of and at present, Napocor still has to dispose of 1,697 megawatts, owned and operated, and 6,401 megawatts of Napocor/IPP, totaling 8,099 megawatts.

Senator Roxas stated that as conceived under the present law, Napocor has a 9,949-megawatt base; it can retain 30% of its assets before open access; and it has to sell 5,114 megawatts. However, he noted that under the bill, the open access requirement is 50%, therefore, Napocor must sell

3,124 megawatts. He asked how could there be competition in an open access under such circumstances.

SUSPENSION OF SESSION

Upon motion of Senator Roxas, the session was suspended.

It was 4:27 p.m.

RESUMPTION OF SESSION

At 4:49 p.m., the session was resumed.

Senator Roxas clarified that as of date, the private sector has 3,069 megawatts, inclusive of the 1,850 megawatts mentioned earlier, and Napocor continues to have 8,099 megawatts for the Luzon-Visayas grid or a total of 11,168 megawatts. He noted that under the present law, before open access could be triggered, Napocor has to dispose of all its assets and retain only 30%, leaving it with 2,985 megawatts; on the other hand, the bill allows Napocor to retain 50% of its assets or 4,975 megawatts before open access could be triggered.

Citing media reports, Senator Roxas stated that the President has presided over meetings which apparently came up with an agreement to provide relief to large users particularly in the semiconductor sectors through the so-called interim open access wherein private Gencos could service the demand requirement of one-megawatt or large users.

Senator Enrile pointed out that such an agreement has to go through the ERC as mandated by R.A. No. 9136. He said that open access is allowed only upon compliance with certain conditions imposed by Congress. He stated that unless these conditions are altered, open access will not be available and he doubted if the ERC, given its powers under the EPIRA, can approve such an agreement because it would clearly violate the law, hence, the agreement is deemed void *ab initio*.

As to how Napocor could become competitive and dynamic under open access when it has 5,000 megawatts, out of the total 11,000 megawatts, Senator Enrile stated that there will be no real competition in the captive market. In an open market, he clarified, there will hardly be competition because most of

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the capacities of the private sector are already locked in with their distribution companies through bilaterals contracts, and so the available supply to serve the open market would largely come from Napocor capacities.

Asked on the difference between a 30% threshold and a 50% threshold, Senator Enrile replied that the intention is to have open access and it cannot be done under 70% privatization. He stated that large users, for instance, cannot contract with any IPP unless there is open access. He said that the bill aims to adjust the threshold so that open access can be hastened and, at the same time, allow privatization to continue. He added that if Senator Roxas favored it, he could propose that 30% privatization be accomplished within the next two to three years. Further, he stressed that the purpose of open access is to level the playing field in terms of capacities and market power and government must strive to reach 30% privatization for purposes of real competition. However, he noted that with 30% privatization, government might as well get out of generation.

Senator Roxas believed that the intent of the present law is for Napocor to get out of generation by June 2009. Senator Enrile replied that there is no such provision in the EPIRA which, in fact, required Napocor to sell 70% of its total capacity.

But Senator Roxas pointed out that under the existing EPIRA, Napocor is also mandated to go to zero percent by 2009.

SUSPENSION OF SESSION

Upon motion of Senator Roxas, the session was suspended.

It was 5:04 p.m.

RESUMPTION OF SESSION

At 5:11 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2121

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

REFERENCE OF BUSINESS

(Continuation)

The Deputy Secretary for Legislation, Atty. Edwin B. Bellen, read the following matters and the Chair made the corresponding referrals:

House Bill No. 4023, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY DANLOG, MUNICIPALITY OF PILAR, PROVINCE OF SORSOGON TO BE KNOWN AS MANUEL T. SIA MEMORIAL NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4024, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY ROSITA, MUNICIPALITY OF LIBJO, PROVINCE OF DINAGAT ISLANDS TO BE KNOWN AS ROSITA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4025, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY MAAC, MUNICIPALITY OF GUIN-SILIBAN, PROVINCE OF CAMIGUIN TO BE KNOWN AS MAAC NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4026, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY LUBAS, MUNICIPALITY OF LA TRINIDAD, PROVINCE OF BENGUET

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TO BE KNOWN AS LA TRINIDAD NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4027, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY BULUANG, MUNICIPALITY OF BAAO, PROVINCE OF CAMARINES SUR TO BE KNOWN AS EUSEBIA PAZ ARROYO MEMORIAL NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4028, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY FORTUNA, MUNICIPALITY OF SOCORRO, PROVINCE OF ORIENTAL MINDORO TO BE KNOWN AS FORTUNA NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4029, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY SALAGMANOK, MUNICIPALITY OF KUMALARANG, PROVINCE OF ZAMBOANGA DEL SUR TO BE KNOWN AS SALAGMANOK NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4030, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY SAN

RAFAEL, MUNICIPALITY OF PILAR, PROVINCE OF SORSOGON TO BE KNOWN AS SAN RAFAEL NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4031, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY TINANOAN, MUNICIPALITY OF DONSOL, PROVINCE OF SORSOGON TO BE KNOWN AS TINANOAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4032, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY MALARUHATAN, MUNICIPALITY OF LIAN, PROVINCE OF BATANGAS TO BE KNOWN AS LIAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4033, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY SAN SEBASTIAN, MUNICIPALITY OF SAN VICENTE, PROVINCE OF ILOCOS SUR TO BE KNOWN AS SAN SEBASTIAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4034, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY

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BUENAVISTA, MUNICIPALITY OF BONIFACIO, PROVINCE OF MISAMIS OCCIDENTAL TO BE KNOWN AS DIWAT NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4035, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY STA. CRUZ, MUNICIPALITY OF JARO, PROVINCE OF LEYTE TO BE KNOWN AS TEOFILO R. MACASO MEMORIAL NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4036, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN THE MUNICIPALITY OF TORRIJOS, PROVINCE OF MARINDUQUE TO BE KNOWN AS POCTOY NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4037, entitled

AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY GRACEVILLE, CITY OF SAN JOSE DEL MONTE, PROVINCE OF BULACAN TO BE KNOWN AS THE GRACEVILLE NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR

To the Committees on Education, Arts and Culture; and Finance

House Bill No. 4054, entitled

AN ACT SEPARATING THE CITY OF ILIGAN FROM THE FIRST LEGISLATIVE DISTRICT OF THE PROV-

INCE OF LANA O DEL NORTE TO CONSTITUTE THE LONE LEGISLATIVE DISTRICT OF THE CITY OF ILIGAN

To the Committees on Local Government; and Constitutional Amendments, Revision of Codes and Laws

BILL ON FIRST READING

Senate Bill No. 2379, entitled

AN ACT PROVIDING FOR ADDITIONAL MEMBERS IN THE CITY COUNCIL OF VALENZUELA, AMENDING FOR THIS PURPOSE SECTION 10 OF REPUBLIC ACT NO. 8526, OTHERWISE KNOWN AS THE CHARTER OF THE CITY OF VALENZUELA

Introduced by Senator Loren Legarda

To the Committee on Rules

ADDITIONAL REFERENCE OF BUSINESS

BILLS ON FIRST READING

Senate Bill No. 2380, entitled

AN ACT AMENDING REPUBLIC ACT NO. 9344 OTHERWISE KNOWN AS AN ACT ESTABLISHING A COMPREHENSIVE JUVENILE JUSTICE AND WELFARE SYSTEM, CREATING THE JUVENILE JUSTICE AND WELFARE COUNCIL UNDER THE DEPARTMENT OF JUSTICE, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Pangilinan

To the Committees on Justice and Human Rights; and Youth, Women and Family Relations

Senate Bill No. 2381, entitled

AN ACT GRANTING PHILIPPINE CITIZENSHIP TO MR. PETER LESLIE WALLACE

Introduced by Senator MAR Roxas

To the Committee on Rules *MS / 1/6*

Senate Bill No. 2382, entitled

AN ACT TO HASTEN TITLING OF RESIDENTIAL LANDS OF THE PUBLIC DOMAIN BY EXTENDING THE GRANT OF FREE PATENT TO RESIDENTIAL LANDS UNDER CERTAIN CONDITIONS

Introduced by Senator Loren Legarda

To the Committees on Constitutional Amendments, Revision of Codes and Laws; and Environment and Natural Resources

Senate Bill No. 2383, entitled

AN ACT INCREASING MATERNITY LEAVE BENEFITS FROM SIXTY (60) DAYS TO ONE HUNDRED TWENTY (120) DAYS OR FOUR MONTHS, AMENDING FOR THE PURPOSE, P.D. 442, AS AMENDED BY R.A. 7322

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committee on Labor, Employment and Human Resources Development

Senate Bill No. 2384, entitled

AN ACT PROVIDING FOR THE REGULATION, SUPERVISION AND PROFESSIONALIZATION OF THE PRACTICE, LICENSING, AND REGISTRATION OF SANITARIANS

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committees on Civil Service and Government Reorganization; and Finance

SECOND ADDITIONAL REFERENCE OF BUSINESS

BILLS ON FIRST READING

Senate Bill No. 2385, entitled

AN ACT PROVIDING FOR THE ESTABLISHMENT OF A *TIMBANGAN NG BAYAN* CENTER IN ALL PUBLIC

MARKETS NATIONWIDE, AMENDING FOR THE PURPOSE CHAPTER II OF THE CONSUMER ACT OF THE PHILIPPINES

Introduced by Senator Manny Villar

To the Committees on Trade and Commerce; and Local Government

Senate Bill No. 2386, entitled

AN ACT PROVIDING FOR THE TEACHING OF ECOLOGY IN ALL ELEMENTARY AND SECONDARY LEVELS, WHETHER PUBLIC OR PRIVATE, OF THE PHILIPPINES AND FOR OTHER PURPOSES

Introduced by Senator Manny Villar

To the Committees on Education, Arts and Culture; Environment and Natural Resources; and Finance

RESOLUTIONS

Proposed Senate Resolution No. 444, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE EFFICIENCY OF FERTILIZER, FUEL AND ELECTRICITY SUBSIDIES WITH THE END IN VIEW OF INTRODUCING REMEDIAL MEASURES TO PROVIDE IMMEDIATE, EFFECTIVE, SUSTAINABLE AND LASTING RELIEF TO FILIPINO CONSUMERS, ESPECIALLY THE POOR, IN THE FACE OF THE CONTINUING RISING COSTS OF BASIC COMMODITIES

Introduced by Senator Loren Legarda

To the Committees on Economic Affairs; and Energy

Proposed Senate Resolution No. 445, entitled

RESOLUTION COMMENDING THE IGLESIA NI CRISTO, UNDER THE

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LEADERSHIP OF KA ERAÑO G. MANALO AND KA EDUARDO V. MANALO, ON THE OCCASION OF THEIR 94TH ANNIVERSARY

Introduced by Senator Francis "Chiz" G. Escudero

To the Committee on Rules

Proposed Senate Resolution No. 446, entitled

RESOLUTION COMMENDING MR. JOEY QUINTO FOR BEING THE RECIPIENT OF THE AWARD FOR EXCELLENCE IN JOURNALISM DURING THE FOURTH ANNUAL ASIAN PACIFIC ISLANDER HERITAGE AWARDS IN CELEBRATION OF THE ASIAN PACIFIC ISLANDER AMERICAN (APIA) HERITAGE MONTH

Introduced by Senator Jinggoy Ejercito Estrada

To the Committee on Rules

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:18 p.m.

RESUMPTION OF SESSION

At 5:18 p.m., the session was resumed.

COMMITTEE REPORT NO. 42 ON SENATE BILL NO. 2121

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2121 (Committee Report No. 42), entitled

AN ACT AMENDING SECTIONS 4, 9, 20, 21, 23, 25, 26, 30, 31, 32, 33, 34, 35, 38, 41, 43, 45, 48, 51 OF REPUBLIC AT NO. 9136 ENTITLED, "AN ACT ORDAINING REFORMS IN THE

ELECTRIC POWER INDUSTRY AND FOR OTHER PURPOSES."

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

The Chair recognized Senator Enrile, Sponsor of the measure, and Senator Roxas for the continuation of his interpellation.

INTERPELLATION OF SENATOR ROXAS

(Continuation)

Senator Roxas said that before the session was suspended, the topic that was being discussed was the intent of the original EPIRA relative to the Napocor. He noted that the original intent, as provided for in Section 47, Item (i) of the Act, was that any unsold capacity of Napocor should be privatized not later than eight years from the effectivity of the Act. Therefore, he said, the goal of Senate Bill No. 2121 is to have early or accelerated open access in view of the fact that the present EPIRA only allows open access after Napocor has disposed of 70% of its owned and operated assets, including IPPs. Senator Enrile agreed, adding that it is without prejudice to the continuation of the downward disposition of capacities of Napocor.

At this point, Senator Roxas said that he would temporarily suspend his interpellations to study the competitive environment in an open access situation where Napocor/PSALM would be an active player, having about 5,000 megawatts in a grid totaling 11,000 megawatts, particularly given Senator Enrile's assertion that open access means allowing Napocor to service the needs of the one-megawatt and above users because all in the private sector have already locked in their existing capacities.

Noting that the private sector has a generating capacity of 3,069 megawatts that has been locked in with their affiliated distributors, Senator Enrile said that prohibiting or proscribing Napocor from supplying the competitive market when there is open access would be detrimental because it is the one that could supply power to the non-captive market. He likewise believed that Congress would not allow the situation where Napocor would have to sell to the bright guys so that they could sell to the competitive market and make the profit instead of Napocor making the profit. *He is*

**SUSPENSION OF CONSIDERATION
OF SENATE BILL NO. 2121**

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

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:23 p.m.

RESUMPTION OF SESSION

At 5:25 p.m., the session was resumed.

MANIFESTATION OF SENATOR GORDON

In view of the late arrival of senators in the session hall due to the marathon hearing of the Commission on Appointments, Senator Gordon reiterated his manifestation that being a constitutional body, the Commission on Appointments precludes the rules in terms of not having hearings while sessions are ongoing. He therefore requested the Committee on Rules to make a ruling so that, in the future, the senators who arrive after the roll call or who are attending the hearings would not be marked late or absent. He said that Senators Biazon and Lacson were also in the hearing.

**MANIFESTATION
OF SENATOR LEGARDA**

Senator Legarda stated that she had the same manifestation last week when she questioned about how her attendance was marked when she came to the plenary session a few minutes late because she was attending the Commission on Appointments hearing during that time, and in reply, Senator Pangilinan said that he would take the matter up with the Committee on Rules.

**REMARKS
OF SENATOR PANGILINAN**

Senator Pangilinan gave the assurance that the Committee on Rules would act with dispatch as soon as it shall have received the report of the lawyers of the Senate Secretariat, which would be the basis of its preliminary findings.

**COMMITTEE REPORT NO. 42
ON SENATE BILL NO. 2121**

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2121 (Committee Report No. 42), entitled

AN ACT AMENDING SECTIONS 4, 9, 20, 21, 23, 25, 26, 30, 31, 32, 33, 34, 35, 38, 41, 43, 45, 48, 51 OF REPUBLIC ACT NO. 9136 ENTITLED "AN ACT ORDAINING REFORMS IN THE ELECTRIC POWER INDUSTRY AND FOR OTHER PURPOSES."

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

The Chair recognized Senator Enrile, Sponsor of the measure, and Senator Madrigal for her interpellation.

**INTERPELLATION
OF SENATOR MADRIGAL**

Asked by Senator Madrigal how open access would redound to the benefit of small consumers, Senator Enrile replied that the law provides that the people who will make up the competitive market will be those using one megawatt of electricity or more, which threshold, at a certain point, would go down until it reaches the households, but without open access, this would not be realized. He explained that under an open-access regime, a businessman could go to a community which consumes one megawatt of electricity, aggregate the individual households, enter into a contract with a supplier at a lower price, and service the community by passing electricity through the transmission and distribution wires of franchise holders in the area.

Asked if the IPPs would have to be more competitive to be able to enter the market, Senator Enrile replied that there are a lot of excess capacities that could be negotiated through bilateral contracts.

On whether the aim of the bill is to lower the threshold to 50% to usher in an open-access regime, Senator Enrile replied in the affirmative. He explained that once Napocor's privatization has reached 50%, it would usher in open access without prejudice to

150 115

the continuation of the privatization until it reaches 70% or 100%.

On the concern of oppositors to the bill that there would no longer be any incentive for Napocor to privatize or for the foreign firms to come into the market once open access is achieved, Senator Enrile expressed the hope that once open access is in place, other players would come in and put up their own efficient plants to sell electricity at a lower price. Even assuming that Napocor still has 50% capacity at that point, he asserted that the entry of other players would compel it to maintain its price to be competitive.

On the concern that Napocor, with its tax privileges, would be able to undercut the market and maintain its monopoly over power generation, Senator Enrile stated that the end-user has the power to decide from whom to buy electricity, so that if the price of Napocor is higher than the approved rate of the ERC, it would go elsewhere to contract power. Under such a situation, he added, Napocor has to unload its existing capacities through the existing mechanism rather than in the open-access environment.

To the observation that an open-access regime would lead to an oligopolistic market since only seven players could probably fix the price of electricity, Senator Enrile expressed doubt whether all the generators would organize themselves into a cabal and dictate the price because it is one sure way to lose money. He added that Napocor would still have to pay for the electricity they are unable to sell.

Asked to confirm the statement of Mr. Ibazeta of PSALM in the House hearing that there was no need to bring down the threshold because the sale of two Napocor assets within the year would achieve more than 70% privatization, Senator Enrile replied that Mr. Ibazeta has denied making such an assertion.

On the presentation of Meralco that its charges do not have much effect since it is only 10% of the total electric bill, Senator Enrile pointed out that while Meralco is a distribution company, it buys electricity not only from Napocor and Quezon Power but also from its sister companies – the Sta Rita and San Lorenzo Power Plants – whose price might be higher if they were not owned by the Lopezes. He said that although ERC is supposed to determine the price of electricity, it is doubtful if it has the technical

capability to scrutinize the IPP contracts of Meralco with San Lorenzo and Sta Rita Power Plants or Quezon Power.

Asked how the bill could correct the practice of charging rates over and above the Napocor charges, Senator Enrile replied that the bill has provisions prohibiting the distribution companies from requiring consumers to pay, for instance, meter deposits; and removing the right of the IPPs and distribution companies to charge or pass on their stranded contract costs to consumers.

On whether he would accept an amendment to ensure that the profits of the distribution companies and IPPs would redound not only to the large-users but also to small consumers, Senator Enrile said that he was thinking of a new formula to dissuade the distribution companies from charging losses to consumers. He explained that technical losses, pilferage and in-house consumption, are all passed on to the consumers. He noted that so many people are in the power business because the risk is very minimal and consumers pay for almost everything including the putting up of a power plant.

Regarding the entry of foreign investors in the power industry who end up owning IPPs and manipulating or controlling the price of electricity, Senator Enrile said that given the fact that the country does not have enough money or capital, foreign investments in power generation and distribution should be welcomed.

To the concern that it would be dangerous for the country to allow a foreign company to own 50% of its power requirement, Senator Enrile replied that it is not as he clarified that all would depend on the leaders of the country because the Constitution authorizes government to take over all public utilities in case of national emergency.

Asked if 50% privatization would result in good synergy, Senator Enrile said that open access would create the captive market made up of consumers with no other choice but to buy electricity from a distributor and the non-captive market made up of consumers of one megawatt and above who can afford to go straight to the generation company with excess capacity and enter into bilateral contracts. He bared that this is the correct analogy that Meralco should have used in its present television ad because it is the large-user who goes to the plant to buy

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electricity and shoulders any transmission loss, while in the captive market, it is Meralco who purchases electricity directly from the plants, and, as such, it should shoulder all losses incurred in the distribution process.

Asked what the 50% threshold means for the captive market, Senator Enrile said that there would be a gradual reduction of the one-megawatt requirement to 750 kilowatts until it reaches the households. He stated that a time frame for that reduction could be placed in the bill if it is possible considering that the reduction is dictated by market conditions.

On another matter, Senator Enrile pointed out that Meralco is authorized by law to pass on charges of pilfered electricity to the consumers. He cited the practice of Meralco of charging the consumer a meter deposit of P100 a month which could have already reached P20 billion; a billing deposit to supposedly cover arrearages in paying bills, although the practice of Meralco is to cut off the service after three days delay in payment; and a P20 reconnection fee.

On whether the open access would adversely affect the lifeline subsidy, Senator Enrile explained that lifeline subsidy applies only to the captive market.

On the VAT on electricity, Senator Enrile stated that he voted against it but he lost. He opined that it might be difficult to institute changes at present because VAT is included in the calculation of revenues. Nonetheless, he said that he would be amenable to reducing it, not entirely removing it because it leaves a paper trail that traces the movement of fuel converted to electricity.

With respect to systems loss, Senator Enrile explained that it is part of the pricing system of electricity being consumed and it would be difficult to separate the base of the VAT for systems loss from power that is actually used. He gave assurance that he would fully support a bill amending the Internal Revenue Code to remove the VAT on systems loss.

As regards the alleged over-recoveries of Meralco amounting to P10 billion, Senator Enrile recalled that there was a 10-year supply contract between Meralco and Napocor at P2.50-per-kilowatt-hour, but on the seventh year Meralco ceased using the contract so Napocor filed a claim against Meralco

which is still pending in the ERC. He added that Meralco committed a breach of contract and it is improper for Meralco to pass its P14-billion loss to consumers.

On whether he would favor reviewing the IPP contracts as well as the take-or-pay provisions, Senator Enrile explained that while most of the original contracts of Napocor's IPPs had already been paid, renegotiated and completed, he was unsure whether Meralco's IPPs could also be compelled to renegotiate their contracts. He said that in his original version of the amendments to the EPIRA, a condition was added allowing the IPPs, whose contracts were approved by the ERC as of December 31, 2000, to mitigate their losses by charging the stranded contract cost against the universal levy, but he eventually withdrew this right.

Asked to explain the reason behind the emergency coal purchases made by the Napocor, Senator Enrile clarified that the Napocor has not made any emergency purchases because it contracts its fuel requirements after anticipating needs for a given period. In case of a failure of delivery, he said that the Napocor purchases its supply from the spot market to continue plant operations.

Senator Madrigal disclosed that she has received information that the Napocor created an emergency situation in three plants by providing low-coal inventories to the Masinloc, Pagbilao and Sual coal-fired plants from March until August.

SUSPENSION OF SESSION

Upon motion of Senator Enrile, the session was suspended.

It was 6:13 p.m.

RESUMPTION OF SESSION

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

Senator Enrile denied any truth to the report that the Napocor created an emergency situation to justify its coal purchases on the spot market. He clarified that the Napocor purchased from the spot market and diverted some supplies for Masinloc to Sual following the failure of its coal suppliers from Australia, China and Indonesia to deliver the commodity as a result of natural calamities in their area.

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Senator Madrigal pointed out that the report not only claimed that the IPP-owned Sual plant had to shut down half of its capacity on account of Napocor's failure to deliver coal, but that the power firm's alibi that the surge in demand during summer was caused by the tripping of a power plant lacked credibility as the summer months coupled with the low output of hydropower plants always cause a surge in demand; therefore, the Napocor could have made the necessary preparations for this eventuality but it did not, which consequently resulted in an emergency situation costing the government P636.75 million to be shouldered by consumers. However, Senator Enrile said that according to the Napocor, the information was incorrect.

Senator Madrigal added that according to the report, the coal purchased was 325,000 metric tons with a contract purchase price of US\$81.93/metric ton for a total contract price of US\$26.63 million or P1.28 billion; however, the spot market price at the time was only US\$49.50/metric ton indicating that the contract was overpriced by US\$10 million. Senator Enrile replied that according to the Napocor, the spot market price stated in the report was inaccurate, adding that the coal purchase was made through competitive bidding with the contract price falling below the average price.

Senator Madrigal clarified that the purchases were made on a negotiated basis justified by Republic Act No. 9184 in an emergency situation.

SUSPENSION OF SESSION

Upon motion of Senator Madrigal, the session was suspended.

It was 6:18 p.m.

RESUMPTION OF SESSION

At 6:20 p.m., the session was resumed.

In closing, Senator Madrigal requested that the Napocor provide her with copies of its contracts with its suppliers and shipping companies dated March 29, April 18 and July 20, 2007.

MANIFESTATION OF SENATOR ZUBIRI

At this juncture, Senator Zubiri asked that the Committee on Rules set an early schedule for

deliberations on Senate Bill No. 2264 (Cooperative Code of 2008) the following day because Senator Defensor Santiago who is the last Member with a reservation to interpellate on the measure leaves early, and due to the fact that his wife has just given birth to their first child earlier that day.

Senator Pangilinan gave assurance that the bill would be calendared early the next day.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 6:22 p.m.

RESUMPTION OF SESSION

At 6:27 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2121

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

CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 1882 AND HOUSE BILL NO. 3754

Upon motion of Senator Pangilinan, there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 1882 and House Bill No. 3754, both entitled

AN ACT ESTABLISHING A PROVIDENT PERSONAL SAVINGS PLAN, KNOWN AS THE PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA).

The Chair recognized Senator Angara to sponsor the report.

SPONSORSHIP REMARKS OF SENATOR ANGARA

Senator Angara presented for the consideration and approval of the Body the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 1882 and House Bill No. 3754, which is An

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Act Establishing a Provident Personal Savings Plan known as the Personal Equity and Retirement Account or "PERA" as an acronym.

He then read the Joint Explanation of the Conference Committee, to wit:

The Conference Committee on the disagreeing provisions of Senate Bill No. 1882 and House Bill No. 3754, after having met and fully discussed the subject matter in a conference, hereby report to their respective Houses the following that:

1. The conferees agreed to use the Senate version as the working draft;
2. On Section 1, the short title of the House version was adopted as, "PERA Act of 2008";
3. Section 2, on the *Declaration Policy*, the Senate and House versions are identical;
4. On Section 3, on the *Definition of Terms*, the Senate version was adopted with a few modifications.

On subparagraph (b), "Contributor," the phrase "with the capacity to contract and possesses a tax identification number" was inserted after the phrase "is any person" and before the phrase "who, either directly or indirectly establishes or makes contributions to a PERA"...

On subparagraph (e), "Investment Managers," the sentence "An Administrator may also act as an investment manager." was deleted.

On subparagraph (g), "PERA Investment Product," the phrase "and other securities listed and traded in a local exchange" was inserted after the words "shares of stock" and before the phrase "exchange traded bonds";

On the same subparagraph, another provision was added to read as "Provided, however, that to qualify as a PERA investment product under this Act, the product must be non-speculative, readily marketable and with a track record of regular income dividend payments to investors", after the phrase... "may allow for PERA purposes..."

Another subparagraph (i) from the House version was added for the definition of "Overseas Filipino";

5. On Section 4, "Establishment of a PERA," the Senate and House versions are identical;
 6. On Section 5, "Maximum Annual PERA Contributions," the House version was adopted in its entirety;
 7. On Section 6, "Employer's Contribution," the House version was adopted;
 8. On Section 7, "Separate Asset," the Senate and House versions are identical;
 9. On Section 8, "Tax Treatment of Contributions," the House version was adopted;
 10. On Section 9, "Tax Treatment of Investment Income," the House version was adopted;
 11. On Section 10, "Tax Treatment of Distributions," the Senate and House versions are identical;
 12. On Section 11, "Termination," the Senate and House versions are identical;
 13. On Section 12, "Distributions upon Retirement/Death," the Senate and the House versions are identical;
 14. On Section 13, "Penalty on Early Withdrawal," the Senate and House versions are identical;
 15. On Section 14, "Non-Assignability," the Senate and House versions are identical;
 16. On Section 15, "Rules and Regulations," the Senate version was adopted with a few modifications. The phrase "Bureau of Internal Revenue" was inserted after the term "Department of Finance" and before the phrase "and the concerned regulatory authorities..."
- On subparagraph (c), the phrase "Valuation standards for PERA investments" was inserted.
- Subparagraph (g) was added to read as follows: "Fees to be charged by the Administrator, Custodian or Investment Manager shall always be reasonable and approved by the concerned Regulatory Authority."
17. On Section 16, "Administration of Tax Incentives," the Senate and House versions are identical;
 18. On Section 17, "Penalty," the House version was adopted with some slight modifications. The penalty was provided to be not less than six (6) years and one (1) day to not more than twelve (12) years.

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Likewise the term "acting alone or in connivance with others" was inserted after the phrase, "its officer, employee or agent, who..."

Subparagraph (d) was inserted to read as follows: "Misappropriate, or convert, to the prejudice of the Contributor, contributions to and investments or income from the PERA."

Subparagraph (e) was inserted to read as follows: "By gross negligence, cause any loss, conversion, or misappropriation of the contributions to, or investments from, the PERA; or".

19. The Senate and House versions of Sections 18 to 21, entitled "Abuse of the Tax Exemption and Privileges," "Separability Clause," "Repealing Clause," and "Effectivity" are identical.

In closing, Senator Angara asked the Body to approve the Conference Committee Report.

MANIFESTATION OF SENATOR ROXAS

Senator Roxas commended Senator Angara for having successfully resolved the disagreeing provisions on the PERA. He stated that under the reconciled version, effectively, if a person sets up a PERA for himself and his family, he would continue to enjoy a 5%-tax credit of the amount set aside, which is a maximum of P200,000 for the husband and wife. He added that if this is invested in stocks, it would be exempted from one-fourth of the one percent final tax, and a 20% tax exemption would be enjoyed if this is invested in interest-bearing initiatives like bonds. He recalled that as then member of the House of Representatives, he filed one of the first PERA bills because he saw the importance of creating a long-term savings plan for the people as well as providing the middle class with a vehicle so that they can save for the future.

Senator Angara expressed appreciation to Senator Roxas for his support for the PERA bill and the Pre-Need Code, which would help in building the capital market.

INQUIRY OF SENATOR PANGILINAN

In reply to Senator Pangilinan's queries, Senator Angara stated that the total amount allowable for a PERA is P200,000, and for overseas Filipino workers,

the allowable contribution is P400,000. He explained that a contributor is allowed to create and maintain a maximum of five PERAs, at any one time, explaining that the husband and wife is entitled to one account with a maximum contribution of P200,000, and can set aside P100,000 for each of the four children.

APPROVAL OF THE CONFERENCE COMMITTEE REPORT

Submitted to a vote, there being no objection, the Conference Committee Report on the disagreeing provisions of Senate Bill No. 1882 and House Bill No. 3754 was approved by the Body.

COMMITTEE REPORT NO. 42 ON SENATE BILL NO. 2121

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on *Second Reading*, of Senate Bill No. 2121 (Committee Report No. 42), entitled

AN ACT AMENDING SECTIONS 4, 9, 20, 21, 23, 25, 26, 30, 31, 32, 33, 34, 35, 38, 41, 43, 45, 48, 51 OF REPUBLIC ACT NO. 9136 ENTITLED "AN ACT ORDAINING REFORMS IN THE ELECTRIC POWER INDUSTRY AND FOR OTHER PURPOSES."

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

Thereupon, the Chair recognized Senator Enrile, Sponsor of the measure, and Senator Roxas for the continuation of his interpellation.

INTERPELLATION OF SENATOR ROXAS *(Continuation)*

Senator Roxas stated that the bill seeks to accelerate open access by lowering the disposition threshold from 70% to 50% to allow Napocor to maintain 50% of its owned and operated assets as well as IPPs. But he asked what the competitive dynamic is, pointing out that private sector purchasers of privatized Napocor assets would have excess capacity in competing with Napocor in the open-access regime, considering that one private entity is entitled to own 30% of the generating power of a particular grid or roughly 3,300 megawatts and

Napocor has already disposed of 1,850 megawatts of its assets.

Senator Enrile stated that because of its dominant market power, Napocor could either jack up or lower its price, and the lowering of price would redound to the benefit of the general public because the private sector's 3,069-megawatt generating capacity is locked in bilateral contracts. He said that the fear about the Napocor's predatory behavior is only imaginary because there is no other capacity to supply the market except the Napocor.

Senator Roxas pointed out that the 1,850 megawatts that the Napocor has privatized carries with it transition supply contracts which allow about 50% of the 1,850 megawatts to be freed up to compete in the open access regime, and when the Napocor privatizes that portion to reach the 50% threshold as envisioned in the bill, this would also free certain capacities which would also be allowed to compete in the open-access regime.

Senator Enrile reiterated that the Napocor could either increase its price, in which case the entire 1,850 megawatts and the additional capacity would be able to market the power ahead of the Napocor; or lower its price to compel the buyers of these capacities that had been disgorged by the Napocor to lower its price. He believed that government would not allow the Napocor to engage in ruinous competition because it is the country that would suffer should the Napocor behave predatorily.

Senator Roxas said that the crux of his concern is that there would be a situation where Napocor can only do either of the two: to increase or drop its price, and in the event that the Napocor drops its price to grab some market share of open access, it would incur losses that, at some point, the public would have to pay for.

Senator Enrile said that it is the reason the government has to come in to stop the Napocor from behaving predatorily.

Senator Roxas said that if Napocor drops its prices and attaches its contracts to Gencos which are still to be privatized because there was an earlier concurrence that the privatization process would continue, the PSALM would not obtain good prices for these assets because they were priced below the cost of contracts. Senator Enrile expressed hope that this would not happen.

Senator Roxas stressed the need to understand completely the competitive dynamics so that, at the proper time, prudential measures could be introduced to the bill. Senator Enrile expressed willingness to consider proposals to that effect.

Having said the effects on the price of privatization as well as on the balance sheet of the Napocor, which would eventually be borne by the public sector as it already does in the amount of P200 billion, Senator Roxas recalled that Napocor's PPA was cut by the very power which Senator Enrile believes would be there to punish Napocor in case it undertakes ruinous activities.

Senator Enrile affirmed that it was cut precisely to help the public, but the fact that the 3,069 plus 1,850 megawatts and the additional disposition would counterbalance the 50% of the Napocor, there would be, in effect, almost a balancing between the two, and looking at it in a more defined manner, the Napocor singly would have a bigger market share and if there is any effort on its part to abuse, the government and Congress would exercise its power to stop it.

Asked which entity is empowered to enter into the contracts, assuming that there is 50% open access, Senator Enrile replied that it is the PSALM, the owner of all Napocor assets, including the franchise for transmission.

SUSPENSION OF SESSION

Upon motion of Senator Roxas, the session was suspended.

It was 6:58 p.m.

RESUMPTION OF SESSION

At 6:59 p.m., the session was resumed.

Upon resumption, Senator Enrile read Section 49 of the EPIRA, to wit:

Sec. 49. Creation of Power Sector Assets and Liabilities Management Corporation. — There is hereby created a government-owned and -controlled corporation to be known as the "Power Sector Assets and Liabilities Management Corporation," hereinafter referred to as the PSALM Corporation, which shall take ownership of all existing NPC generation assets, liabilities,

IPP contracts, real estate and all other disposable assets. All outstanding obligation of NPC arising from loans, issuances of bonds, securities and other instruments of indebtedness shall be transferred to and assumed by the PSALM Corporation within one year.

On the Transco side, Senator Enrile quoted Section 8 which provides for the transfer of Transco to PSALM, to wit:

There is hereby created a National Transmission Corporation herein referred to as TRANSCO, which shall assume the electrical transmission function of the National Power Corporation (NPC), and have the powers and functions hereinafter granted. The TRANSCO shall assume the authority and responsibility of NPC for planning x x x.

Within six (6) months from the effectivity of this Act, the transmission and subtransmission facilities of NPC and all other assets related to transmission operations, including the nationwide franchise of NPC for the operation of the transmission system and the grid, shall be transferred to the TRANSCO. The TRANSCO shall be wholly-owned by the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.).

That being the case, Senator Enrile pointed out that the Napocor was left with nothing.

On the issue that while the PSALM owns all the Napocor assets, it does not have the operational control over those assets, Senator Enrile commented that this is a problem to be resolved by the PSALM. He said that he would welcome amendments to improve the particular provision of the law.

INTERPELLATION OF SENATOR ESCUDERO

Senator Escudero opined that what is probably left with the NPC is the balance sheet of its assets which had been transferred to the PSALM. He doubted whether the PSALM has any disposition with respect to the monies accruing to the assets. But Senator Enrile pointed out that income follows ownership.

Senator Escudero noted that no income goes to the Napocor with respect to its assets that have been transferred to the PSALM but he has not seen a balance sheet emanating from the PSALM with respect to these assets.

Senator Enrile replied that the PSALM should be able to show its financial documents to prove that it is not violating its corporate personality.

Senator Escudero agreed, as he further noted that some provisions of the EPIRA have not also been followed by the supposed players.

Asked whether the 3,069 megawatts of private generation capacity are covered by bilateral agreements, Senator Enrile replied in the affirmative.

Senator Escudero said that he would supply the Committee with data on power capacities which are not covered by bilateral agreements and could be subject of open access. Theoretically, he said, all these capacities should be covered by bilateral agreements and should government desire open access at this time, and assuming the so-called free capacities, which are not covered by these agreements, would be sufficient to cover those within the threshold limit of one megawatt and above, then there would be open access. Senator Enrile stated that the uncommitted portion of the private-generated electricity could be used for open access.

Upon further queries, Senator Enrile reiterated that there are only two ways by which the Napocor would behave: either to jack up the price, in which case it would not have a client, or to dump it into the market, in which case it would be losing money.

Senator Escudero observed that this is how the Napocor has run its business for the past several years and he would not be surprised if the practice still occurs to date.

INTERPELLATION OF SENATOR ROXAS (Continuation)

On page 25 of the bill, to Senator Roxas' observation that there would be a second regulator of power which is the PEZA, Senator Enrile replied that the law that created the PEZA provides that it would regulate the cost of power within its economic zone.

Senator Roxas recalled that when he was chairman of PEZA in his capacity as DTI Secretary, the PEZA Board did not have the power to regulate.

Senator Enrile stated that paragraph (c), Section 12 of R.A. No. 7916 empowers the PEZA Board,

among others, to regulate and undertake the establishment of operation and maintenance of utilities, other services and infrastructure in the ecozone such as heat, light and power, water supply, telecommunications, transport, toll roads and bridges, port services; and to fix just, reasonable and competitive rates, fares, charges, and fees.

Asked if the PEZA Board has the last say on power rates within the zone, Senator Enrile replied in the affirmative, pointing out that it is actually being implemented in the zone. He noted that an in-house meter was put in place so that Meralco would know how much to collect from PEZA.

On the concern that a PEZA regulation might be in conflict with the ERC regulation, Senator Enrile read the following provisions of the bill that harmonize the roles of PEZA and the EPIRA:

PEZA shall, in the exercise of its authority over distribution utilities within its economic zones, adhere to the policies and standards set forth in this Act and shall adopt rules and guidelines in compliance with and consistent hereto. With respect to new economic zones established under Republic Act 7916, PEZA shall give priority to the incumbent distribution utility serving the franchise areas of such economic zones. *Provided*, that such incumbent distribution utility is qualified and is adequately serving such franchise area.

As to who would prevail in case of conflict, Senator Enrile stated that PEZA would prevail within the zone. He said that in an open-access regime, PEZA can go directly to the generating company and hopefully buy power at a lower rate.

Asked if PEZA would be both a market player and regulator, Senator Enrile replied in the affirmative. Senator Roxas opined that such would give rise to a difficult situation and it should be clarified by amendments at the proper time.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 7:15 p.m.

RESUMPTION OF SESSION

At 7:17 p.m., the session was resumed.

INTERPELLATION OF SENATOR MADRIGAL (Continuation)

Asked by Senator Madrigal if cross-ownership with any subsector in transmission is prohibited, Senator Enrile replied in the affirmative. He said that none of the generators and distributors should be allowed to own any interest in transmission.

Senator Madrigal noted that with regard to generation and distribution, cross-ownership is allowed provided that not more than 50% of the power comes from the IPPs. Senator Enrile clarified that not more than 50% should come from an affiliate and that 50% must not be more than 20% of the total grid.

As to whether there is a provision in the bill removing cross-ownership, Senator Enrile stated that he decided not to insist on prohibiting cross-ownership because of the limitations on market power. He explained that cross-ownership becomes potent only if there is no limitation on market share in a given grid. He confirmed that the provisions on generation and distribution in the law would be amended but not those pertaining to Transco and on cross-ownership.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

Upon motion of Senator Pangilinan, there being no objection, the Body closed the period of interpellations with the understanding that clarificatory questions could be raised during the period of amendments.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2121

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

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 7:21 p.m.

RESUMPTION OF SESSION

At 7:31 p.m., the session was resumed. *APB*

THIRD ADDITIONAL REFERENCE OF BUSINESS

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

MESSAGE OF THE PRESIDENT OF THE PHILIPPINES

Letter of Her Excellency, President Gloria Macapagal Arroyo, dated 10 June 2008, certifying to the necessity of the immediate enactment of Senate Bill No. 2077, entitled

AN ACT ESTABLISHING THE PRE- NEED CODE OF 2008,

to address the urgent need of providing a legal framework to govern and regulate the operations of the country's pre-need industry, prevent practices prejudicial to public interest and provide ample protection for plan holders.

To the Committee on Rules

COMMUNICATION

Letter from Executive Secretary Eduardo R. Ermita of the Office of the President of the Philippines, transmitting to the Senate the letter of Her Excellency, President Gloria Macapagal Arroyo, dated 10 June 2008, addressed to Speaker Prospero C. Nograles of the House of Representatives, certifying to the necessity of the immediate enactment of House Bill No. 4193, entitled

AN ACT PROMOTING THE DEVELOP- MENT, UTILIZATION AND COM- MERCIALIZATION OF RENEW- ABLE ENERGY RESOURCES AND FOR OTHER PURPOSES,

pursuant to the provisions of Article VI, Section 26(2) of the 1987 Constitution.

To the Committee on Rules

FOURTH ADDITIONAL REFERENCE OF BUSINESS

MESSAGE OF THE PRESIDENT OF THE PHILIPPINES

Letter of Her Excellency, President Gloria Macapagal Arroyo, dated 10 June 2008, certifying to the

necessity of the immediate enactment of Senate Bill No. 2046, entitled

AN ACT PROMOTING AND ENHANCING THE DEVELOPMENT, UTILIZATION AND COMMERCIALIZATION OF RENEWABLE ENERGY RESOURCES,

to address the urgent need to achieve environmental sustainability consistent with global efforts to address climate change and to promote energy self-sufficiency in light of continuing oil price increase in the world market.

To the Committee on Rules

FIFTH ADDITIONAL REFERENCE OF BUSINESS

RESOLUTION

Proposed Senate Resolution No. 447, entitled

RESOLUTION EXPRESSING THE PROFOUND SYMPATHY AND CONDOLENCES OF THE SENATE ON THE DEATH OF RODOLFO "RUDY" P. FERNANDEZ, ONE OF THE PILLARS OF PHILIPPINE MOVIE INDUSTRY

Introduced by Senator Ramon "Bong" Revilla Jr.

To the Committee on Rules

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 47 on Senate Bill No. 1976 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 47 ON SENATE BILL NO. 1976

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1976 (Committee Report No. 47), entitled

AN ACT CREATING FIVE (5) ADDI- TIONAL BRANCHES OF METRO- POLITAN TRIAL COURTS IN THE

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

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

Senator Pangilinan manifested that the three measures creating additional branches of courts in selected areas would be tackled separately but would have an omnibus sponsorship.

The Chair recognized Senator Escudero for the sponsorship.

SPONSORSHIP REMARKS OF SENATOR ESCUDERO

At the instance of Senator Escudero, the explanatory note of Senate Bill No. 1976, introduced by Senator Villar, was adopted as the sponsorship speech.

Following is the full text of the explanatory note:

The need for the creation of additional branches of the Metropolitan Trial Court (MeTC) within the National Capital Region grows more evident with each passing year, particularly with the current population growth as well as with the expanded jurisdiction being vested in said courts.

While the Supreme Court considers the "ideal" case load of a single MeTC Branch at 600 to 700 cases for effective handling, management and disposition, most MeTCs, especially the single-sala courts, have a case load of at least 300% more than the aforementioned "ideal" number.

In Las Piñas City, which only has one (1) MeTC as compared to ten (10) Regional Trial Courts (RTCs), the current case load of the single MeTC Branch therein, Branch 79, is approximately FIVE THOUSAND (5,000) cases. With the current trend of the city's population growth, which increased by 105,919 from the

year 2000 up to 2007, or in a period of seven (7) years, and with the average number of case inflow of around 200 cases being filed with the MeTC monthly, the case load of MeTC Branch 79 will not be reduced substantially, if at all, and may even increase in the forthcoming years. This, despite the best efforts of its presiding judge and staff.

Further, the limited resources (like office supplies and other equipment) and manpower allocated to said branch as a single-sala MeTC court, which resources and manpower have not increased all these years, are no longer sufficient to effectively handle the current case load of said branch.

Add to these the fact that the jurisdiction of the first-level courts like the MeTC is regularly being expanded, with the enactment of criminal status and other special laws as well as city ordinances vesting jurisdiction upon the first-level courts over cases and disputes emanating therefrom, as well as with the expanded jurisdiction vested upon first-level courts by R.A. 7961 and other pertinent rules of procedure.

All of these factors negatively affect the best efforts of MeTC Branch 79 to afford the constituents of Las Piñas City a speedy administration and delivery of justice.

To address the foregoing problem, this bill proposes the creation of FIVE (5) additional branches of the Metropolitan Trial Courts, with seats in Las Piñas City. With additional branches, the current case load of the single-sala MeTC in Las Piñas of 5,000 cases will be divided and distributed to six (6) MeTC courts, resulting in approximately 840 cases per MeTC branch. This case load is already near the "ideal" case load number of 600 to 700 per MeTC as estimated by the Supreme Court.

Further, with the additional branches, the effort of affording the constituents of Las Piñas City easier access to, and speedier administration of, justice in the first-level courts will finally be realized.

The immediate approval of this measure is earnestly sought.

RESERVATION TO INTERPELLATE

Senator Escudero manifested the desire of Senator Defensor Santiago to interpellate on the bill.

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SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1976

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

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 48 on Senate Bill No. 1980 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 48 ON SENATE BILL NO. 1980

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1980 (Committee Report No. 48), entitled

**AN ACT ESTABLISHING AN ADDITIONAL
BRANCH OF THE REGIONAL
TRIAL COURT BRANCH IN THE
PROVINCE OF SOUTH COTABATO,
AMENDING FOR THE PURPOSE
BATAS PAMBANSA BILANG 129,
AS AMENDED, OTHERWISE
KNOWN AS THE JUDICIARY
REORGANIZATION ACT OF 1980
AND APPROPRIATING FUNDS
THEREFOR.**

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

The Chair recognized Senator Escudero for the sponsorship.

SPONSORSHIP REMARKS OF SENATOR ESCUDERO

At the instance of Senator Escudero, the explanatory note of Senate Bill No. 1980, introduced by Senator Zubiri, was adopted as the sponsorship speech.

Following is the full text of the explanatory note:

This bill provides for the establishment of an additional branch of the Regional Trial Court in Surallah, Province of South Cotabato, and appropriate funds for its operation and maintenance.

The Branch 26 of the Regional Trial Court in Surallah, South Cotabato was first established as a single-sala on March 1983, with jurisdiction over seven (7) municipalities in the Province of South Cotabato, namely: Tantangan, Banga, Surallah, T'boli, Lake Sebu, Sto. Niño, and Norala. It likewise exercises administrative supervision over three (3) Municipal Circuit Trial Courts, namely: the Municipal Circuit Trial Court of Banga-Tantangan, the Municipal Circuit Trial Court of Surallah-Lake Sebu and the Municipal Trial Court of Norala-T'boli-Sto. Niño.

Aside from being a court of general jurisdiction, RTC, Branch 26, as a single-sala court, is automatically designated as a Family Court having exclusive original jurisdiction over criminal cases involving minors, or when one of the victims is a minor at the time of the commission of the offense, petitions for guardianship, custody of children, adoption, annulment of marriage, declaration of nullity, legal separation, support of children, paternity suits and cases involving child abuse.


As of December 31, 2003, the number of cases pending before RTC, Branch 26 Surallah, South Cotabato totals to 855 criminal and civil cases. Based on the number of cases received and the number of case disposals during the ensuing six (6) month period, January to June 2004, the number of pending cases is still rising despite the average disposal of 18 cases a month. Hence, there is an urgent need to provide for an additional branch of the RTC in Surallah to unclog the dockets of Branch 26 with numerous cases and improve the disposition and administration of justice in the entire province.

In view of the foregoing considerations, the approval of this bill is earnestly recommended.

RESERVATION TO INTERPELLATE

Senator Escudero manifested the desire of Senator Defensor Santiago to interpellate on the bill.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1980

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

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 49 on Senate Bill No. 1981 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 49 ON SENATE BILL NO. 1981

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1981 (Committee Report No. 49), entitled

AN ACT CREATING THREE ADDITIONAL BRANCHES OF THE REGIONAL TRIAL COURT IN THE ELEVENTH JUDICIAL REGION TO BE STATIONED AT KORONADAL CITY AND AT THE MUNICIPALITY OF SURALLAH, ALL IN THE PROVINCE OF SOUTH COTABATO, AMENDING FOR THE PURPOSE BATAS PAMBANSA BILANG 129, AS AMENDED, OTHERWISE KNOWN AS THE JUDICIARY REORGANIZATION ACT OF 1980 AND APPROPRIATING FUNDS THEREFOR.

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

The Chair recognized Senator Escudero for the sponsorship.

SPONSORSHIP REMARKS OF SENATOR ESCUDERO

At the instance of Senator Escudero, the explanatory note of Senate Bill No. 1981, introduced by Senator Zubiri, was adopted as the sponsorship speech.

Following is the full text of the explanatory note:

The bill provides for the establishment of three (3) additional regional trial court branches of the Regional Trial Court in the Province of

South Cotabato: two at Koronadal City and one at the Municipality of Surallah, and for the appropriation of funds for their operationalization.

The Branch 26 of the Regional Trial Court in Surallah, South Cotabato was first established as a single-sala on March 1983, with jurisdiction over seven (7) municipalities in the province of South Cotabatao, namely: Tantaran, Banga, Surallah, T'boli, Lake Sebu, Sto. Niño, and Norala. It likewise exercises administrative supervision over three (3) Municipal Circuit Trial Courts, namely: the Municipal Circuit Trial Court of Banga-Tantaran, the Municipal Circuit Trial Court of Surallah-Lake Sebu and the Municipal Circuit Trial Court of Norala-T'boli-Sto. Niño.

Aside from being a court of general jurisdiction, RTC, Branch 26, as a single-sala court is automatically designated as a Family Court having exclusive original jurisdiction over criminal cases involving minors, or when one of the victims is a minor at the time of the commission of the offense, petitions for guardianship, custody of children, adoption, annulment of marriage, declaration of nullity, legal separation, support of children, paternity suits and cases involving child abuse.

As of December 31, 2003, the number of cases pending before RTC, Branch 26, Surallah, South Cotabato totals to 865 criminal and civil cases. Based on the number of cases received and the number of case disposals during the ensuing six (6) month period, January to June 2004, the number of pending cases is still rising despite the average disposal of 18 cases a month. Hence, there is an urgent need to provide for an additional branch of the RTC in Surallah to unclog the dockets of Branch 26 with numerous cases and improve the disposition and administration of justice in the entire province.

As to the Koronadal City, there is also a constant burgeoning of cases that exacts a heavy toll on the two existing RTCs (Branch 24 and Branch 25). For Branch 25 alone, it has a total of 804 cases. Almost the same number of cases is also being faced by the other branch. These figures acquire greater significance when we consider the more than 3,000 cases now being handled by the Office of the City Prosecutor, the great bulk of which will be referred to these two branches, clogging more than ever its already clogged dockets. Only the creation of two additional branches for the fast growing city of Koronadal could we expect not only the speedy disposition of cases but the orderly and effective administration of justice.

MS

In view of the foregoing considerations, the approval of this bill is earnestly recommended.

RESERVATION TO INTERPELLATE

Senator Escudero said that Senator Defensor Santiago has made reservation to interpellate on the bill.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1981

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

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 61 on Joint Resolution No. 7 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 61 ON SENATE JOINT RESOLUTION NO. 7

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Joint Resolution No. 7 (Committee Report No. 61), entitled

**JOINT RESOLUTION AUTHORIZING
THE DEPARTMENT OF JUSTICE
TO ISSUE THE IMPLEMENTING
RULES AND REGULATIONS ON
THE TREATY ON THE TRANSFER
OF SENTENCED PERSONS BET-
WEEN THE REPUBLIC OF THE
PHILIPPINES AND THE KINGDOM
OF SPAIN AND APPROPRIATING
FUNDS FOR ITS IMPLEMENT-
ATION.**

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

The Chair recognized Senator Escudero for the sponsorship.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 7:40 p.m.

RESUMPTION OF SESSION

At 7:40 p.m., the session was resumed.

SPONSORSHIP REMARKS OF SENATOR ESCUDERO

Senator Escudero presented for consideration and approval of the Body the implementing resolution, in compliance with the constitutional requirement, to breathe life and put some flesh into the provisions of the Treaty on the Transfer of Sentenced Persons between the Philippines and Spain so that it could be implemented at the soonest possible time.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no interpellation, upon motion of Senator Pangilinan, there being no objection, the Body closed the period of interpellations and proceeded to the period of amendments.

TERMINATION OF THE PERIOD OF AMENDMENTS

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

APPROVAL OF SENATE JOINT RESOLUTION NO. 7 ON SECOND READING

Submitted to a vote, there being no objection, Joint Resolution No. 7 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE JOINT RESOLUTION NO. 7

Upon motion of Senator Pangilinan, there being no objection, the Body suspended consideration of the resolution. *H. JB*

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 60 on House Bill No. 3224 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 60
ON HOUSE BILL NO. 3224**

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, House Bill No. 3224 (Committee Report No. 60), entitled

**AN ACT PROVIDING FOR THE
REAPPORTIONMENT OF THE
LONE LEGISLATIVE DISTRICT
OF THE PROVINCE OF AGUSAN
DEL SUR.**

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

The Chair recognized Senator Aquino for the sponsorship.

**SPONSORSHIP SPEECH
OF SENATOR AQUINO**

Senator Aquino, on behalf of the Committee on Local Government, presented Committee Report No. 60, recommending the approval without amendment of House Bill No. 3224, introduced by Representative Rodolfo Plaza.

He said that Article II, Section 1 of the Constitution states that, "The Philippines is a democratic and republican State. Sovereignty resides in the people and all government authority emanates from them."

In this context, he stated that the proposed measure seeks to ensure that the people of Agusan del Sur are duly represented in Congress and that their needs are adequately met, which is consistent with Article VI, Section 5(3) of the Constitution which states that "Each legislative district shall comprise, as far as practicable, contiguous, compact and adjacent territory. Each city with a population of

at least two hundred fifty thousand, or each province, shall have at least one representative."

Senator Aquino informed the Body that at present, Agusan del Sur, which is composed of one city (Bayugan City), 13 municipalities and 314 barangays, and has a land area of 896,550 hectares, has only one congressional district. He added that Agusan del Sur has a total population of 609,447 persons, based on the 2007 Population Census conducted by the National Statistics Office (NSO) and as proclaimed and declared official by the President of the Philippines under Proclamation No. 1489 dated April 16, 2008.

Senator Aquino pointed out that this large population confined in a singular district has created a burden not only on their representative but, most of all, on the people of Agusan del Sur who must compete with each other for the attention of their representative and for the resources to which all of them are entitled. He said that the people of Agusan del Sur deserve an additional seat in the House of Representatives because they have complied with all the constitutional requirements that entail the proposed division of the existing lone district in their province. He stated that to deprive them of this right is to forestall progress that can ensue in their respective locales with a representative that would be more focused on a smaller area of responsibility.

**SUSPENSION OF CONSIDERATION
OF HOUSE BILL NO. 3224**

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

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 68 on Senate Bill No. 2362 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 68
ON SENATE BILL NO. 2362**

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2362 (Committee Report No. 68), entitled

no pd

AN ACT ESTABLISHING A SPECIAL HOSPITAL FOR OVERSEAS FILIPINO WORKERS (OFWs) AND THEIR DEPENDENTS, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES.

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

**SPONSORSHIP SPEECH
OF SENATOR EJERCITO ESTRADA**

Senator Pangilinan said that Senator Ejercito Estrada would submit a sponsorship speech on the bill which shall be considered as having been read into the Record.

Following is the full text of the speech:

The Committee on Labor, Employment and Human Resources Development, jointly with the Committees on Health and Demography, Ways and Means and Finance, has the honor to sponsor Senate Bill No. 2362 under Committee Report No. 68, entitled

AN ACT ESTABLISHING A SPECIAL HOSPITAL FOR OVERSEAS WORKERS (OFWs) AND THEIR DEPENDENTS, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES.

This measure, which was referred to the Committee on Labor, Employment and Human Resources Development, pertains to the creation of a hospital. The creation is necessitated by the fact that based on statistics, about 42% of all repatriated OFWs returned to the Philippines needing medical attention or hospital confinement for various medical and mental illnesses sustained abroad.

The exigencies supporting this measure are as evident as they are compelling, for the measure is rooted in no less than our Constitution which guarantees that the State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other services available to all the people at affordable cost. Towards this end, the State shall protect the interest and promote the well-being of Filipino overseas contract workers including their families

and dependents through the provision of social and welfare services.

The proposed measure seeks to address the health needs of our overseas workers by creating a hospital that exclusively caters to them. This, however, will not diminish the existing package given to the overseas workers but aims to compliment the present health care package provided by OWWA that shall include supplementary provision for preventive, promotive, diagnostic and rehabilitative programs so that a comprehensive/total package health care program for OFWs and their dependents can be attained.

Data from the Department of Labor and Employment (DOLE) reveal that as of 2006, there were 1,062,587 Filipinos deployed for overseas employment, generating US\$12,761.307 million worth of remittances and therefore contributing 10% to the country's gross national product for the same year.

We cannot take for granted the indispensable role played by our migrant workers. We have to protect them because aside from the skills and experiences that they possess, the State has to consider that the best capital our migrant should possess is good health.

And finally, if the State cannot provide a better health care program towards our migrant workers, how can we expect other countries to protect the health of our *kababayans* and their dependents? The least that we could do for our modern heroes is to pass this bill.

**SUSPENSION OF CONSIDERATION
OF SENATE BILL NO. 2362**

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

CHANGE OF REFERRAL

Upon motion of Senator Pangilinan, there being no objection, the Body referred Senate Bill No. 2335 (motor vehicles users' tax), and Senate Bill No. 2232 (reduction of current allowable load limit on trucks and trailers) which were originally referred to the Committee on Ways and Means, instead to the Committee on Public Works as the primary committee.

COAUTHOR

Upon his request, Senate President Villar was made coauthor of Senate Bill No. 1836 (an act addressing the system of prostitution).

AP PB

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 7:48 p.m.

RESUMPTION OF SESSION

At 8:00 p.m., the session was resumed.

COMMITTEE REPORT NO. 55 ON SENATE BILL NO. 2317

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2317 (Committee Report No. 55), entitled

AN ACT PROHIBITING CHILD PORNOGRAPHY, IMPOSING PENALTIES FOR THE COMMISSION THEREOF AND FOR OTHER PURPOSES.

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

Thereupon, the Chair recognized Senator Madrigal, Sponsor of the measure, and Senator Cayetano (P) for her interpellation.

INTERPELLATION OF SENATOR CAYETANO (P)

At the onset, Senator Cayetano (P) asked how Senate Bill No. 2317 should be treated *vis-a-vis* R.A. No. 9208 (Anti-Trafficking Law) which has very specific provisions on child pornography, R.A. No. 7610 (the law on child abuse), and other provisions in the Revised Penal Code touching on the same matters. Senator Madrigal replied that the aforesaid laws are specific and while there are laws on pornography in general, there is none on child pornography. She bared that studies and hearings conducted by the Committee showed that while many child pornographers had been caught, there is no law criminalizing possession of child pornography materials, prompting judges to throw out the cases brought before them. To illustrate, she recalled that a German male pornographer who filmed a sexual act with an eight-year old boy in Boracay was not convicted because the judge ruled that the film was inadmissible

as evidence. It is for this reason, she said, that the Church and NGOs concerned with child protection have agreed on the urgency to criminalize the possession of child pornography materials. She informed the Body that officials of the U.S. Homeland Security had asked her to file a bill against child pornography given the fact that those accused of child pornography using Filipino children were not being convicted in Philippine courts but in the United States where there are laws against mere possession of child pornography materials.

Senator Cayetano (P) clarified that she was fully supportive of the measure but she wanted to know what its relation to the aforementioned laws would be. Senator Madrigal expressed the view that the proposed Act, once enacted into law, would not conflict with the Anti-Trafficking Law and the law on child abuse but in fact support them. She then requested Senator Cayetano (P) to point out the specific provisions in the bill that the Committee should address.

Senator Cayetano (P) asked to be clarified whether Section 4 of the Anti-Trafficking Law would be suppletory to or be considered amended or repealed by Section 4 of the bill. Noting that specific provisions of the bill would prevail over the other laws, she asked how cases that fall under similar but differently-described provisions would be addressed so that the law enforcers and prosecutors would not have a problem once they file a case in court.

Senator Madrigal opined that the Anti-Trafficking Law is the general law and the proposed Act would be the specific law since it pertains to the specific act of child pornography.

Senator Cayetano (P) agreed with Senator Madrigal that the specific law would prevail over the general law but it would be very useful if they could go through each provision of Section 4 of the Anti-Trafficking Law and the provisions of Section 4 of the bill.

Adverting to Section 4(d) of the Anti-Trafficking Law, asked which law would apply if the person being offered for prostitution, pornography and sexual exploitation is a child, Senator Madrigal supposed that the proposed Act will apply if the person is below 18 years of age while the Anti-Trafficking Law would apply if the person is an adult. *MS JS*

Senator Cayetano (P) asked to be clarified if the penalties in the Anti-Child Pornography bill are stiffer than those in the Anti-Trafficking Law.

SUSPENSION OF SESSION

Upon motion of Senator Madrigal, the session was suspended.

It was 8:11 p.m.

RESUMPTION OF SESSION

At 8:12 p.m., the session was resumed.

Senator Madrigal replied that the Anti-Trafficking Law imposes stiffer fines.

Considering that both the law and the bill address similar acts of pornography, Senator Cayetano (P) asked whether the bill seeks to lower the penalties. In response, Senator Madrigal stated that the punishment for anti-trafficking should be much higher than the penalty for possession of child pornography materials.

Asked if a tour group engaging in trafficking and child pornography would be penalized under the bill with a lower penalty, Senator Madrigal replied in the affirmative. She asserted that the Anti-Child Pornography Act is very harsh in the sense that mere possession of child pornography materials is considered a criminal act.

On another matter, Senator Cayetano (P) asked if cases where the elements as cited in the bill are absent would automatically fall under the Anti-Trafficking Law. Senator Madrigal replied that the offenders may be prosecuted for both offenses.

Senator Cayetano (P) underscored that the proposed Act should be able to help prosecutors, and not create confusion, as two criminal acts might be involved in a particular case. She stated that she would be willing to sit down with the staff of Senator Madrigal to remove any doubt as to which law would apply to a particular situation. Senator Madrigal gave assurance that she would be willing to work with Senator Cayetano (P) to further improve the bill. She disclosed that the Committee made sure that the punishment for anti-child pornography is stiffer as

it involves taking advantage of an innocent child.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 8:24 p.m.

RESUMPTION OF SESSION

At 8:25 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2317

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

OVERSIGHT COMMITTEE MEMBERSHIP


Upon nomination by Senator Pangilinan, there being no objection, the following senators were designated as members of the Congressional Oversight Committee on Civil Aviation: for the Majority, Senator Enrile as chair and Senators Arroyo, Honasan and Zubiri as members; and for the Minority, Senator Lacson.

ADJOURNMENT OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the Senate President Pro Tempore declared the session adjourned until three o'clock in the afternoon of the following day.

It was 8:25 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO-REYES
Secretary of the Senate

Approved on July 29, 2008