



REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 45

Tuesday, December 18, 2007

**FOURTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 45
Tuesday, December 18, 2007

CALL TO ORDER

At 3:35 p.m., the Senate President, Hon. Manny Villar called the session to order

PRAYER

Sen. Edgardo J. Angara led the prayer, to wit:

Dear Lord, we pray that this season of wonder and joy brings the family and the nation together.

Let peace and goodwill extend far into the following year – to our friends, family, especially colleagues and our neighbors.

Above all, we thank You, Almighty Father, for the forthcoming birthday of Your son, Jesus, whose life, death and resurrection teach us all that the right path leads to eternal life.

Thank You, Lord, for keeping the Filipino family united and the Filipino nation hopeful.

Amen.

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

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

Senator Trillanes was unable to attend the session.

**ACKNOWLEDGEMENT
OF THE PRESENCE OF GUESTS**

At this juncture, Senator Roxas acknowledged the presence of Congresswoman Mary Mitzi Cajayon and her fiancé, Johnny.

Likewise, Senator Pangilinan acknowledged the presence of Gov. Sally Zaldivar-Perez from the Province of Antique.

The Senate President welcomed the guests to the Senate.

APPROVAL OF THE JOURNAL

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session No. 44 and considered it approved.

**ACKNOWLEDGEMENT
OF THE PRESENCE OF GUESTS**

At this juncture, Senator Pangilinan acknowledged the presence of Board Member Evelyn Rodriguez from the Province of Palawan.

The Senate President welcomed Ms. Rodriguez to the Senate.

REFERENCE OF BUSINESS

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

AS

MS

COMMITTEE REPORT

Committee Report No. 25, submitted jointly by the Committees on Public Services; Ways and Means; and Finance, on House Bill No. 3156, introduced by Representatives Angara, *et al.*, entitled

AN ACT CREATING THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES, AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES,

recommending its approval with amendments, taking into consideration Senate Bill Nos. 385, 870, 1632 and 1932.

Sponsor: Senator Enrile

To the Calendar for Ordinary Business

ADDITIONAL REFERENCE OF BUSINESS**RESOLUTIONS**

Proposed Senate Resolution No. 257, entitled

RESOLUTION URGING THE IMMEDIATE CONVENING OF A TRI-PARTITE SPORTS CONGRESS OF ATHLETES AND SPORTS OFFICIALS, THE PRIVATE SECTOR AND THE GOVERNMENT TO MAP OUT PREPARATIONS AND STRATEGIES FOR THE PHILIPPINE PARTICIPATION IN THE 2008 OLYMPICS IN BEIJING AND TO FORMULATE A COMPREHENSIVE SPORTS PROGRAM ON A SHORT-TERM AND LONG-TERM BASES CONSIDERING THE LACK-LUSTER PERFORMANCE OF THE COUNTRY IN THE RECENTLY CONCLUDED 24TH SOUTHEAST ASIAN GAMES

Introduced by Senator Manny Villar

To the Committee on Games, Amusement and Sports

Proposed Senate Resolution No. 258, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INVESTIGATION ON THE FAILURE OF THE NATIONAL SOLID WASTE MANAGEMENT COMMISSION TO IMPLEMENT CERTAIN PROVISIONS OF REPUBLIC ACT NO. 9003, OTHERWISE KNOWN AS "ECOLOGICAL SOLID WASTE MANAGEMENT ACT OF 2000," PARTICULARLY THE FORMULATION OF A NATIONAL SOLID WASTE MANAGEMENT FRAMEWORK AND THE SETTING UP OF MODERN SOLID WASTE MANAGEMENT FACILITIES IN THE COUNTRY

Introduced by Senator Juan Miguel F. Zubiri

To the Committees on Environment and Natural Resources; and Local Government

Proposed Senate Resolution No. 259, entitled

RESOLUTION COMMENDING THE PHILIPPINE NATIONAL RED CROSS ON THE OCCASION OF ITS 60TH ANNIVERSARY CELEBRATION THIS 2007 AND FOR ITS INVALUABLE CONTRIBUTION TO THE FILIPINO PEOPLE, ESPECIALLY ON HUMANITARIAN SERVICES

Introduced by Senators Juan Miguel F. Zubiri and Gordon

To the Committee on Rules

Proposed Senate Resolution No. 260, entitled

RESOLUTION CONGRATULATING THE WOMEN AND MEN COMPRISING THE TEAM PHILIPPINES FOR WINNING FORTY-ONE (41) GOLD, NINETY-ONE (91) SILVER AND NINETY-SIX (96) BRONZE MEDALS LED BY THE MOST VALUABLE PLAYER OF THE GAMES, SWIMMER MIGUEL MOLINA, IN THE RECENTLY CONCLUDED 24TH EDITION OF THE SOUTHEAST ASIAN GAMES

MS

HELD IN NAKHON RATCHASIMA, THAILAND AND PROVING THAT MORE THAN MEDALLIONS, OUR ATHLETES ARE THE EMBODIMENT OF FILIPINO COMPETITIVENESS AND HIGH SPORTSMANSHIP

Introduced by Senator Manny Villar

To the Committee on Rules

COMMITTEE REPORTS

Committee Report No. 26, prepared and submitted jointly by the Committees on Justice and Human Rights; and Constitutional Amendments, Revision of Codes and Laws, on Senate Bill No. 1965, with Senators Jinggoy Ejercito Estrada, Loren Legarda, Francis "Chiz" G. Escudero and Gordon as authors thereof, entitled

AN ACT DECRIMINALIZING VAGRANCY AMENDING FOR THIS PURPOSE ARTICLE 202 OF REPUBLIC ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE REVISED PENAL CODE,

recommending its approval in substitution of Senate Bill Nos. 305, 601, 1305, and 1384.

Sponsors: Senators Francis "Chiz" G. Escudero and Gordon

To the Calendar for Ordinary Business

Committee Report No. 27, prepared and submitted by the Committee on Justice and Human Rights, on Senate Bill No. 1966, with Senators MAR Roxas and Francis "Chiz" G. Escudero as authors thereof, entitled

AN ACT AMENDING SECTION 6 OF REPUBLIC ACT NO. 1379, OTHERWISE KNOWN AS THE FORFEITURE LAW, TO PROVIDE A FIXED PERCENTAGE OF THE VALUE OF FORFEITED PROPERTIES IN CORRUPTION CASES AS ADDITIONAL FUNDING FOR THE OFFICE OF THE OMBUDSMAN AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill No. 256.

Sponsor: Senator Francis "Chiz" G. Escudero

To the Calendar for Ordinary Business

CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 1648 AND HOUSE BILL NO. 2976

Upon motion of Senator Pangilinan, there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 1648, entitled

AN ACT EXTENDING THE UTILIZATION PERIOD OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THIS PURPOSE SECTION 8 OF REPUBLIC ACT NO. 8178, ENTITLED "AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND," AND FOR OTHER PURPOSES.

and House Bill No. 2976, entitled

AN ACT TO EXTEND THE UTILIZATION PERIOD OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AMENDING REPUBLIC ACT NO. 8178, ENTITLED "AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AND FOR OTHER PURPOSES"

The Chair recognized Senator Angara to sponsor the report.

SPONSORSHIP SPEECH OF SENATOR ANGARA

Senator Angara presented to the Body for its consideration and approval the Conference Committee Report on the disagreeing provisions of Senate Bill

100

No. 1648 and House Bill No. 2978. He then submitted the following joint statement to both Houses in explanation of the amendments agreed upon by the conferees and recommended in the accompanying Conference Committee Report:

1. The matrix which contains the Senate and House versions was adopted as the working draft;
2. Section 1 of both versions were consolidated;
3. The second paragraph of Section 1 of the House version was adopted;
4. Paragraph 3 of Section 1 of the Senate version was adopted;
5. Paragraphs 3 and 4 of Section 1 of the House version were adopted to become the second paragraph of the reconciled version;
6. The fifth paragraph of the House version was adopted;
7. Section 3 of the Senate version was adopted to become the fifth paragraph of the reconciled version;
8. The last paragraph of Section 1 of the Senate version became the last paragraph of Section 1;
9. Section 2 of both versions was adopted; and
10. The title of both versions were reconciled, to read:

AN ACT TO EXTEND THE UTILIZATION PERIOD OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AMENDING REPUBLIC ACT NO. 8178, ENTITLED "AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AND FOR OTHER PURPOSES."

Thereafter, Senator Angara expressed his gratitude to the members of the committee for their swift

action on the report. He said that it was agreed by the Senate and the House of Representatives that two additional seats would be created for each panel in the next meeting of the Congressional Commission on Agriculture and Fisheries Modernization Act to serve as an advisory body pending the formal amendment of the Agriculture and Fisheries Modernization Act.

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. 1684 and House Bill No. 2976 was approved by the Body.

COMMITTEE REPORT NO. 24 ON SENATE BILL NO. 1964

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1964 (Committee Report No. 24), entitled

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

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

He manifested that he and Senator Cayetano (A) are the principal sponsors of the bill.

Thereupon, the Chair recognized Senator Pangilinan, Sponsor of the measure, and Senator Aquino for his interpellation.

INTERPELLATION OF SENATOR AQUINO

Preliminarily, Senator Aquino noted that certain quarters have expressed fears that there might be intense pressure to commercialize the entire UP campus, although he acknowledged that the proposed bill mandates the exclusive use of "academic core zones" within the campus.

As to who determines the "academic core zones," Senator Pangilinan replied that it is the Board of Regents. However, he explained that because a significant portion of the 24,000 hectares of these properties and assets are land grants and donations pursuant to law, there are limitations on how the Board may utilize these assets.

X
rb

Senator Aquino inquired into the long-term plans in terms of preserving the current zones as the population increases. He stated that while there is a need to have more facilities for an increasing student population, it was not clearly specified in the bill as to how the lands would be reclassified. He pointed out the possibility that the interest of education might be subordinated to that of raising funds and commercialization of U.P. in its quest to achieve more resources.

Senator Pangilinan replied that the Committee has put in place quite a number of safeguards, particularly in Section 22(c) which provides that the Board of Regents may plan, design or approve the implementation of contract, mechanisms, provided that such mechanisms and arrangements shall sustain and protect the environment and be exclusive of the academic core zone, and they shall not conflict with the academic mission of the University; and Section 23 which requires approval by 2/3 of all the members of the Board of Regents of contracts and transactions involving more than P50 million, and the creation of an independent trust committee to look into the management of the funds obtained from such transactions.

Furthermore, Senator Pangilinan stated that both Houses of Congress would have representatives to the Board of Regents in order for Congress to be informed and to assess matters involving the utilization of assets. Besides, he cited the vigilance of the U.P. community and the fact that in the Board of Regents, the students, faculty and alumni, among others, are represented to ensure that there are institutional or sectoral checks on how a policy is to be formulated in that respect. He said that in other government institutions wherein most of the policy-making boards are composed of appointees of the President, there is no real accountability to the sector or institution that they represent.

Asked whether the exclusive zones have already been determined, Senator Pangilinan replied in the affirmative as he also confirmed that the Charter also contains provisions for expansion.

As to who would decide which of the current facilities or zones should be inclusive of the educational zones, Senator Pangilinan said that it is the Board with the help of experts, for instance, from the U.P. School of Urban and Regional

Planning, who give advice in coming up with such decisions.

For someone who has not been given the opportunity to benefit from the U.P. system, Senator Aquino said that his impression is that U.P. is akin to a separate kingdom within a republic with its very powerful board. He then asked what mechanisms are in place within the proposed measure to check the Board in case its decision is not geared towards education but more to commercialization.

In reply, Senator Pangilinan said that aside from the fact that a Senate representative sits in the U.P. Board of Regents, any senator likewise has the opportunity to scrutinize its policies and programs every time it comes to Congress to defend the System's annual budget. Moreover, he said that Section 23 provides safeguards on assets disposition and identifies several criteria by which the assets are to be disposed of or utilized; for instance, the sale, transfer, conveyance, assignment, lease of more than five years, and mortgage or encumbrance of the assets of the University shall be subject to the following conditions and procedures:

"It shall be based on a multi-year comprehensive development plan, crafted and developed by qualified urban planning professionals having at least five years experience, with prior consultations with and concurrence of third-party experts. It shall be subject to competitive public bidding under the Procurement Reform Law."

Senator Pangilinan likewise explained that in the Thirteenth Congress, an amendment to the bill by Senators Osmeña and Roxas requires the Board of Regents, before it acts on transactions, to obtain a "fairness opinion report" from an independent third-party body which would include representatives from the Bankers Association of the Philippines, Trust Officers Association of the Philippines, or the Financial Executive Institute of the Philippines (FINEX), which the Senate Bill No. 1964 adopted, and he thanked them and Senator Madrigal for ensuring that the safeguards were put in place.

Senator Aquino indicated that he would propose certain amendments at the proper time, particularly on the fairness opinion report to make it not merely advisory in nature, and on the permanency of the exclusive academic core zone. *MP*

ps

Senator Pangilinan replied that he would like to see the amendments on the permanency of the academic core zone before making any commitment. With respect to the fairness opinion report, he said that the issue of whether or not it now becomes a prerequisite to any transaction that the Board of Regents enters into was also raised by some senators during the Thirteenth Congress. Cognizant of the autonomy of the University, he recalled that the position then was for Congress to provide a mechanism wherein the Board is able to come up with an informed decision based on outputs by experts without infringing on said autonomy.

Senator Aquino questioned whether it is a prudent measure on the part of Congress to entrust the future of the U.P. system to the benevolence of the Board of Regents, given the maxim that "Absolute power corrupts absolutely." He asked what would happen if the Board of Regents decides to go against the finding of the Advisory Council who comes up with a report that a proposed undertaking is grossly detrimental to the interest of the U.P. System. At present, he said that there is no mechanism even for a third party to settle the dispute; thus, the Board of Regents practically has unlimited powers to enter into transactions so long as they meet certain minimum considerations.

Senator Pangilinan explained that among the members of the Board of Regents are a student representative, a faculty representative, the chairpersons of the Senate and House Committees on Education, Arts and Culture, and of the Commission on Higher Education (CHED). He said that while in theory, the Board of Regents is an empowered board, in reality it has enough sectoral representation to check its acts. For instance, if the Board ignores the fairness opinion report, he said that there are other mechanisms for checking, one of which is that any senator could file a resolution, in aid of legislation, asking for an investigation on the reason behind the rejection of the Board of Regents of the Fairness Opinion Report. He recalled that when he was a student regent, he may have had just one vote in the board meetings, but it represented the vote of hundreds, if not, thousands of students rallying and pressuring the Board of Regents to act in one way or the other.

Senator Aquino said that he would draft the proposed amendments for the consideration of the Body.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1964

At this point, Senator Madrigal requested to suspend consideration of the measure to allow her and Senator Pangilinan's staff to review her proposed amendments.

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

MANIFESTATION OF SENATOR MADRIGAL

Senator Madrigal manifested that after reviewing the Senate version of the bill, she found Senate President Villar's version as the harmonizing version between what some U.P. alumni want and the Pangilinan bill. She expressed hope that Senator Pangilinan would consider a lot of the inputs in the Villar version which are deemed important. Senator Pangilinan gave the assurance that the request would be accommodated. In fact, he pointed out, only about two of the ten proposals of Senator Madrigal were still being sought to be reconciled.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:07 p.m.

RESUMPTION OF SESSION

At 4:08 p.m., the session was resumed.

COMMITTEE REPORT NO. 17 ON SENATE BILL NO. 1881 (Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1881 (Committee Report No. 17), entitled

AN ACT ESTABLISHING THE CREDIT INFORMATION SYSTEM AND FOR OTHER PURPOSES.

Senator Pangilinan stated that the parliamentary status was the period of interpellations. *NO* *MB*

Thereupon, the Chair recognized Senator Angara, Sponsor of the measure, and Senator Arroyo for his interpellation.

INTERPELLATION OF SENATOR ARROYO

Preliminarily, Senator Arroyo sought clarification on the structure and liabilities of the corporation even as he remarked that the concept of the bill is very laudable. He acknowledged the indispensability of credit rating agencies to banks and other companies. However, he pointed out that empirically, rating agencies are not run by government but by private firms which get support from the banking and credit communities depending on their track record. For instance, he said, the credit standing of the Philippines is rated by such firms as Fitch, Standard and Poor's and Moody's, and whenever they give the country a low rating, the government is unnerved. He said that if that is how government feels about low ratings, then that is also how an entity that is being rated by a credit agency would feel.

Senator Arroyo asked why the corporation would be run by the Monetary Board when under the Constitution, the Bangko Sentral ng Pilipinas has supervision over private banks. He also noted that the corporation would be chaired by the Bangko Sentral Governor, its membership would have to be cleared and qualified by the Monetary Board, and the corporation would be 40% owned by the Bangko Sentral despite the prohibition under Republic Act No. 7653. Thus, he observed that there is now a situation where the banking system is under the Bangko Sentral and the credit rating agencies that would give access to borrowings from the banks, which is already under the Bangko Sentral, would also be rated by the Bangko Sentral. He believed that there should be an arm's length relationship between borrower and lender.

Senator Angara clarified that the corporation is not a rating agency like Fitch, Standard and Poor's and Moody's. He said that what is being proposed is a system of centralized comprehensive record of credit of potential borrowers of the financial and banking system. He reiterated that the corporation would not rate a potential borrower but would only complement the rating agencies.

Asked if the credit information system is a database, Senator Angara replied in the affirmative, saying that the purpose is to assemble reliable

comprehensive record of potential borrowers because the main problem of banks and lending corporations is the difficulty of determining the creditworthiness of a potential borrower. He recalled that when he was chair of PNB, of which Senator Arroyo was also former chair, the bank maintained a separate department to investigate the creditworthiness of every applicant for loan, which added to the overhead of maintaining the credit investigators. He said that for lack of credit record, very few small- and medium-scale borrowers can avail of credit with the banking system. He stated that the credit information system would facilitate lending and management of credit risk, and add to the circulation of money in the economy.

As to whether the ones who want this system are the banks and not necessarily the borrowers, Senator Angara replied in the negative, saying that most of the resolutions the Committee received were from consumers who are dependent on the so-called "5-6" lending scheme. He expressed confidence that with a credit information system in place, the banks would be ready and willing to lend money because they can easily determine whether the borrower is potentially creditworthy.

Senator Arroyo stated that based on the transcripts of the committee hearing, big corporations do not exactly yearn for this kind of operation because they have their own independent resources and sources of information. He asked whether this system is for the benefit of the lower class.

Senator Angara stated that the 500 biggest corporations in the country need not worry about their creditworthiness because they are able to maintain their credit record and worthiness over the years. However, he said that those among the 30,000 small- and medium-scale firms and proprietors would find it so difficult to borrow from the bank that they might be asked to present their conjugal home as collateral because the bank does not have a record of their borrowing and creditworthiness. He affirmed that this system would help the lower and middle class.

To the observation that the system would only create another layer in the borrowing process that instead of the borrower going to the bank and the bank making its own credit examination, the bank would have to deal with a third party which is the credit bureau, Senator Angara disagreed, explaining

MS

that through the sharing of the credit record throughout the banking and financial system, one does not need extra effort to look at the creditworthiness of a borrower because it is on-line within the banking system.

Asked how the system would help a first-time borrower, Senator Angara replied that the borrower would be required to fill up a credit application and would be asked of data showing the individual's capacity to pay or repay; once the bank is satisfied, it would grant the loan to the individual and record his performance as to how he serviced that loan, and the next time he borrows from another bank, that bank would be saved from evaluating his payment capacity.

Asked how information on a first-time borrower would be fed to the bank, Senator Angara explained that the Bureau would share the information with the bank, provided it is an accessing entity. He asserted that a first-time borrower who wants to establish a credit record would not hesitate to fill up the information requirement and once the credit record is in the system, a bank could access it. He underscored that this would save a lot of repetitive procedures on the part of the borrower and on the part of the lender with an added benefit for the lender that is now able to manage the credit risk much better than before it knows the borrower.

Asked whether the BSP and the banks endorsed the bill, Senator Angara gave assurance that the bill was strongly endorsed by banks, other financial systems, insurance companies, credit card companies, all the chambers of commerce in the country and even by borrowers.

On the concern that the Act might give too much power to the BSP, Senator Angara stated that the significant and important issue of the BSP's supervision and ownership of the Bureau necessitated another public hearing to which practically all the financial banking associations and chambers of commerce were invited. He acknowledged the potential conflict of interest between the BSP as the credit regulator and the BSP as majority owner of the bureau, that was why there was almost a unanimous recommendation from the interested parties that the Securities and Exchange Commission (SEC) instead be made the regulator since the corporation to be established under the Act would also be governed by the Corporation Code. He admitted that it is not a perfect arrangement but it is the best the

Committee can come up with to come closer to achieving the purpose of the Act.

To the observation that the SEC does not have managerial and operational powers like the BSP, Senator Angara stated that in the original model, the BSP is both the regulator and owner but a committee amendment to be introduced at the proper time separates regulation from ownership. He clarified that the amendment provides that the State-designated owner, whoever it is, shall own 40% of the equity of the Bureau but its regulator, the SEC, shall be independent of the BSP. He said that this is a happy compromise given the imperative of setting up a credit information system's list in the interest of the economy. In the absence of another suggestion, he stated that the Committee did not hesitate to try on the SEC as the regulator and it could not consider the Insurance Commission whose mandate is focused and restricted.

Asked whether Congress could conceptualize an entity to run the Bureau, Senator Angara replied that precisely, the private sector has to be brought into the venture because it has managerial talent needed to oversee the database and the resources to buy state-of-the-art technology to be able to collect, analyze and put in usable form the voluminous credit information to be gathered.

Asked how the government, through the Bangko Sentral, could be prevented from abusing its power or authority by, for instance, not giving its seal of good housekeeping or at worst blacklisting a borrower whom it might not like, Senator Angara replied that this is not possible because a bank cannot deny credit to an entity on just any reason or ground. Senator Arroyo clarified that it is not the fault of the bank if someone is denied credit and by the very structure of the Bureau, it would be able to manipulate the credit facilities. Senator Angara disagreed, pointing out that the government may only own up to 40% while 60% of the shares and management would be held by the private shareholders.

But Senator Arroyo pointed out that under subsection (f) of Section 5, "the directors and principal officers of the Corporation, except for the BSP Governor or his designated representative, shall be qualified under its 'fit and proper' rule for bank directors and officers." Senator Angara replied that the said provision would be changed completely. *AS*

Senator Arroyo sought assurance that the Bureau would not be run by the government. Senator Angara reiterated that it is not mandatory on part of the government to own 40% because the bill merely says it "may own" that much share. He said that in the original version, the BSP was authorized to invest up to 40% but in the committee amendment, the State may subscribe up to 40% of equity and the rest would go to the private sector.

But Senator Arroyo pointed out that if the remaining 60% is scattered or shared by several entities and individuals, the 40% equity of BSP might become the controlling share. Senator Angara stated that the Committee would be willing to make adjustments in the makeup of the equity.

Senator Arroyo also noted that the provision that the BSP may purchase capital notes that may be issued by the corporation as a supplement to capital would, in effect, amend the BSP Act. Senator Angara explained that the provision was included because the corporation might need to borrow about P200 million to fund state-of-the-art technology to be used by the Bureau. He reiterated that the BSP would not be the regulator.

Still, Senator Arroyo expressed concern that since the Bureau would be the one to provide the guidelines to the banks, it would be in a position to know and facilitate the creditworthiness of a borrower. Senator Angara reasoned that it would be up to the banks to appraise and evaluate the creditworthiness of an applicant based on the information supplied by the Bureau even as he admitted that there is no guarantee that the credit system in the country would work perfectly given the fact that even the very sophisticated U.S. credit system is at present suffering from a serious subprime credit crunch.

As to the ballpark figure of the capital needed to set up the Bureau, Senator Angara replied that the estimated amount is P200 million to buy state-of-the-art technology.

Senator Arroyo remarked that the P200 million could be easily raised by the banks, quasi-banks, and credit-related associations. He said that while he remained open-minded on the issue, he would wait for the period of committee amendments and see how his concerns could be addressed given the developments in the U.S. where, in spite of the safeguards, the biggest corporations have become victims of the credit crunch.

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan manifested that Senator Pimentel had withdrawn his reservation to interpellate since Senator Arroyo had already articulated the issues and questions he wanted to raise.

INTERPELLATION OF SENATOR ROXAS

At the onset, Senator Roxas said that rather than go through the issues that have already been addressed in the previous interpellations, he would defer his questions until the committee amendments shall have been approved.

However, he expressed concern over the designation of the SEC as the regulator of the Bureau. He pointed out that in the last five years, the SEC has been very susceptible to inaction as he cited the controversy involving the pre-need education plans where the SEC failed to act timely on the complaints of the thousands of families and even had a convenient excuse that it could no longer do anything about a matter that is already the subject of a court case. He believed that the BSP could be a better regulator and the potential conflict could be addressed if the State itself would be the real investor.

Further, Senator Roxas suggested that the information to be submitted to the Bureau be simply based on facts without lengthy narratives to reduce, if not eliminate, subjectivity. Senator Angara gave assurance that the Committee would accept the amendment at the proper time.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

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

SUSPENSION OF SESSION

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

It was 4:53 p.m.

RESUMPTION OF SESSION

At 4:54 p.m., the session was resumed. *AK*

WORKING DRAFT

Upon motion of Senator Angara, there being no objection, the Body adopted the version of Senate Bill No. 1881 as of 4:55 p.m. of December 18, 2007, incorporating the proposed committee amendments, as the working draft.

COMMITTEE AMENDMENTS

As proposed by Senator Angara, there being no objection, the following Committee amendments were approved by the Body, one after the other:

1. On page 3, line 23, delete the phrase "Monetary Board refers to the Monetary Board of the BSP";
2. On page 4, lines 15 and 16, insert the phrase "SEC" SHALL REFER TO THE SECURITIES AND EXCHANGE COMMISSION";
3. On page 8, line 16, delete the acronym "BSP" and in lieu thereof, insert the word STATE;
4. On the same page, line 17, delete the phrase beginning with the word "and" up the figure "7653" on line 18;
5. On the same page, at the end of line 18, insert the phrase THE REMAINING SIXTY PERCENT (60%) SHALL BE OFFERED TO up to line 19;
6. On the same page, line 21, delete the words "Monetary Board" and in lieu thereof, insert the acronym SEC;
7. On the same page, line 22, delete the phrase "may also subscribe and own shares in the Corporation";
8. On the same page, line 23, delete the words "Monetary Board";
9. On page 5, line 14, delete the words "Monetary Board" and in lieu thereof, insert the acronym SEC;
10. On page 6, line 18, delete the words "Monetary Board" and in lieu thereof, insert the acronym SEC;
11. On page 9, lines 3 and 4, delete the phrase "The BSP may purchase" and in lieu thereof, insert the phrase THE STATE MAY SUBSCRIBE OR PURCHASE;
12. On the same page, lines 5 and 6, delete the phrase "notwithstanding the prohibition

under Republic Act No. 7653, provided that the BSP owns at least 34% of the Corporation";

13. On the same page, line 7, delete the words "Monetary Board" and in lieu thereof, insert the acronym SEC;
14. On the same page, lines 13 to 18, delete the sentence "The BSP Governor shall be the chairman of the board. Whenever the Governor is unable to attend a meeting of the board, he shall designate a member of the Monetary Board to act as his alternate" and in lieu thereof, insert the following sentence: THE CHAIR OF THE BOARD OF THE CORPORATION SHALL COME FROM THE PUBLIC SECTOR, WHILE THE MANAGEMENT SHALL ALL COME FROM THE PRIVATE SECTOR;
15. On the same page, lines 19 and 20, delete the phrase "except for the BSP Governor or his designated representative";
16. On line 21, delete the phrase "BSP under its";
17. On page 12, line 17, delete the words "Monetary Board" and in lieu thereof, insert the acronym SEC;
18. On the same page, line 19, delete the words "Monetary Board" and in lieu thereof, insert the acronym SEC;
19. On page 14, delete lines 7 to 14 (Section 11);
20. Renumber the succeeding sections accordingly; and
21. As an omnibus amendment, wherever found in the bill, replace the acronym "BSP" or the words "Monetary Board" with SEC.

INQUIRY OF SENATOR ARROYO

Regarding the transfer of regulation of the Bureau to the SEC, Senator Arroyo made reservation to introduce his amendment at the proper time.

Asked if the credit history of an individual or a corporation would be also be submitted to the Bureau, Senator Angara replied that the implementing rules and regulations should provide how comprehensive the record of credit history should be. He pointed out that unless the person or entity authorizes it, credit record would not be loaded into the system. *AF*

16

Asked if the information provided by the Bureau may be used as evidence in a case, Senator Angara stressed that all information would be protected by the Bank Secrecy Law and cannot be disclosed except upon order of the court. He affirmed that the Bureau cannot impair the provisions of or the protection guaranteed under the General Banking Act, the Bank Secrecy Law, and the Anti-Money Laundering Law, among others.

Senator Angara gave assurance that safety nets were put in place to protect the privacy and confidentiality of creditors and bank records.

Thereupon, Senator Pangilinan stated that Senator Roxas has made reservation to ask questions on the designation of SEC as the regulator.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:09 p.m.

RESUMPTION OF SESSION

At 5:15 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1881

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

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan stated that his technical staff is in the process of harmonizing the amendments that were proposed by Senator Madrigal and incorporating the same into the committee amendments which he shall be presenting at a later hour.

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 25 on House Bill No. 3156 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 25 ON HOUSE BILL NO. 3156

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, House Bill No. 3156 (Committee Report No. 25), entitled

AN ACT CREATING THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES, AUTHORIZING THE APPROPRIATION OF 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.

The Chair recognized Senator Enrile for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR ENRILE

As sponsor of House Bill No. 3156, Senator Enrile delivered the following speech:

I rise this afternoon to present before this august Chamber, for its consideration and approval, House Bill No. 3156, under Committee Report No. 25, entitled "*An Act Creating the Civil Aviation Authority of the Philippines, Amending Republic Act No. 776, as Amended, Appropriating Funds Therefor, and for Other Purposes.*"

At present, the Air Transportation Office (ATO), an attached agency of the Department of Transportation and Communications, was created and empowered under Republic Act No. 776, to:

1. Establish and prescribe rules and regulations for the inspection and registration of all aircraft owned and operated in the Philippines and all air facilities;
2. Establish and prescribe the corresponding rules and regulations for the enforcement of laws governing air transportation;
3. Determine, fix and/or prescribe charges and/or rates pertinent to the operation of public air utility facilities and services;

10

4. Administer and operate the Civil Aviation Training Center;

5. Operate and maintain national airports, air navigation and other similar facilities in compliance with the standards established by the International Civil Aviation Organization (ICAO).

However, earlier this year, on October 26, the Federal Aviation Administration (FAA), following the International Aviation Safety Assessment (IASA) conducted on July 23 to 27, 2007, raised "serious concerns regarding the ATO's ability to conduct consistent, effective safety oversight, and indicated that such oversight does not meet ICAO standards." The objective of the IASA is to determine that each country meets its obligations under ICAO and to provide proper oversight to each air carrier operating into the United States. The continued application of the assessment program will result in a lower number of safety-related problems, including accidents, incidents, and an improved level of safety to the flying public.

The ICAO standards being referred to, which the ATO was said to have not complied with, are in the following areas:

1. Specific Operating Regulations;
2. Technical Guidance;
3. Qualified Technical Personnel;
4. Licensing and Certification;
5. Continued Surveillance Obligations; and
6. Resolution of Safety Issues.

What was emphasized was that the ATO was unable to sustain the minimum safety standards of the Convention on International Civil Aviation (commonly known as the Chicago Convention) and the Annexes thereto. As a signatory to the Convention, the Philippines is required, among other obligations, to establish a civil aviation authority that employs qualified technical personnel that are necessary to perform aviation safety oversight functions on air carriers. Moreover, the RP-US Air Service Agreement requires compliance with the standards prescribed under the Chicago Convention as a condition of foreign air carrier operations in the United States.

It came as no surprise therefore when our own civil aviation system was downgraded to Category 2 by the FAA, which simply means that we do not comply with the standards set by the ICAO.

The difficulty that goes with being downgraded to Category 2 is that "while in Category 2 status, carriers from these countries will be

permitted to continue operations at current levels, *under heightened FAA surveillance* Expansion or changes in services to the United States by such carriers are not permitted while in Category 2, although new services will be permitted if operated using aircraft wet-leased from a duly authorized and properly supervised US carrier or a foreign air carrier from a Category 1 country that is authorized to serve the United States using its own aircraft."

Hence, this bill seeks to further amend Republic Act No. 776, as amended, insofar as the provisions on the functions of the ATO are concerned. The proposed legislation seeks to reorganize the Air Transportation Office into the new Civil Aviation Authority of the Philippines which will be responsible for policy coordination only, particularly on the provision of safe and efficient management of all services permitting aviation access to and from the Philippines. The CAAP, while still attached to the DOTC, shall work hand in hand with the Civil Aeronautics Board. The CAAP, on one hand, will oversee the technical and safety aspect of civil aviation, particularly on the matter of the following:

1. personnel licensing;
2. aircraft airworthiness and registration;
3. aerodrome construction and development;
4. air traffic service;
5. air navigation science; and
6. aircraft accident investigation.

On the other hand, the Civil Aeronautics Board shall take charge of the economic aspect of the industry, specifically on the following matters:

1. setting of air fare rates and charges;
2. establishing destinations and routes;
3. determining flight frequencies; and,
4. issuance of Certificate of Public Conveyance and Necessity.

It is important to note that your Committees have introduced a new provision which specifically provides that "nothing in this Act shall diminish the functions and powers of the Civil Aeronautics Board." Nor does the bill envision a situation where the CAAP will impede or interfere with the functions and operations of the existing airport authorities such as the Manila International Airport Authority, Subic Bay Metropolitan Authority, and the Diosdado Macapagal International Airport Authority.

Allow this Representation to underscore the fact that many of the provisions of the bill under consideration were culled from and patterned after the Civil Aviation Law model, prescribed by

the ICAO to enable the new Civil Aviation Authority of the Philippines to conform to international standards.

Among the more significant provisions of the bill are as follows:

1. As the policy-making body of the CAAP, its Board of Directors shall now be composed of seven (7) members: Secretary of the DOTC as Chairman, the Director General of the CAAP as Vice Chairman, Secretaries of Finance, Foreign Affairs, Justice, Interior and Local Government, as members, and one (1) representative from the private sector. (Sec.5)

2. To ensure transparency and accountability in relation to the power of the Board of Directors of CAAP to set charges and fees, your Committees have introduced an amendment that public hearings shall be conducted on such matters. (Sec. 27)

3. The Board shall be given, among its powers and functions, appellate powers to review, confirm, modify, revise, amend or reverse judgment or decisions carried out by the Director General. (Sec. 30)

4. The following permanent offices shall be created under the CAAP:

- a. Air Traffic Service;
 - b. Air Navigation Service;
 - c. Aerodome Development and Management Service; and
 - d. Administrative and Finance Service
- (Sec. 35).

5. The Director General, or his authorized representative, shall be granted uninterrupted right to inspect an aircraft and other aviation facilities. (Sec. 40)

6. With the transition of ATO into the new CAAP, all its records, assets, real and personal properties, funds and revenues owned by or vested in the different offices of the ATO shall be transferred to the CAAP. (Sec. 60)

7. The Director General of the CAAP shall be authorized to impose liens for nonpayment of financial obligations dues to the Authority. (Sections 75 and 76)

8. The penalties for violation of any of the provisions of this Act have been increased and upgraded under Sec. 83 of the proposed law.

9. To help the new CAAP establish its fiscal autonomy, your Committees have introduced an amendment which shall repeal "any law, decrees, executive orders, rules and regulations or part

thereof which provides exemptions to any air carrier, organization or entity from payment of ATO's imposed fees and charges, relating to but not limited to navigation, communication, concession, license and permit."

There had been legislative proposals to amend our civil aviation law in the previous years but without success. Your Committee on Public Services, joint with the Committee on Ways and Means, therefore, took the initiative to immediately facilitate the committee deliberations on this important piece of legislation for the improvement and development of our civil aviation industry in the Philippines.

In order to comply with international standards on civil aviation safety rules and regulations, and more importantly, to allow the government to respond to the emerging trends and challenges in the international civil aviation industry, I urge our colleagues to lend their support in the immediate passage of House Bill No. 3156, under Committee Report No. 25.

INTERPELLATION OF SENATOR ANGARA

Asked by Senator Angara whether the Federal Aviation Administration's (FAA) decision to downgrade the Philippine civil aviation system to Category 2 would not only prevent the Philippines from asking for additional frequencies to the United States, which is considered the biggest air market in the world, but would even restrict the expansion of new and existing airlines, Senator Enrile replied in the affirmative, pointing out that this would also adversely affect the psychology of tourists and consequently reduce the number of travelers to the country.

Senator Angara noted that the bill would strengthen the Philippines' position as the flight-training center of the region considering that it is currently the leading trainer of pilots and other aviation personnel which, in turn, would generate jobs in the country. Senator Enrile agreed, adding that House Bill No. 3156 would eliminate the dominance of "sacred cows" in the airline industry and level the playing field for other airline companies as landing fees and other charges must be paid by all carriers on equal terms. He confirmed that there is one such airline company that owes the government almost P2 billion, that is why the bill would grant the CAAP the authority to put a lien on the aircraft of such companies that are monopolizing the airline industry. *JK*

pb

COSPONSORSHIP SPEECH OF SENATOR ANGARA

Upon motion of Senator Angara, there being no objection, the Body approved the insertion of his cosponsorship speech into the Journal and Record of the Senate.

The following is the full text of the sponsorship speech of Senator Angara:

AN ACT CREATING THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES

In flying schools scattered around the country – in Clark, Bulacan and Cebu, for instance – foreign and local flight students are coming in droves to enroll in aviation courses. Air Transportation Office records show that foreign flight students are steadily streaming in while the number of registered flight-training schools have also grown.

For instance, there are about 400 Indian flight students enrolled at various registered flying schools around the Philippines. More are expected to come from other Asian countries. If the trend continues, the Philippines could become Asia's flight-training capital.

In Luzon, there are easily three premier aviation schools, while Visayas has six flight schools. Mindanao has one in Sasa, Davao City.

The National Capital Region has the biggest number of flight schools at 17, which raises the number of flight-training schools in the country to 28.

There are currently 700 commercial pilots in the country, 450 of whom are with the country's flag carrier, Philippine Airlines (PAL). Some 75 PAL pilots have left for foreign employment since 2003.

Dubai, Abu Dhabi and Doha, bases of three fast-growing airlines, namely, Emirates, Etihad and Qatar Airways are the primary destination of Filipino aviation contract workers.

A recent study showed, however, that the center of aviation industry in the world is shifting towards India and East China. By 2010, intra-Asia Pacific travel will account for 33% of revenue passenger-km. China recruits 1,000 pilots every year and India will need 4,000 in the next five years.

The study projects a growth period until 2023 and will require 23,000 pilots, of which 6,000 will come from the Asia-Pacific region.

At present, Singapore has a pending job order for 50 pilots at the Philippine Overseas Employment Administration (POEA). Further, Singapore needs 767 senior aircraft mechanics and additional 50 junior aircraft mechanics, while Hong Kong and Qatar are both open with no specific number of requirements.

With the Philippines set to be the next flight-training capital in Asia, coupled with the global demand for pilots, the country urgently needs a single, centralized, and autonomous civil aviation authority to deal with matters of civil aviation. The country should be prepared to ensure the safety and efficiency of aviation in the country.

Being structurally prepared will further boost our competitive advantage in becoming Asia's flight-training capital.

Countries like the United Kingdom, New Zealand, Australia, Uganda, Jordan, Pakistan, Singapore, the Fiji Islands, Ireland, Romania, Jamaica, South Africa, Sri Lanka, and Trinidad and Tobago have all restructured their regulatory policies and framework and created a "stand-alone civil aviation authority" that had worked to their advantage in promoting their aviation industry through reduced bureaucracy and inefficiency in meeting ICAO standards and recommended practices.

Having a similar aviation policy will make the Philippines more attractive as a center of flight schools in the region.

The Civil Aviation Act of 2007 (SBN 1932) will create the Civil Aviation Authority of the Philippines, which provides safe and efficient management of services relating to aviation access in the Philippines. The regulatory agency is charged with creating and implementing rules that will promote the aviation industry in the country while emphasizing aviation safety at all times.

It will spur the development of a more state-of-the-art and dynamic civil aviation industry and consequently, tourism industry in our country. The Civil Aviation Authority of the Philippines shall establish a regulatory framework for maintaining, enhancing and promoting domestic and international civil aviation in the country, with particular emphasis on aviation safety.

Becoming the next flight-training capital in Asia is a golden opportunity for Philippine aviation, but in order to fully harness its possibilities, the country should be aptly-equipped in providing safe and efficient aviation services.

I join Senator Enrile in persuading our colleagues to pass this bill. *AS*

pas

AUTHOR/COAUTHORS

Senator Enrile manifested that Senator Angara is a principal author, and Senator Gordon and himself are coauthors of House Bill No. 3156, along with other Members who would like to be associated with the bill.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

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

COMMITTEE AMENDMENTS

As proposed by Senator Enrile, there being no objection, the following committee amendments were approved by the Body, one after the other:

1. On page 12, after line 10, insert a new paragraph to read:

NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS ACT SHALL DIMINISH THE POWERS AND FUNCTIONS OF THE CIVIL AERONAUTICS BOARD (CAB) AS PROVIDED FOR UNDER REPUBLIC ACT NO. 776, ALSO KNOWN AS "THE CIVIL AERONAUTICS ACT OF THE PHILIPPINES, AS AMENDED";
2. On page 14, line 15, after the word "as," replace the article "a" with the article THE; and replace the letters "d" and "g" of the words "director general" with the capital letters D and G, respectively;
3. On the same page, line 20, after the word "by," replace the article "a" with the article THE; and replace the small letters "b" and "d" of the words "board of directors" with the capital B and D, respectively;
4. On page 15, line 11, after the article "the," replace the small letter "c" of the word "chairman" with a capital letter; and after the conjunction "or," delete the word "any" and in lieu thereof, insert the phrase UPON THE INITIATIVE OF;
5. On page 16, line 2, replace the small letter "b" of the word "billion" and the small letter "p" of the word "pesos" with capital letters B and P, respectively;

6. On the same page, line 17, delete the slash (/) between the words "collection" and "levy" and the slash (/) between the words "collect" and "levy" on line 19 and in lieu thereof, inset the words AND OR;
7. On page 17, line 22, after the word "Philippines," delete the comma (,) and the words "copy furnished" and replace the article "the" with AND;
8. On page 20, line 22, insert a new subsection (a) in the enumeration of "Powers of the Board" to read as follows:

(a) EXERCISE GENERAL SUPERVISION AND CONTROL OVER ALL OFFICES AND EMPLOYEES OF THE AUTHORITY.
9. Reletter the succeeding sub-sections accordingly;
10. On page 24, line 21, after the word "Board" and the comma, replace the word "in" with AFTER;
11. On the same page, line 22, after the word "Director," delete the comma (,) and insert the phrase AND AFTER PUBLIC HEARING;
12. On page 25, delete the entire Section 29 on lines 9 to 12, and renumber the succeeding sections accordingly;
13. On page 60, lines 25 and 26, replace the small letters "a" and "s" of the words "assistant secretary" with capital letters; and
14. On page 63, line 9, after the word "accordingly," delete the period (.) and replace with a comma (,) and thereupon, add the following phrase:

INCLUDING PROVISIONS OF ANY LAW, DECREES, EXECUTIVE ORDERS, RULES AND REGULATIONS OR PART THEREOF WHICH PROVIDES EXEMPTIONS TO ANY AIR CARRIER, ORGANIZATION OR ENTITY FROM PAYMENT OF ANY CIVIL AVIATION AUTHORITY OF THE PHILIPPINES IMPOSED FEES AND CHARGES, RELATING TO BUT NOT LIMITED TO NAVIGATION, COMMUNICATION, CONCESSION, LICENSE AND PERMIT.

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

There being no other committee amendment, upon motion of Senator Pangilinan, there being no

objection, the Body closed the period of committee amendments and proceeded to the period of individual amendments.

GORDON AMENDMENT

On page 60, line 23, after the word "Authority," as proposed by Senator Gordon and accepted by the Sponsor, there being no objection, the Body approved the insertion of the following phrase:

ANY REAL PROPERTY OWNED BY THE NATIONAL GOVERNMENT OR GOVERNMENT-OWNED CORPORATION OR AUTHORITY WHICH IS BEING USED AND UTILIZED AS OFFICE OR FACILITY BY THE AIR TRANSPORT OFFICE SHALL BE TRANSFERRED AND TITLED IN FAVOR OF THE AUTHORITY.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

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

COAUTHOR

Upon his request, Senator Zubiri was made coauthor of House Bill No. 3156.

APPROVAL OF HOUSE BILL NO. 3156 ON SECOND READING

Submitted to a vote, there being no objection, House Bill No. 3156 was approved on Second Reading.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:44 p.m.

RESUMPTION OF SESSION

At 5:52 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 3156

Upon motion of Senator Pangilinan, there being no objection, the Body suspended consideration of House Bill No. 3156.

COMMITTEE REPORT NO. 24 ON SENATE BILL NO. 1964

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1964 (Committee Report No. 24), entitled

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

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

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:53 p.m.

RESUMPTION OF SESSION

At 6:11 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1964

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 6:12 p.m.

RESUMPTION OF SESSION

At 6:13 p.m., the session was resumed. *AK*

AK

REMARKS OF SENATOR MADRIGAL

Senator Madrigal took offense in the way the U.P. officials were telling the senators how they should do their job, and that what they think is the truth is the only truth, refusing to listen to the voice of the students. She said that this was the reason why she was uncomfortable in putting billions of pesos in the hands of officials who, after getting what they want, would railroad the process. Being in a democracy, she said that everyone has the right to express his or her views. She expressed great disappointment with the way the U.P. officials talk to people who differ with their views.

REMARK OF SENATOR PANGILINAN


Senator Pangilinan said that he respected the views raised by Senator Madrigal, but he disagreed to some of the points that she had raised with respect to the attitude of the U.P. officials.

ADJOURNMENT OF SESSION

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

It was 6:15 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO-REYES
Secretary of the Senate

Approved on February 12, 2008