



**REPUBLIC OF THE PHILIPPINES**

**S e n a t e**

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# **Journal**

**SESSION NO. 75**

Monday, May 12, 2008

**FOURTEENTH CONGRESS  
FIRST REGULAR SESSION**

**SESSION NO. 75**  
Monday, May 12, 2008

**CALL TO ORDER**

At 3:28 p.m., the Senate President, Hon. Manny Villar, called the session to order.

**PRAYER**

The Body observed a minute of silent prayer.

**NATIONAL ANTHEM**

The Mapua Concert Singers led the singing of the national anthem and thereafter rendered the song, entitled *Pilipino, Mabuhay Ka*.

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

With 19 senators present, the Chair declared the presence of a quorum.

Senators Gordon and Roxas arrived after the roll call.

Senator Lacson was unable to attend the session due to a previously accepted engagement.

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

**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. 74 and considered it approved.

**REFERENCE OF BUSINESS**

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

**BILLS ON FIRST READING**

Senate Bill No. 2257, entitled

AN ACT PREVENTING THE MANUFACTURE OR IMPORTATION OF PRODUCTS WITH TOXIC AND HAZARDOUS PACKAGING

Introduced by Senator Miriam Defensor Santiago

**To the Committees on Trade and Commerce; and Health and Demography**

Senate Bill No. 2258, entitled

AN ACT LIMITING THE CONSECUTIVE HOURS OF WORK BY NURSES

Introduced by Senator Miriam Defensor Santiago

**To the Committees on Labor, Employment and Human Resources Development; and Health and Demography**

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Senate Bill No. 2259, entitled

**AN ACT TO REGULATE THE SALE OR DISTRIBUTION OF MERCURY THERMOMETERS**

Introduced by Senator Miriam Defensor Santiago

**To the Committee on Health and Demography**

**RESOLUTION**

Proposed Senate Resolution No. 389, entitled

**RESOLUTION RECOMMENDING TO THE DEPARTMENT OF FOREIGN AFFAIRS (DFA) THE IMMEDIATE DOCUMENTATION, VALIDATION, PERFORM THE NECESSARY DIPLOMATIC REPRESENTATION AND REPATRIATION OF OVERSEAS FILIPINO WORKERS (OFWs) WHO ARE DETAINED AND STRANDED IN KUWAIT, JORDAN AND THE KINGDOM OF SAUDI ARABIA, INCLUDING FILIPINO DRIVERS ILLEGALLY RECRUITED AND FORCED TO DRIVE FROM KUWAIT TO IRAQ**

Introduced by Senator Manny Villar

**To the Committees on Labor, Employment and Human Resources Development; and Foreign Relations**

**ADDITIONAL REFERENCE OF BUSINESS**

**BILLS ON FIRST READING**

Senate Bill No. 2260, entitled

**AN ACT REQUIRING PERSONS UNDER FOURTEEN (14) YEARS OF AGE WHO ICE SKATE TO WEAR PROTECTIVE HELMETS, AND FOR ICE SKATING FACILITIES TO SUPPLY HELMETS AND HELMET SAFETY INFORMATION**

Introduced by Senator Miriam Defensor Santiago

**To the Committee on Health and Demography**

Senate Bill No. 2261, entitled

**AN ACT INCREASING THE PENALTIES FOR ELECTION OFFENSES ATTENDED BY VIOLENCE, COERCION, INTIMIDATION, FORCE OR THREATS AND FOR OTHER ELECTION OFFENSES**

Introduced by Senator Miriam Defensor Santiago

**To the Committee on Constitutional Amendments, Revision of Codes and Laws**

Senate Bill No. 2262, entitled

**AN ACT FURTHER STRENGTHENING THE HOME DEVELOPMENT MUTUAL FUND, TO BE KNOWN HEREON AS THE PAG-IBIG FUND, AMENDING FOR THE PURPOSE PD 1752, AS AMENDED, AND FOR OTHER PURPOSES**

Introduced by Senator Juan Miguel F. Zubiri

**To the Committees on Banks, Financial Institutions and Currencies; Urban Planning, Housing and Resettlement; and Ways and Means**

Senate Bill No. 2263, entitled

**AN ACT GRANTING THE NATIONAL GRID CORPORATION OF THE PHILIPPINES A FRANCHISE TO CONSTRUCT, INSTALL, FINANCE, MANAGE, IMPROVE, EXPAND, OPERATE, MAINTAIN, REHABILITATE, REPAIR AND REFURBISH THE NATIONWIDE TRANSMISSION SYSTEM IN THE REPUBLIC OF THE PHILIPPINES**

Introduced by Senator Enrile

**To the Committee on Public Services**

Senate Bill No. 2265, entitled

**AN ACT PROVIDING FOR THE ESTABLISHMENT OF DRUG REHABILITATION CENTER IN EVERY REGION OF THE COUNTRY AND APPROPRIATING FUNDS THEREFOR**

*Handwritten initials and signature*

Introduced by Senator Antonio "Sonny" F. Trillanes

**To the Committees on Public Order and  
Illegal Drugs; Local Government; and Finance**

Senate Bill No. 2266, entitled

AN ACT DECLARING THE SPECIAL SHARI'A BAR EXAMINATION AS CIVIL SERVICE EXAMINATION AMENDING FOR THE PURPOSE R.A. 1080 ENTITLED AN ACT DECLARING THE BAR AND BOARD EXAMINATIONS AS CIVIL SERVICE EXAMINATIONS

Introduced by Senator Antonio "Sonny" F. Trillanes

**To the Committees on Civil Service and  
Government Reorganization; and Justice and  
Human Rights**

Senate Bill No. 2267, entitled

AN ACT ESTABLISHING THE SOLAR ENERGY DEVELOPMENT AUTHORITY AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Antonio "Sonny" F. Trillanes

**To the Committees on Energy; Public  
Services; and Finance**

**RESOLUTION**

Proposed Senate Resolution No. 391, entitled

RESOLUTION HONORING WORLD  
RED CROSS RED CRESCENT DAY

Introduced by Senator Gordon

**To the Committee on Rules**

**COMMUNICATION**

Letter from Executive Secretary Eduardo R. Ermita of the Office of the President of the Philippines, dated May 7, 2008, transmitting to the Senate

the letter of even date of Her Excellency, President Gloria Macapagal Arroyo, addressed to Speaker Prospero C. Nograles of the House of Representatives, certifying to the necessity of the immediate enactment of House Bill No. 3971, entitled

AN ACT GRANTING TAX RELIEF FOR INDIVIDUAL TAXPAYERS BY REPEALING SECTION 34(L) AND AMENDING SECTIONS 22, 24, 34, 35 AND 79 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES,

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

**To the Committee on Ways and Means**

**COMMITTEE REPORTS**

Committee Report No. 51, prepared and submitted jointly by the Committees on Cooperatives; Banks, Financial Institutions and Currencies; Constitutional Amendments, Revision of Codes and Laws; Finance; Urban Planning, Housing and Resettlement; and Ways and Means, on Senate Bill No. 2264, with Senators Biazon, Jinggoy Ejercito Estrada, Pimentel Jr., Juan Miguel F. Zubiri and Manny Villar as authors thereof, entitled

AN ACT AMENDING THE COOPERATIVE CODE OF THE PHILIPPINES TO BE KNOWN AS THE PHILIPPINE COOPERATIVE CODE OF 2008,

recommending its approval in substitution of Senate Bill Nos. 184, 428, 444, 1147, 1553, and 1924.

Sponsor: Senator Juan Miguel F. Zubiri

**To the Calendar for Ordinary Business**

Committee Report No. 52, prepared and submitted jointly by the Committee on Foreign Relations; Finance; and National Defense and Security, on Senate Joint Resolution No. 12, with Senator Miriam Defensor Santiago as author thereof, entitled

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# JOINT RESOLUTION CREATING THE CONGRESSIONAL COMMISSION ON NATIONAL TERRITORY,

recommending its approval in substitution of Senate Joint Resolution No. 9.

Sponsor: Senator Miriam Defensor Santiago

To the Calendar for Ordinary Business

## ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Pangilinan acknowledged the presence in the gallery of the *Punong Barangays* of the Municipality of Tapaz, Capiz led by Sonny G. Gabucayan, president of the *Liga ng mga Barangay*, and representatives of the Cooperative Development Authority and the different cooperatives.

## PRIVILEGE SPEECH OF SENATOR EJERCITO ESTRADA

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

### IBA ANG TINITINGNAN SA TINITITIGAN

I rise today on a matter of collective privilege regarding the long overdue criminal case filed by the Ombudsman against Mr. Hernando "Nani" B. Perez. As a member of this august Chamber, I am alarmed by the manner by which this government exercises selective implementation and prosecution of cases under our laws.

*May kasabihan tayo sa Pilipino na kung ang pagtingin at pagturing ng isang tao sa kanyang kapwa ay hindi pantay, sinasabi nating "Iba ang tinitingnan sa tinititigan."*

Buhay na buhay na naman ang kasabihang ito ngayon sa kaso ni G. Hernando B. Perez. Hindi natin makakalimutan na ang kaso ng robbery-extortion at graft ay idinulog sa tanggapang ng Ombudsman noon pang 2002. Kinakailangan pang lumipas ang anim na taon bago masimulan ang paglilitis sa Sandiganbayan. Samantalang sa kaso ng aking amang si Pangulong Joseph Estrada at ang inyong lingkod, kami ay inakusahan, nilitis at sinentensiyahan sa loob lamang ng mas maikling panahon.

Noong 2001, sa loob ng dalawang araw matapos agawin ang kapangyarihan kay

*Pangulong Estrada ay lumabas agad-agad ang legal opinion ni Secretary Perez na ini-indorso ang \$470-million hydroelectric power contract na iginawad sa isang kumpanya mula sa bansang Argentina na tinatawag na IMPSA (Industrias Metalurgicas Pescarmona Sociedad Anonima).*

*Mula sa transaksyong iyon ay kinikilan ni Ginoong Perez ng US\$2 million si dating Congressman Mark Jimenez ng Maynila na siyang nagsilbing tulay sa multi-million dollar contract para sa proyekto upang buhayin at pangasiwaan ang 750-megawatt Caliraya-Botocan-Kalayaan (CBK) power complex sa Laguna. Hindi pa nakuntento sa pangangikil, tinakot pa ni Ginoong Perez si Ginoong Jimenez na siya ay ipakukulong sa City Jail ng Maynila kasama ng ibang kriminal na may mabibigat na kaso kung hindi siya gagawa ng mga mapanirang affidavit laban kay Pangulong Estrada. Kaalinsabay nito ay tinakot din ni Ginoong Perez sina G. Carlos Arellano, dating manager ng SSS, at G. Federico Pascual, dating manager ng GSIS, upang magbigay ng salaysay ng paninira laban kay Pangulong Estrada. At ganito po ang sinabi niyang kataga doon sa dalawang tao na "kung ang Presidente ay naipakulong namin, sino ba kayo para hindi namin maipakulong?"*

*Iba ang tinitingnan sa tinititigan. Hindi lamang nilulumot sa tagal ng panahon ang paglilitis ni Ginoong Perez ang hindi pantay, kung ihahambing sa kaso ng aking ama, kundi pati na rin sa uri ng krimen na inihain kay Ginoong Perez.*

*Naninindigan kami na ang krimen na plunder na ikinaso sa akin at kay Pangulong Estrada ay isang gimik politikal lamang upang sirain ang aming pangalan sa masang Pilipino. Nasaan ang parehas na pagtingin ng hustiya rito? Si G. Chavit Singson na umamin na tumanggap ng milyun-milyong pisong kickback mula sa jueteng ay hindi man lamang pinaimbestigahan ng Ombudsman. Kami ang ginawang panakip-butas samantalang ang tunay na nakinabang sa jueteng ay kakuntsaba pa rin ng kasalukuyang administrasyon.*

*Balikan po natin si Secretary Perez. Bakit ang ikinaso kay Secretary Perez ay robbery-extortion at graft lamang? Ang mga batikang abogado sa larangan ng criminal law ay nagsasabing dapat kasuhan pa ng plunder at paglabag ng Anti-Money Laundering Act si Secretary Perez.*

*Plunder, dahil ang halaga na pinag-usapan sa kaso ng bribery ay US\$2 million, higit*

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*na sa P50 million na itinakda ng RA 7080 (Anti-Plunder Act) na sinusugan ng RA 7659 (An Act to Impose the Death Penalty on Certain Heinous Crime), at Anti-Money Laundering Act dahil ang mga papeles na ibinigay ng Swiss authorities sa pamahalaang Pilipinas ay di-maikakailang ilegal na transaksyon at may bahid ng pandarambong. Katunayan, ang nasabing mga papeles ay nagtuturo patungo sa Coutts Bank account sa Hong Kong ni G. Ernest Escaler na kasama ni Secretary Perez sa nasabing krimen.*

*Ayon sa mga bali-balita, ang isinampang kaso na robbery-extortion sa Sandiganbayan laban kay Secretary Perez ay isang "rectified complaint." Ibig sabihin, ang unang complaint ay isinampa ngunit ang elemento ng "intent" ay hindi isinama kung kaya't inayos muli ang complaint.*

This Ombudsman will make former Secretary Perez a show before the nation that the Ombudsman is serious in its fight against corruption. It wants to create the impression that it is not tolerating corruption. This is another stage play directed by Malacañang to create an artificial condition making it appear that this government is capable of prosecuting graft cases against friends and relatives of the powers-that-be.

*Hindi kaila sa atin na ang mga kasong katiwalian laban sa mga politikal na kaaway ng administrasyon ay napakabilis tapusin kahit mahina ang mga ebidensiya laban sa kanila. Ngunit, kung ang katiwalian ay ginawa ng kaalyado ng administrasyon, ang mga reklamo ay inuud sa taguan at kung ito man ay isinampa sa Sandiganbayan, ang mga kaso ay mahina o walang batayan at walang gagawin ang Sandiganbayan kundi i-dismiss ang mga ito. Sariwa pa sa atin si G. Joc Joc Bolante na hanggang ngayon ay wala pang ginawa ang Ombudsman o ang Malakanyang upang siya ay pabalikin sa Pilipinas upang managot sa "fertilizer scam." At ano na ang ginawa ng Malakanyang sa "bukol" o "tongpats" ni Chairman Abalos sa NBN-ZTE deal?*

*Tunay ngang iba ang tinitingnan sa tinititigan! Kung nais ituwid ng Ombudsman ang ganitong impresyon ng masang Pilipino, nararapat lamang na amyendahan at isulong ni Gng. Merceditas Gutierrez ang kasong plunder at paglabag sa Anti-Money Laundering Act upang ipakitang seryoso sa paghahanap ng katarungan ang pamahalaang ito.*

## INTERPELLATION OF SENATOR PIMENTEL

Preliminarily, Senator Pimentel questioned why it took the Office of the Ombudsman so long to figure out what kind of case to file against former Secretary of Justice Hernando "Nani" Perez.

Asked whether the actuation of the Ombudsman could be justified by the fact that the money allegedly paid to Secretary Perez is not government money, hence, there is no plunder involved, Senator Ejercito Estrada pointed out that he and President Estrada were charged with plunder allegedly for receiving *jueteng* money which is not government money. He stated that the \$2 million allegedly paid to then Secretary Perez and traced to the Coutts Bank in Hong Kong supposedly was a kickback given to the Secretary for using his influence in facilitating the approval of the IMPSA project which happened three days after Mrs. Arroyo came into power. He confirmed that a number of people, including Mark Jimenez, brokered the deal but then President Estrada rejected it because it contained a sovereign guarantee, meaning if the original borrower cannot pay the obligation, the government will. He confirmed that indeed President Estrada never approved any loan that required sovereign guarantee.

Asked if he was questioning why Mr. Perez was charged with a much lower crime than plunder when the basic premises that obtained in his and his father's case were similar to Mr. Perez' case, Senator Ejercito Estrada noted that it took the Ombudsman six years to file the case and forward the same to the Sandiganbayan while in their case, in three months, they were charged before the Sandiganbayan. He believed that Mr. Perez should thank the Ombudsman because he should have been charged with plunder and not just robbery, extortion and graft.

Senator Pimentel pointed out that the Ombudsman is also given so much leeway in the investigation and filing of charges against those who violate the laws, noting that there are hundreds of cases pending before the Ombudsman, many of them older than the Perez case. The problem, he averred, is that the offended party has no recourse but to wait for the Ombudsman to make up its mind. He stated that one way out of the situation is to amend the Ombudsman Law by giving the offended party the right to sue the Ombudsman if it cannot decide the case after a period of time.

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Senator Ejercito Estrada stated that what bothered him is that Mr. Perez even castigated the Ombudsman for filing charges against him, claiming that Mr. Jimenez has already withdrawn the complaint and has filed an affidavit of desistance before the Ombudsman. He believed that even if there is no longer any complaint, the Ombudsman could still proceed with the investigation into the matter and file appropriate charges. Senator Pimentel agreed, saying that on its own volition or upon charge of any person, the Ombudsman may initiate an investigation into any violations of the laws.

#### **REFERRAL OF PRIVILEGE SPEECH TO COMMITTEE**

Upon motion of Senator Pangilinan, there being no objection, the Chair referred the privilege speech of Senator Ejercito Estrada and the interpellation thereon to the Committee on Justice and Human Rights.

#### **ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS**

At this juncture, Senator Pangilinan acknowledged the presence of visitors from Canada, namely, Mr. & Mrs. Jim Dickinson, Ms. Pamela Shaw and Mr. James Shaw.

#### **PRIVILEGE SPEECH OF SENATOR ANGARA**

Also availing himself of the privilege hour, Senator Angara brought to the Body's attention an article in the day's issue of *The Business Mirror* entitled "RP one of worst places for mothers" which was based on the report of Save the Children, Inc.

Published a day after Mother's Day, he admitted that he read the article with dismay and sadness because the report identified the Philippines, among 55 less-developed countries studied, as having the highest inequality in the survival rate of children under the age of 5. He stated that according to the report, in every country analyzed, more than 30% of children in that age bracket lacked essential health-care services but in the Philippines, the rate was 31%, the highest in this analysis. He lamented that it was a sad commentary on the state of the country's affairs but it had to be brought to the attention of policymakers and the legislators, in particular, because something has to be done about infant mortality.

Infant mortality, he pointed out, is also related to the mother's health and unless government takes care of the mother, she will be unable to take care of her children. Precisely, he emphasized that the Millennium Development Goal is to eradicate infant mortality by 2015. He acknowledged, however, that it would be an impossible task given how children are being neglected in the Philippines.

In closing, he informed the Body that in June 2007, he filed Senate Bill No. 218 making compulsory health coverage for children in that age bracket, especially children of indigent parents who cannot afford health insurance, with the view to closing the gap and giving the children a fighting chance to survive. The best gift one can give to a mother on Mother's Day, he emphasized, is health care.

#### **INTERPELLATION OF SENATOR MADRIGAL**

Asked by Senator Madrigal whether he would want the Committee on Youth, Women and Family Relations to hear the bill he cited in his speech even if it was referred to the Committee on Health and Demography, Senator Angara recommended that if the Committee on Rules would permit it, the Committee on Youth, Women and Family Relations should take part in the hearing of the Committee on Health and Demography to which the bill was referred primarily.

Senator Madrigal suggested that the speech of Senator Angara be referred to Committee on Youth, Women and Family Relations so that it could hear the matter and share its findings with the other committee.

Senator Pangilinan suggested that the matter be initially referred to the Committee on Rules which would make the recommendations on the referral the following day.

#### **INTERPELLATION OF SENATOR PANGILINAN**

Noting that the United States spends an estimated U.S.\$15 billion for its annual Mother's Day celebrations, Senator Pangilinan asked how far such an amount could go to address the health concerns of Filipino mothers. Senator Angara replied that U.S.\$15 billion or P650 billion could be used to institute a universal health care system for mothers and their

children. He lamented that even the United States is not exempted from the plague of child neglect in the home. He noted that the mortality rate of black children in at least three U.S. states is three and a half times higher than those born to white parents, a survival gap which is also similar to that of Filipino children.

### **REFERRAL OF SPEECH TO COMMITTEE**

Upon motion of Senator Pangilinan, there being no objection, the Chair referred the privilege speech of Senator Angara and the interpellations thereon 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. 51 on Senate Bill No. 2264 from the Calendar for Ordinary Business to the Calendar for Special Orders.

### **COMMITTEE REPORT NO. 51 ON SENATE BILL NO. 2264**

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2264 (Committee Report No. 51), entitled

#### **AN ACT AMENDING THE COOPERATIVE CODE OF THE PHILIPPINES TO BE KNOWN AS THE "PHILIPPINE COOPERATIVE CODE OF 2008."**

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 Zubiri for the sponsorship.

### **SPONSORSHIP SPEECH OF SENATOR ZUBIRI**

In sponsoring Senate Bill No. 2264, Senator Zubiri delivered the following speech:

### **COOPERATIVES: TOOLS FOR JUSTICE AND ECONOMIC DEVELOPMENT**

A country's fundamental source of economic strength may be found not only in the corporate sector or the government sector. It can also be found in the self-help and collective action of ordinary citizens who organized cooperatives as a way of leveraging their economic activities. They did this so that they can provide goods and services at cost through a vehicle which they themselves own, control and manage.

These economic vehicles called cooperatives encourage self-reliance among the basic sectors, democratize the ownership of the means of production, and provide our people a bulwark for economic self-defense in the face of spiraling oil and commodity prices. More often than not, these cooperatives were organized because the local oligarch or the multinational company simply chose to bypass the localities where most of the poorest Filipinos live. Organized from need, the cooperatives empowered the many.

Cooperatives provided our people with an experience in grassroots political and economic democracy. This not only assisted in increasing equity and fairness in our society, it also helped mature our young democracy from 1987 onwards.

Today, I rise in sponsorship of Committee Report No. 51 containing the proposed amendments under a substitute bill, Senate Bill No. 2264, to the Cooperative Code of the Philippines, Republic Act 6938, passed in 1990 by distinguished cooperative pioneers – Senators Butz Aquino, Heherson Alvarez, Juan Ponce Enrile, and the true cooperative specialist, Senator Aquilino "Nene" Pimentel.

Our committee report presents to this august Body a substitute bill to the legislative proposals filed by Senator Rodolfo Biazon, Senate President Pro Tempore Jinggoy Ejercito Estrada, Senate Minority Leader Aquilino "Nene" Pimentel Jr., Senate President Manny Villar and this Representation.

We would not have completed this report without the active participation of the following cooperative sectors and government agencies who worked hand in hand with our Committee on Cooperatives, joint with the Committees on Finance; Ways and Means; Banks, Financial Institutions and Currencies; Urban Planning, Housing and Resettlement; and Constitutional Amendments, Revision of Codes and Laws, during our more than 100 public hearings, *etc.*

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technical working group meetings and consultative meetings.

It is my honor to acknowledge the gentlemen and ladies in the gallery of the different cooperatives. There are several of them, but allow me to name a few. We have with us today the chairperson of the Cooperative Development Authority (CDA), Lecira Juarez, and the different members of the academe: the PUP College Cooperative, the UP Los Baños Institute of Cooperatives, as well as the the Cooperative Union of the Philippines, National Confederation of Cooperatives, Association of Electric Cooperatives, headed by their Secretary General, Louie Coral, and the Philippine Rural Elective Cooperative Association (PHILRECA). We also have several cooperative banks from the Coop Banks of the Philippines, members of the cooperative banks, members of the housing cooperatives, producers cooperatives, and several others.

*At this juncture, the Senate President acknowledged the presence of the guests mentioned by Senator Zubiri.*

The Cooperative Code enhanced the growth and spread of genuine people's organizations as represented here today by different sectors. It moved away from the philosophy of the martial law-initiated top-to-bottom cooperatives and stressed the need for a participatory bottoms-up approach. The Cooperative Code of 1990 also departed from the centralized government planning of the 1960s and '70s, where cooperatives were viewed as mere extensions of the plans and programs of the political leadership. They enshrined the principle of subsidiarity, which left to the private voluntary cooperative sector the task of promoting and developing cooperatives.

Much has been done and thanks to the vision of Senators Aquino, Alvarez, Enrile, and Pimentel. They ensured that cooperatives would henceforth be recognized as independent and autonomous people's enterprises. Theirs is the template of action on which our amendments now propose to build upon.

We have, therefore, sought to incorporate the best practices from the last 18 years so as to further empower cooperatives. We do this to enable cooperatives to face a world of increasing globalization, deregulation, privatization, liberalization, and competition policies, which now place increasing pressure on the survival of the cooperatives. Indeed, many skeptics say that in the face of such challenges, cooperatives are

doomed to be nothing more than organizations for the gatherers of water and the cutters of wood. But I disagree with these skeptics who would have us predict a bleak and gloomy future. Unlike these doomsayers who see cooperatives as nothing more than organizations for subsistence survival, I look to the numerous successes fostered by the Cooperative Code of 1990 as a barometer of future progress that we can now enhance through careful amendment of the law.

According to the Cooperative Development Authority (CDA), the agency tasked with the regulation and development of cooperatives, since 1990 up to June 30, 2007, 74,809 cooperatives have been registered with them. This is broken down into: 4,812 credit cooperatives that engage in savings and credit operations; 1,369 consumer cooperatives, mostly in the offices and educational institutions, both public and private; 1,409 producers cooperatives; 911 marketing cooperatives; 1,806 service cooperatives, providing a myriad of activities from power distribution, potable water and irrigation system, transportation service, both for private use and general public; and, we come to the greater number of cooperatives, which have two or more services being provided to its members – the multipurpose cooperatives, which are divided into agricultural and non-agricultural cooperatives. Together, they number more than 60,000 registered cooperatives.

Although there are many registered cooperatives, a good number of them have fallen by the wayside, and are either dissolved, in the process of dissolution or cancellation. Again, according to the statistics gathered, more than two-thirds of registered cooperatives have remained operational. Akin to the Parable of the Sower, where some seeds were thrown, some fell into rough ground, some into thorny bushes, some on the pathways, and others in fertile soil, some cooperatives have closed shop due to a lack of sufficient training in the management and operation of cooperatives; some due to lack of proper values inherent in any cooperative undertaking – that of the virtue of self-help and self-reliance, and of helping one another achieve success and development; others collapsed due to simple mismanagement; others, because they were organized for the wrong reasons.

But there are many more victories than defeats in this tale of struggle. We have what we call "century cooperatives" with over P100 million to P3.7 billion in assets, individually. The assets of these large and successful cooperatives total to more than P42 billion as of December 31, 2006.

Today, we also have 45 farmer-owned cooperative banks nationwide. These cooperative rural banks ensure that the farmers' surplus and savings from their production and marketing cooperatives are not siphoned off by commercial banks to urban uses. Cooperative rural banks ensure that these excess funds of farmers are used to help fellow farmers and their families and that these funds are focused on food security as well as rural development.

We have credit cooperatives which, through their low-interest loans and micro-financing programs, empower our women to be productive entrepreneurs and community builders. Also present in the urban areas, they have helped employees go into productive loans and have served as a safety net in difficult times.

We are looking at 119 electric cooperatives that have energized eight million rural households. They went into areas where the large, for-profit, investor-owned utilities ignored because these rural communities were deemed unprofitable or economically nonviable. And yet, they brought increased choices to our communities and not just lighted up the barangays, but made possible the economic upsurge in areas such as General Santos, Tagum, and Sultan Kudarat.

We have housing cooperatives to ensure that the hopes of those families who want affordable housing will not be lost, and their dreams of a home fulfilled.

We have innovative medical cooperatives to ensure that the millions who encounter illness will not be mere hapless victims of pain and increased medical costs.

We have pioneering biofuels cooperatives to ensure our oil independence and that our environment is not preordained to a condition of continuing decay and decline.

We have thousands of consumer cooperatives which make possible the sale of rice and other basic necessities at prices lower than the groceries and sari-sari stores.

All these cooperatives have generated full-time and part-time employment for our people. The entire cooperative sector has generated 1.498 million jobs in 2004, 1.563 million jobs in 2005 or with an increase of about 65,215 over 2004 figures; and 1.636 million jobs as of December 31, 2006, with an increase of 73,047 jobs over 2005.

Our Committee has, therefore, proposed a package of measures to propel the cooperative movement further and to address those

obstacles that artificially deflate the cooperative dream.

We have updated the cooperative principles and aligned them with the latest definition of the International Cooperative Alliance (ICA), the largest independent, nongovernmental organization in the world which unites, represents, and serves cooperatives worldwide. Our vision is that cooperatives must be of service not only to their members but to their community and environment as well. To this end, we have included the concept not just of a financial audit of the cooperative but of a social audit as well.

We propose to increase focus on mandatory pre-organization training on the dynamics of cooperativism to ensure correct member orientation and loyalty to the cooperative, and increase the capitalization of primary cooperatives from P2,000 to P30,000. We have done this to ensure the viability of the cooperatives. Nothing is indeed more tragic than those cooperatives which claim that they complied with the cooperative principles but failed to generate an economic surplus. All throughout, we have stressed that cooperatives that fail as businesses also fail as cooperatives.

We now insist that all associate members — this means non-voting, preferred shareholders — be given the chance to become regular members after a year. The Cooperative Code of 1990 does not have any provision for them for transition to become voting members. We have done this to prevent abuses of manager-dominated or board-dominated cooperatives and to ward off possible labor-only contracting schemes.

While we assert that the general assembly is the ultimate source of authority within the cooperative, we also allow for the delegation of powers to a representative body which is a smaller group of members to whom the general assembly has delegated its powers in order to assure greater management flexibility and faster management response systems.

With the continuing existence of inter- and intra-cooperative disputes, we have also instituted a mechanism where complaints can be filed with the CDA for voluntary arbitration, the decision of which, if not satisfactory to the contending parties, is appealable to the Office of the President.

We have also inputted continuing educational reform programs for the directors and committee members in the face of new economic challenges, thereby targeting the development of a stronger management team capable of

addressing the need in these days for joint ventures, mergers or conglomerations to build economies of scale.

We have insured for a more equitable distribution of the net surplus to distribute the shares in such a manner as to equip the cooperative with a reserve fund for difficult times, an education fund to ensure continuing research and development, and product innovation in an ever fast-changing competitive environment.

We now open the door for the now debt-free electric cooperatives to realize full and complete ownership by their member-consumer households. Since the EPIRA freed the cooperatives from billions of its debts, it is now time to ensure that it is the member-consumer who, through the general assembly, becomes the true source of power with the electric cooperative. This will make the cooperative managers more accountable to the consumers, create greater transparency in operations, and result in lower electricity rates because of cooperative tax exemption privileges.

*At this juncture, Senate President Villar relinquished the Chair to Senate President Pro Tempore Ejercito Estrada.*

It is my belief that the need of our time is to shorten the distance and lessen the time needed for our people to achieve their dreams.

It is the function of a cooperative to shorten the distance between a farmer and his market.

It is the function of a cooperative to bridge the need for cheap credit and a worthwhile livelihood project.

It is the function of a cooperative to close the distance between a patient and the health-care he deserves.

It is the function of a cooperative to bring together a family and their dream of having a home.

It is the function of a cooperative to empower consumers to ensure affordable transport, safe and potable water, and reliable electricity.

It is the function of a cooperative to ensure a far more equitable and far more decent society by making economic empowerment accessible to the many.

This has been done by pooling together the resources of the resource-challenged basic sectors and by organizing the unwieldy poor. Today, the cooperative movement again has new resonance

in the face of the economic difficulties we confront collectively.

These were the dreams that inspired the pioneers of cooperatives in this country. For these reasons, I have no new dream to launch today but urge a fresh and renewed faith in the cooperative dream.

I fervently request all of you to support this dream by supporting this proposed measure.

## RESERVATIONS TO INTERPELLATE

Senator Pangilinan manifested that Senators Angara and Legarda have made reservations to interpellate on the bill at a later date.

## SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2264

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

## COMMITTEE REPORT NO. 43 ON SENATE BILL NO. 2150

*(Continuation)*

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2150 (Committee Report No. 43) entitled

## AN ACT GRANTING THE RIGHT OF REPLY AND PROVIDING PENALTIES FOR VIOLATION THEREOF.

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

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

## INTERPELLATION OF SENATOR ARROYO

Adverting to Section 7, asked by Senator Arroyo whether the offense for which the penalty is to be imposed is a penal offense, Senator Pimentel replied that the fines to be imposed are criminal fines so as to compel the editor, the publisher or station manager to publish or air the reply accordingly. *AS* *PO*

With regard to the penalties, Senator Arroyo asked if there could be some way to compel media establishments to air or publish the reply of the offended party considering that paying a fine ranging from P10,000 to P50,000 fine is nothing to a major media organization. Senator Pimentel admitted that the provision needs to be tightened up. However, he stressed that the bill must not be seen as an attempt to muzzle the press or journalists, but it must not be ignored by media practitioners either. He stated that there are provisions in the bill that allow the court, at some point, to impose an order to cancel the license of the broadcast station.

Senator Arroyo suggested that the section be refined so that the penalties by way of fines would be feared and respected by the offenders. He noted that, for one, the Revised Penal Code provides that repeated failures to pay the fines make the offender liable to imprisonment.

Senator Pimentel said that the Committee would be willing to refine the wordings of the bill so that it would be taken seriously by media practitioners, especially the well-to-do. But he pointed out that the problem is how to calibrate the appropriate penalties without violating the equal protection clause.

Senator Arroyo suggested that a distinction be made between the print and broadcast media because while both are in the same business, they belong to different categories. He surmised that the resistance to the bill has not been very strong because of the light penalties. But he underscored that the law must offer immediate relief to the offended party to become meaningful.

As regards the last sentence of Section 7 which states, "The court may also recommend that proper sanctions be imposed by any appropriate mass media organization on erring editors-in-chief, publishers, station managers or owners of media concerned," Senator Arroyo argued that there should be no law allowing the closure of print media establishments. He pointed out that to open a newspaper or magazine one only has to file and register a trade name but to open a broadcast station, he said, one has to go to Congress for a franchise which binds the radio station to certain regulations.

Senator Arroyo suggested a restyling of Section 6 to the effect that the reply as submitted, shall be published or broadcast except for libelous allegations.

The deletion of libelous allegations, he said, is a prerogative of editors or else the newspaper will get into trouble.

With respect to the last paragraph of Section 7, Senator Pimentel clarified that a particular media organization like the *Kapisanan ng mga Brodkaster ng Pilipinas* (KBP) has a set of guidelines to be observed by its members. But Senator Arroyo argued that some radio stations are not members of the KBP, so they are not bound by the rules imposed by the organization. Again, he asked the Committee to put more teeth to the bill so that it would be more effective and respected by those concerned, to which Senator Pimentel agreed.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2150**

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

#### **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.

#### **SUSPENSION OF SESSION**

Upon motion of Senator Pangilinan, the session was suspended.

*It was 4:50 p.m.*

#### **RESUMPTION OF SESSION**

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

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

## INTERPELLATION OF SENATOR ANGARA

Preliminarily, Senator Angara thanked Senator Enrile for incorporating in the bill some of the points that he had raised. However, he indicated that there were still some essential points that he wanted clarified.

On the issue of the overbuying of IPPs in the mid- to late '90s when the country had excess capacity and because of the guaranteed take-out by government to the investor, Senator Angara noted that the people have been paying for unused electricity even up to this point when the excess capacity has been exhausted.

Senator Enrile agreed that the stranded cost is almost exhausted. He recalled that when the Senate started discussing the EPIRA, the stranded cost was around \$14 billion, and according to Napocor, what remains was a little over \$5 billion. He said that if this amount can be reduced by P200 billion that was assumed by government, then the unrecovered portion of the stranded cost would be roughly \$900 million or P50 billion. He believed that the extraordinary high price of contracted power under the IPPs is a function of judgment on the part of those who are not consulting with consumers, hence, it was only fair that they bear the loss for their wrong judgment.

To the contention that the loss should not be shouldered by the taxpayers, much less the consumers, Senator Enrile replied that this is the reason why he would remove the provision on recovery of stranded cost during the period of amendments.

Senator Angara stated that in the case of Casecnan, the power purchase price is at P7.60 whereas the rate at that time was only P3.60; apparently, there was corruption in this particular IPP as shown by the investigation being conducted by the Blue Ribbon Committee. He asked whether government would allow Napocor to pass on this power purchase price of P7.60 or simply P3.60.

Senator Enrile replied that if government would blend the price of that particular IPP with the generating capacity of Napocor, the fractional part of that IPP in the totality of the power generation of

Napocor is miniscule. He said that Casecnan was only a tube to divert the water from the headwater of the Cagayan River but the main purpose of that diversion was for irrigation and to fill Pantabangan with water and in that process, a turbine attached to it generates around 165 megawatts; thereafter, Pantabangan will regenerate the water into electricity and the water outflow will irrigate additional 200 hectares. He said that Casecnan owns all the generating powers in Luzon except for some which it had sold.

On further queries, Senator Enrile explained that in Luzon, the total installed generating capacity of Napocor is 7,705 megawatts. Therefore, he said, Casecnan is only a small part of the entire generating capacity of Napocor which does not really affect the pricing system.

To the information that Casecnan and Pantabangan had been privatized, Senator Enrile agreed, pointing out that these would command a high price if mixed with First Gas Corporation, Sta. Rita, San Lorenzo, Quezon Power and Calaca.

On the observation that some hydro-projects like Casecnan and San Roque are highly dubious contracts, Senator Enrile commented that it was a point raised by then Sen. Serge Osmeña who claimed that it was a sweetheart deal of former President Ramos with his classmate in West Point, General O'Shea. He said that he has heard of many stories about the negotiation of the contracts of the IPPs, many of which were tainted with graft; however, if government is going to cancel all these contracts, it would not have capacities and the remedy would be worse than the disease.

Senator Angara clarified that he was not suggesting cancellation of the contracts but the removal of the stranded cost. Senator Enrile replied that the bill intends to remove it.

As regards open access, Senator Enrile explained that under the present EPIRA, Napocor should dispose 70% of its generation capacity and 70% of the IPPs must be transferred to a power administrator. He said that to date, 49% of the generating capacity of Napocor has been disposed of and the IPPs would be reduced to 50% by August.

Senator Enrile recalled that during the Marcos era, when the oil industry was regulated, the

government acquired the Bataan Refinery in Limay as a bludgeon against Shell, Caltex and other major oil players in the country. Now, he said, the country is again faced with another situation in the power industry. He stressed that if the thesis of the present EPIRA that there should be a competitive situation when open access would be allowed, time would come when the Lopezes, who are buying power capacities right and left, would dominate the generation sector and government would be left with no balancing powers over it.

Senator Enrile asserted that the proposed bill gives open access at 50% until Napocor gradually reaches the 30% threshold if the Lopezes would behave in a free and economic market.

Asked if the market would be open by August, Senator Enrile said that all the requirements for an open access shall have been satisfied by that time.

On the presumption that this would attract investors and competition, Senator Enrile stated that the open access policy would foster competition within the power industry by restructuring the current assets in relation to the current market. He added that lowering the open access level to 50% would allow big power companies like the Korea Electric Power Company (KEPCO) to buy power plants like Calaca or Masinloc. He opined that it would be better if government changes its direction and allow the operation of the nuclear plant for a cheaper power source.

Further, Senator Enrile stated that his earlier proposal was to restrict cross-ownership of power distributors, but after a dialogue with them, he was advised that government cannot undo what has been done, and that it would be better to restrict the volume that they sell.

Senator Enrile stated that under the present bill, there is no limitation on the ownership of any generating company; the only limitation is on their market share — they can only buy 50% of their demands from their affiliates but this should not be more than 20% of the grid. He said that unless the power demand in Luzon reaches 15,000 megawatts, Meralco cannot buy more than 20% of the present demand of 10,000 megawatts. He clarified that cross-ownership deals with stocks but not usage of products.

As to the offtake of Meralco on power generators, Senator Enrile stated that Sta. Rita is 1,000 megawatts; San Lorenzo, 500 megawatts; and Quezon Power, 450 megawatts. He said that assuming that the three plants give 100% delivery, this does not exceed 20% of the grid but he would not know if Meralco has other bilateral contracts with other generating plants.

Asked if Meralco has other contracts with other power generators like EDC and Pantabangan, Senator Enrile replied in the negative. He said that Quezon Power, Sta. Rita and San Lorenzo are expensive plants. In particular, he pointed out that the fuel of Sta. Rita and San Lorenzo comes from Malampaya and this is indexed with the price of crude in the world market.

At this juncture, Senator Roxas asked what grid is being discussed with respect to the 50% limitation on related interest purchase of power and the 20%-grid limitation. Senator Enrile clarified that it is the Luzon grid.

Senator Roxas noted that the PNOC-EDC operates in Tongonan, Leyte and this is not part of the Luzon grid. In the context of open access where consumers can directly transact with producers for their power, he asked what would happen if a Luzon customer transacts with Tongonan to supply power in Luzon and that transaction surpasses the 20% limitation.

Senator Enrile stated that assuming that the buyer is in the franchise area of Meralco, this is immaterial because it is not Meralco servicing or distributing the power; it passes to the wires of Meralco but power directly goes to the consumer. He affirmed that the limitation is on Meralco's purchase from related interest.

Senator Angara asked whether the Lopez-controlled First Gas Power Corporation and its affiliates own 47% of the total non-IPP generating plants in Luzon, which translates to a 16.1% share of the Luzon grid and 12.3% of the national grid. He said that he just wanted to verify if the statistics are correct so that he could relate it to the provision that Meralco cannot exceed 50% of the volume of the Luzon grid.

Senator Enrile approximated the total demand of Meralco at 4,450 megawatts in Luzon, 50% of which

can be bought through bilateral contracts with affiliates and the balance from other suppliers because it is not allowed to exceed 50% of the total volume of the grid which, in Luzon, is more than 10,000 megawatts. Stating that the actual volume is 10,867 megawatts, Senator Angara added that Meralco and its affiliates are getting 47% of their requirements from Quezon, Santa Rita and San Lorenzo power plants. Senator Enrile clarified that the Meralco and its affiliates get 46% of their requirements from the three power plants, representing 16% of the total capacity of the Luzon grid.

To Senator Enrile's observation that 50% of Meralco's present demand is more than 20% of the Luzon grid, Senator Angara said that it buys 34% from Napocor and 9% from WESM. Senator Enrile explained that Meralco's present capacity at peak demand is 4,774 megawatts according to the data given to him, Meralco and its affiliates buy 2,173,444 kilowatts, or more than 50% of its total requirement, from the Luzon grid, which is 20% of the total capacity of the grid.

Given the figures, Senator Enrile said that as long as it follows the formula, Meralco can still buy 50% of its demand from its affiliates, but that 50% must not exceed 20% of the Luzon grid.

Senator Angara said that Meralco then has a scope for expansion of buying 3% more of the Luzon grid and still grow with the market which, according to its presentation in one of the committee hearings, would grow to 15,000 megawatts. He said that this would make one player, the Lopez-held companies, so dominant in one market. In reply, Senator Enrile said that it has always been his position that the Lopezes should make up their minds, whether to stay in generation or to stay in distribution.

Asked if the amendment to the law would offer that kind of choice to the Lopezes, Senator Enrile replied in the negative, saying that it is beyond the power of the law to dictate such but it is a function of Congress through its power to grant franchises. Further, he said that he would not propose such an amendment because it would be a dangerous signal that might hinder other players from coming in.

Saying that he was just trying to explore the implication, Senator Angara warned that if the purpose of the amendment is to open the market by inviting competitors in while preserving the dominant position

of one player, it would be a dangerous signal. Senator Enrile said precisely, he agreed with Winston Garcia that the Meralco franchise area be cut up without depriving it of its property without due process. He believed that if Meralco cuts up its franchise area by selling parts of it to other players, it would become more financially vibrant and it could select which part of the pie it wants to retain, thus fostering competition on the distribution and generation sides.

Replying to further queries, Senator Enrile opined that the Lopezes could stay in distribution. Assuming that the Lopezes are not in generation but they still own and control Meralco, he said that they could ask generators to lower their price which would benefit the consumers.

Replying to the queries of Senator Legarda, Senator Enrile clarified that the franchise of Meralco has to be cut into parts to open competition in the distribution area. Saying that it would not be a natural consequence of open access, he said that the new players would have to go to Congress to amend the franchise of Meralco, divide it into as many parts as they want, and it is up to Meralco to sell the franchise areas. He stated that open access is a separate issue altogether.

Senator Angara reiterated his observation that while Congress is trying to open up the market to other competitors, it is also leaving the status quo where one distributor and generator continues to be the dominant player. Senator Enrile affirmed that while it is easy to put up a generation plant in the country, unless there is a real gap between supply and demand with demand being higher than supply, then the new players should still have to get the supply contract from Meralco so that they can be assured of a market for their generated power. He further affirmed that precisely, Congress is opening up access to force a supply agreement.

Senator Enrile explained that with open access, other players can come in if they can contract with big power users and offer their power at a cheaper cost than those presently generating power in the country. If the bill is passed into law, he said that those who need one megawatt and above could go directly to a generating company and contract power supply.

Replying to a query, Senator Enrile affirmed that the important thing about opening up access is that

the players could invest in generation and be assured of distribution because they are going to use the existing wires of the franchise holders in the areas where the one asking to be supplied with power is located.

Senator Angara reiterated that there is still scope for investment because there is still almost 5,000 megawatts that would grow between 2013 to 2015. Senator Enrile said that if the economy soars, then the gap would be eaten up in a short while, with many hotels opening up in different parts of the country because of enhanced tourism.

### SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

*It was 5:47 p.m.*

### RESUMPTION OF SESSION

At 5:49 p.m., the session was resumed.

Thereupon, Senator Angara asked that the interpellation be resumed the next day. Senator Enrile agreed.

### REQUEST OF SENATOR ROXAS

Senator Roxas requested the Committee to provide him the following information:

1. Summary of NPC (National Power Corporation) applications for power rate adjustments, i.e. GRAM (Generation Rate Adjustment Mechanism) and ICERA (Incremental Currency Exchange Rate Adjustment), filed with the ERC since EPIRA was passed in 2001 to present. The summary should show the following:

- a. Date of filing, rate applied for, billing periods covered;

- b. Status of the application (e.g., pending, pending with Provisional Authority, with final approval, etc.);

- c. Date of issuance of Provisional Authority and rate provisionally approved, if applicable; and

- d. Date of issuance of ERC Final Order and final rate approved, if applicable.

2. List of NPC IPPs (Independent Power Producers) showing respective installed capacities, dependable capacities, nature of governing contract, contract term or cooperation periods, and turnover date
3. Purchased power cost of each NPC IPP contract, broken down into cost components (e.g., fixed, variables, etc.)
4. Cost to produce power of each NPC-owned plants, broken into cost components (e.g., fixed, variables, etc.)
5. Historical monthly dispatch of NPC-owned plants and NPC IPP plants, in kWh, from 2004 to present
6. List of plants eligible for the recovery of stranded contract costs
7. Projected stranded contract costs over the life of the NPC IPP contracts, showing calculations or worksheets
8. Report on the financial impact to NPC of the cap on the automatic power purchase adjustment imposed by the President in May 2002.
9. Details of coal procurement by NPC in the immediately preceding 5 years indicating relevant dates of each transaction, names of suppliers and local representatives, volume of purchase, price, main terms and conditions and mode of procurement, duly certified by the NPC President.

Senator Enrile stated that the documents should have been looked into at the committee level; however, he gave assurance that the resource persons would be asked to provide the documents.

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

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

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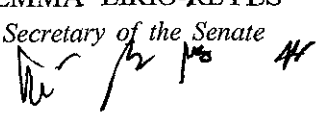


**ADJOURNMENT OF SESSION**

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

*It was 5:53 p.m.*

I hereby certify to the correctness of the foregoing.

  
EMMA LIRIO-REYES  
Secretary of the Senate  


Approved on May 13, 2008