



REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 26

Monday, October 6, 2008

**FOURTEENTH CONGRESS
SECOND REGULAR SESSION**

SESSION NO. 26
Monday, October 6, 2008

CALL TO ORDER

At 4:03 p.m., the Senate President, Hon. Manny Villar, called the session to order.

PRAYER

Sen. "Compañera" Pia S. Cayetano led the prayer, to wit:

*A Prayer from the Letter
of St. Paul to the Romans*

O God, we cannot fully understand the riches of Your wisdom and knowledge. How unsearchable are Your judgments and Your ways past finding out.

For who has known Your mind, O Lord, and Who has been Your counselor, or who has first given to You that You should repay him?

For from You and through You and to You are all things. To You be the glory forever.

Romans 11:33-36

Dear Lord, reveal Your will for the country through the laws that are crafted in this Chamber. Make us Your instruments of peace and encouragement. The people have elected us but You have appointed us so remind us to be accountable to You as our ultimate Judge and also to Your people, the Filipinos.

In the Name of Jesus.

Amen.

NATIONAL ANTHEM

Dr. Elvira Henares Esguerra, president of the Breastfeeding, Inc., led the singing of the national

anthem and, thereafter, the Tagala Brothers rendered an instrumental number, entitled "*Brandenburg Concerto # 3*" by Johann Sebastian Bach.

ROLL CALL

Upon direction of the Chair, the Acting Secretary, Atty. Edwin B. Bellen, called the roll, to which the following senators responded:

Angara, E. J.	Gordon, R. J.
Aquino III, B. S.	Honasan, G. B.
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.	Villar, M.
Escudero, F. J. G.	Zubiri, J. M. F.

With 20 senators present, the Chair declared the presence of a quorum.

Senator Lacson was on official business.

Senator Roxas was absent.

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

**ACKNOWLEDGMENT
OF THE PRESENCE OF GUESTS**

Senator Pangilinan acknowledged the presence of the following guests:

- ◆ Philippine delegation to the 35th Ship for Southeast Asia Youth Program; *ppa*

- ◆ Federation of Senior Citizens Association of the Municipality of Mercedes, Camarines Norte;
- ◆ Municipal mayors of the Province of Basilan; and
- ◆ Barangay chairmen and councilors of Quirino, Isabela, headed by Board Member Ana Cristina Siquian Go.

Senate President Villar welcomed the guests to the Senate.

APPROVAL OF THE JOURNALS

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journals of Session Nos. 24 (September 29, 2008) and 25 (September 30, 2008) and considered them approved.

REFERENCE OF BUSINESS

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

BILLS ON FIRST READING

Senate Bill No. 2646, entitled

AN ACT REQUIRING THE USE OF SEATBELT DEVICES IN SCHOOL SERVICES, AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 8750, OTHERWISE KNOWN AS THE SEATBELTS USE ACT OF 1999

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committees on Public Services; and Education, Arts and Culture

Senate Bill No. 2647, entitled

AN ACT REQUIRING AMUSEMENT RIDES OWNERS TO HAVE ANNUAL AND DAILY RIDE INSPECTIONS

Introduced by Senator Antonio "Sonny" F. Trillanes IV

To the Committees on Games, Amusement and Sports; and Local Government

Senate Bill No. 2648, entitled

AN ACT CONVERTING THE MINDANAO POLYTECHNIC STATE COLLEGE IN CAGAYAN DE ORO CITY, PROVINCE OF MISAMIS ORIENTAL INTO A STATE UNIVERSITY TO BE KNOWN AS THE MINDANAO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MUST), AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Juan Miguel F. Zubiri

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

Senate Bill No. 2649, entitled

AN ACT TO PROMOTE ACCOUNTABILITY AND TRANSPARENCY ON FOREIGN LOANS OBTAINED BY THE COUNTRY CREATING FOR THE PURPOSE A COUNCIL FOR DEBT RELIEF TO REVIEW AND ASSESS BILATERAL AND MULTILATERAL LOAN AGREEMENTS, TREATIES AND CONTRACTUAL OBLIGATIONS ENTERED INTO BY THE PHILIPPINE GOVERNMENT

Introduced by Senator Manny Villar

To the Committees on Finance; and Economic Affairs

RESOLUTIONS

Proposed Senate Resolution No. 686, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON HEALTH AND DEMOGRAPHY TO CONDUCT AN INQUIRY AND ASSESSMENT, IN AID OF LEGISLATION, ON THE IMPLEMENTATION OF POLICIES AND MEASURES FOR THE PREVENTION AND CONTROL OF HIV/AIDS IN THE COUNTRY UNDER REPUBLIC ACT NO. 8504, IN THE LIGHT OF THE RECENT REPORTS OF LAX AND UNSAFE HIV TESTING, CLINICAL PRACTICES

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AND PROCEDURES ADMINISTERED
BY SOME HOSPITALS, CLINICS
AND LABORATORIES

Introduced by Senator Manny Villar

To the Committees on Health and Demography; and Education, Arts and Culture

Proposed Senate Resolution No. 687, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT AND OTHER APPROPRIATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE WORKING CONDITIONS OF MINERS AND REMUNERATION ASSISTANCE TO VICTIMS OF MINING-RELATED DISASTERS IN LIGHT OF THE RECENT INCIDENT IN ITOGON, BENGUET WHERE SEVERAL MINE WORKERS DIED AND WERE TRAPPED IN A FLOODED MINE TUNNEL, WITH THE END IN VIEW OF TIGHTENING OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES CURRENTLY IN PLACE IN THE MINING INDUSTRY

Introduced by Senator Manny Villar

To the Committees on Labor, Employment and Human Resources Development; and Environment and Natural Resources

Proposed Senate Resolution No. 688, entitled

RESOLUTION URGING THE SENATE COMMITTEES ON HEALTH AND DEMOGRAPHY; AND TRADE AND COMMERCE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE EFFECTS OF MELAMINE ON THE HEALTH OF HUMAN BEINGS AND THE EXTENT OF ITS UTILIZATION IN AVAILABLE COMMERCIAL GOODS IN THE PHILIPPINES WITH THE END IN VIEW OF FORMULATING HEALTHIER SHORT- AND LONG-

TERM POLICIES AND MEASURES
FOR THE CITIZENS

Introduced by Senator Manny Villar

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

Proposed Senate Resolution No. 689, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON GAMES, AMUSEMENT AND SPORTS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE IMPLEMENTATION OF THE SPORTS FOR ALL PROGRAM AIMED AT CHARTING A COMPREHENSIVE NATIONAL SPORTS DEVELOPMENT AGENDA FOR COMPETITIVE AND WORLD-CLASS FILIPINO ATHLETES

Introduced by Senator Manny Villar

To the Committee on Games, Amusement and Sports

Proposed Senate Resolution No. 690, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON JUSTICE AND HUMAN RIGHTS AND OTHER APPROPRIATE COMMITTEES TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, INTO THE GROWING PRESENCE OF FOREIGN SEX WORKERS IN THE PHILIPPINES WITH THE END IN VIEW OF IDENTIFYING THE "ESCORT SERVICE" SYNDICATES THAT FACILITATE THEIR ENTRY AND PUTTING A STOP TO THEIR OPERATION

Introduced by Senator Manny Villar

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

Proposed Senate Resolution No. 691, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON PUBLIC INFORM-

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ATION AND MASS MEDIA TO CONDUCT AN IMMEDIATE STUDY AND ASSESSMENT, IN AID OF LEGISLATION, ANENT WAYS AND MECHANISMS TO PROMOTE THE RENAISSANCE OF PHILIPPINE CINEMA CITING THE CONTINUING GROWTH AND RECENT RECOGNITIONS OF FILIPINO INDIE MOVIES IN THE INTERNATIONAL FILM FESTIVALS

Introduced by Senator Manny Villar

To the Committee on Public Information and Mass Media

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:15 p.m.

RESUMPTION OF SESSION

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

APPROVAL OF PROPOSED SENATE RESOLUTION NO. 451 ON THIRD READING

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading, Proposed Senate Resolution No. 451, printed copies of which were distributed to the senators on September 30, 2008.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Pangilinan, there being no objection, the Acting Secretary read only the title of the resolution, to wit:

RESOLUTION CONCURRING IN THE RATIFICATION OF THE ASEAN TREATY ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS.

Acting Secretary Bellen called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Escudero
Aquino	Honasan
Arroyo	Lapid
Biazon	Madrigal
Cayetano (A)	Pangilinan
Cayetano (P)	Pimentel
Defensor Santiago	Revilla
Ejercito Estrada	Villar
Enrile	Zubiri

Against

None

Abstention

None

With 18 senators voting in favor, none against, and no abstention, the Chair declared Proposed Senate Resolution No. 451 approved on Third Reading.

APPROVAL OF PROPOSED SENATE RESOLUTION NO. 452 ON THIRD READING

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading, Proposed Senate Resolution No. 452, printed copies of which were distributed to the senators on September 30, 2008.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Pangilinan, there being no objection, the Acting Secretary read only the title of the resolution, to wit:

RESOLUTION CONCURRING IN THE RATIFICATION OF THE TREATY ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE KINGDOM OF SPAIN.

Acting Secretary Bellen called the roll for nominal voting.

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RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Escudero
Aquino	Honasan
Arroyo	Lapid
Biazon	Madrigal
Cayetano (A)	Pangilinan
Cayetano (P)	Pimentel
Defensor Santiago	Revilla
Ejercito Estrada	Villar
Enrile	Zubiri

Against

None

Abstention

None

With 18 senators voting in favor, none against, and no abstention, the Chair declared Proposed Senate Resolution No. 452 approved on Third Reading.

APPROVAL OF PROPOSED SENATE RESOLUTION NO. 453 ON THIRD READING

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading, Proposed Senate Resolution No. 453, printed copies of which were distributed to the senators on September 20, 2008.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Pangilinan, there being no objection, the Acting Secretary read only the title of the resolution, to wit:

RESOLUTION CONCURRING IN THE RATIFICATION OF THE TREATY BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE REPUBLIC OF KOREA ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS.

Acting Secretary Bellen called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Escudero
Aquino	Honasan
Arroyo	Lapid
Biazon	Madrigal
Cayetano (A)	Pangilinan
Cayetano (P)	Pimentel
Defensor Santiago	Revilla
Ejercito Estrada	Villar
Enrile	Zubiri

Against

None

Abstention

None

With 18 senators voting in favor, none against, and no abstention, the Chair declared Proposed Senate Resolution No. 453 approved on Third Reading.

APPROVAL OF SENATE BILL NO. 2410 ON THIRD READING

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading, Senate Bill No. 2410, printed copies of which were distributed to the senators on September 30, 2008.

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

AN ACT TO PROVIDE FOR RESEARCH ON POSTPARTUM SYNDROME.

Acting Secretary Bellen called the roll for nominal voting.

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RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Escudero
Aquino	Honasan
Arroyo	Lapid
Biazon	Madrigal
Cayetano (A)	Pangilinan
Cayetano (P)	Pimentel
Defensor Santiago	Revilla
Ejercito Estrada	Villar
Enrile	Zubiri

Against

None

Abstention

None

With 18 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 2410 approved on Third Reading.

APPROVAL OF SENATE BILL NO. 2553 ON THIRD READING

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading, Senate Bill No. 2553, printed copies of which were distributed to the senators on September 30, 2008.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Pangilinan, there being objection, the Acting Secretary read only the title of the bill, to wit:

AN ACT ESTABLISHING A COMPREHENSIVE FIRE CODE OF THE PHILIPPINES, REPEALING PRESIDENTIAL DECREE NO. 1185 AND FOR OTHER PURPOSES.

Acting Secretary Bellen called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Escudero
Aquino	Honasan
Arroyo	Lapid
Biazon	Madrigal
Cayetano (A)	Pangilinan
Cayetano (P)	Pimentel
Defensor Santiago	Revilla
Ejercito Estrada	Villar
Enrile	Zubiri

Against

None

Abstention

None

With 18 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 2553 approved on Third Reading.

MANIFESTATION OF SENATOR PANGILINAN

At this juncture, Senator Pangilinan recalled that last September 8, 2008, the Senate adopted Senate Resolution No. 114, congratulating and commending 13-year old Filipino skater Anna Isabela "Isay" Villafuerte for winning 11 gold, six silver and three bronze medals in the Figure Skating Competition held in the United States of America.

As has been the tradition of the Senate, Senator Pangilinan informed the Body that Ms. Villafuerte would be presented the Resolution of Commendation by Senate President Villar.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended to allow the Senate President to present the resolution to Ms. Villafuerte.

It was 4:23 p.m.

RESUMPTION OF SESSION

At 4:26 p.m., the session was resumed.

Handwritten initials

ANNOUNCEMENT OF SENATOR PANGILINAN

Senator Pangilinan announced that the session would be suspended to allow the senators to go into an all-senators caucus to discuss what priority measures would be tackled in the coming session days even on Thursday, depending on the outcome of the discussion.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:27 p.m.

RESUMPTION OF SESSION

At 4:28 p.m., the session was resumed.

SENATE CONFEREES

Upon nomination by Senator Pangilinan, there being no objection, the Senate President designated the following as members of the Senate panel in the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 2046 (Renewable Energy) and its counterpart House Bill No. 4193: Senator Angara as chair, and as members, Senators Enrile, Escudero and Zubiri, on the part of the Majority; and Senators Biazon and Legarda, on the part of the Minority.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 4:30 p.m.

RESUMPTION OF SESSION

At 5:29 p.m., the session was resumed with Senate President Pro Tempore Ejercito Estrada presiding.

COMMITTEE REPORT NO. 84 ON SENATE BILL NO. 2486

(Continuation)

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

Second Reading, of Senate Bill No. 2486 (Committee Report No. 84), entitled

AN ACT FURTHER AMENDING
PRESIDENTIAL DECREE NO. 198,
AS AMENDED, OTHERWISE KNOWN
AS "THE PROVINCIAL WATER
UTILITIES ACT OF 1973."

The Chair recognized Senator Revilla for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR REVILLA

In his sponsorship of Senate Bill No. 2486, Senator Revilla delivered the following speech:

The Committee on Public Works, joint with the Committees on Public Services, and Finance, hereby submits Committee Report No. 84, entitled "An Act Further Amending Presidential Decree No. 198, as Amended, Otherwise known as "The Provincial Water Utilities Act of 1973."

Hayaan po ninyo akong magbigay ng maikling paliwanag sa Committee Report na ito. Nilalayan ng panukalang ito na patibayin ang LWUA o Local Water Utilities Administration. Ginagawa natin ito para masiguro ang malinis na inuming tubig para sa lahat ng Pilipino.

The Local Water Utilities Administration is mandated by law to establish, finance and administer, as well as promote and develop water supply systems outside Metro Manila. *Ito ay binuo sa pamamagitan ng Presidential Decree No. 198 na naging batas noong September 18, 1973. Sa ilalim ng PD na ito, binigyan ang LWUA ng P 2.5 billion capitalization at borrowing authority hanggang P1 billion para sa mga local sources, at hanggang US\$500 million naman sa foreign loans.*

However, LWUA's capitalization has been fully subscribed and paid for by the national government as early as 1992. In the absence of an increase in its authorized capitalization, Congress had been appropriating subsidies instead of equity to LWUA. Since then, the agency has largely depended on government subsidy for peso counterpart to its foreign loans and support to its urban and provincial water projects.

Today, 35 years after its creation, the water agency currently needs an amendment to its charter to strengthen its financial position.

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This will positively and effectively respond to the need of providing potable water to every Filipino household in the countryside.

Bunga ng napakabilis na paglago ng populasyon sa mga bayan at siyudad sa labas ng Metro Manila, tumitindi ang pangangailangan sa malinis na inuming tubig na ang responsibilidad ay nakaatang sa balikat ng LWUA. Kung hindi mabibigyan ng kakayahan ang LWUA ay baka magkakaroon tayo ng acute shortage sa potable water supply. This means urgent expansion and modernization of water supply projects in the areas covered by the already existing 595 water districts and those that are not yet serviced by any water district.

Higit din namang kailangan tutukan ang halos isang libong mga bayan na primitibo at walang water system. Kabilang dito ang mga waterless barangays at ang mga bayan na nakararanas ng paulit-ulit na epidemya dulot ng kontaminadong inuming tubig.

The 598 water districts that have been formed covering 745 cities and towns throughout the country, provide potable drinking water to some 13.8 million Filipinos. However, 751 towns and cities all over the Philippines still have no water districts.

Through an improved water utility system, economic growth in a community speeds up. It safeguards public health and protects the well-being of the citizenry. The provision of adequate water service is compatible with other ongoing programs of the government and is deemed necessary for the acceleration of socioeconomic development in the areas affected.

Cognizant of the urgency, the necessity and the vital role that improved water supply systems play in the overall socioeconomic progress of the nation, there is need for LWUA to increase its capitalization.

This measure seeks, among others, to increase the authorized capitalization of LWUA from P2.5 billion to P25 billion to enable it to further spread the benefits of improved potable systems particularly to the unserved areas.

LWUA has to align itself with the Millennium Development Goal (MDG) of the government and with the studies of no less than the World Bank.

Under this vision, LWUA's projected investment program for the period of 2008 to 2015 is estimated at P97.6 billion, of which an estimated 40% or P39 billion represents the required peso counterpart to be sourced from the already depleted LWUA capitalization.

In the absence of the General Appropriations Act (GAA)-allocated funds, LWUA intends to source the peso requirement through local borrowings. The incremental P22.5 billion equity derived by subtracting the existing P2.5 billion equity from the proposed P25 billion shall be applied to the P39 billion required peso counterpart of the P97.6 billion projected investment for the period of 2008 to 2015.

Kung hindi natin tataasan ang capitalization ng LWUA, patuloy na malilimitahan dahil sa kakulangan ng pondo ang kakayahan ng LWUA sa pagpapatupad ng kanilang tungkulin na magbigay ng patuloy na tulong pinansyal, teknikal, institusyonal sa mga water districts lalo na sa mga maliliit na water service providers.

Allow me to give equal significance to the proposed increase in LWUA's domestic and foreign borrowing capacities.

Under our committee report, LWUA shall have the authority to borrow money from all domestic and foreign loan sources, whether government or private. Its outstanding loan from domestic and foreign sources at any one time, however, shall not exceed an aggregate ceiling of US\$900 million.

By giving the LWUA the authority to increase its power to borrow money from all domestic and foreign sources, this will ensure availability of capital funds for all its water supply development projects.

Naniniwala po ang Committee on Public Works na kung ma-aprubahan ang panukalang ito ay maaabot po natin ang ating target na sa taong 2015 ay halos 100% ng mga bayan at siyudad sa buong bansa ay mayroon ng kanyakanyang water district na nagbibigay ng malinis na inuming tubig sa bawat tahanan.

Ito po ang dahilan kung kaya't hinihiling natin ang agarang pagpasa ng Senate Bill No. 2486.

To end, I quote W. H. Auden, an Anglo-American poet regarded by many as one of the greatest writers of the 20th century: "Thousands have lived without love, but not one without water."

MANIFESTATION OF SENATOR ZUBIRI

Being a cosponsor and principal coauthor of the measure, Senator Zubiri stated that he would submit his cosponsorship speech to be inserted into the Journal and Record of the Senate at a later date.

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**SUSPENSION OF CONSIDERATION
OF SENATE BILL NO. 2486**

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

**COMMITTEE REPORT NO. 73
ON SENATE BILL NO. 2392**

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2392 (Committee Report No. 73), entitled

AN ACT ESTABLISHING THE MOUNTAINS OF BANAHAW AND SAN CRISTOBAL IN THE PROVINCES OF LAGUNA AND QUEZON AS A PROTECTED AREA, UNDER THE CATEGORY OF PROTECTED LANDSCAPE PROVIDING FOR ITS MANAGEMENT AND FOR OTHER PURPOSES.

Senator Pangilinan stated that the parliamentary status was the period of committee amendments.

Thereupon, the Chair recognized, Senator Cayetano (P) for the committee amendments.

COMMITTEE AMENDMENTS

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

1. On page 1, line 6, change the word "preservation" to CONSERVATION;
2. On page 2, replace the phrase on lines 5 to 7 with the following:

BEGINNING AT A POINT MARKED "1" WHICH IS N 09° 09' 54" W, 10,726.59 METERS FROM BLLM NO. 1 (LATITUDE 13° 55' 48.80" AND LONGITUDE 121° 25' 27.68") OF THE MUNICIPALITY OF CANDELARIA, PROVINCE OF QUEZON;

3. Replace the technical description of Parcel I on lines 8 up to 28 of page 2 up to line 1 of page 14 with the following figures provided by PAWB and NAMRIA :

	Cor	Bearing	Distance	
1	N39°0'W	235.00	meters to corner	2
2	N39°0'W	459.00	meters to corner	3
3	N51°0'W	153.00	meters to corner	4
4	N76°0'E	144.30	meters to corner	5
5	N59°0'E	81.70	meters to corner	6
6	N28°0'W	117.50	meters to corner	7
7	N30°0'W	367.30	meters to corner	8
8	N77°0'W	251.20	meters to corner	9
9	N26°0'E	565.40	meters to corner	10
10	N46°28'E	170.00	meters to corner	11
11	N81°7'E	326.70	meters to corner	12
12	N39°14'E	162.20	meters to corner	13
13	N34°45'E	218.30	meters to corner	14
14	N21°13'E	196.90	meters to corner	15
15	N18°28'W	171.30	meters to corner	16
16	N0°40'E	80.90	meters to corner	17
17	N63°54'W	81.90	meters to corner	18
18	N81°47'W	135.80	meters to corner	19
19	N1°51'W	173.90	meters to corner	20
20	N25°27'W	77.40	meters to corner	21
21	S80°12'W	166.10	meters to corner	22
22	S20°36'W	482.90	meters to corner	23
23	S12°43'W	187.50	meters to corner	24
24	N82°4'W	149.60	meters to corner	25
25	S6°26'E	112.80	meters to corner	26
26	S63°1'E	117.50	meters to corner	27
27	S30°47'W	121.50	meters to corner	28
28	S23°2'W	115.00	meters to corner	29
29	N70°2'W	404.80	meters to corner	30
30	N35°27'E	145.60	meters to corner	31
31	N27°30'E	171.50	meters to corner	32
32	N6°42'W	412.40	meters to corner	33
33	N16°30'W	384.50	meters to corner	34
34	N38°0'W	93.10	meters to corner	35
35	N89°40'W	137.80	meters to corner	36
36	S0°30'W	71.70	meters to corner	37
37	S18°20'W	236.80	meters to corner	38
38	S11°30'W	190.30	meters to corner	39
39	S80°20'W	176.90	meters to corner	40
40	N65°0'W	410.70	meters to corner	41
41	N65°0'W	667.40	meters to corner	42
42	N65°0'W	515.40	meters to corner	43
43	N29°15'W	867.50	meters to corner	44
44	N34°15'W	63.20	meters to corner	45
45	N59°0'E	162.90	meters to corner	46
46	N22°0'W	202.40	meters to corner	47
47	S87°10'W	128.00	meters to corner	48
48	S55°20'W	74.10	meters to corner	49
49	N55°15'W	51.30	meters to corner	50
50	N30°30'W	374.80	meters to corner	51
51	N74°10'E	290.00	meters to corner	52
52	N79°30'W	356.50	meters to corner	53
53	N24°0'E	325.60	meters to corner	54
54	S83°0'W	131.80	meters to corner	55
55	N44°0'W	153.50	meters to corner	56
56	S85°0'E	282.70	meters to corner	57

MS

57	S70°3'E	299.80	meters to corner	58	115	S55°12'E	111.20	meters to corner	116
58	S83°56'E	209.80	meters to corner	59	116	N50°34'E	258.80	meters to corner	117
59	N8°0'W	109.50	meters to corner	60	117	S51°1'E	56.20	meters to corner	118
60	N67°5'E	92.90	meters to corner	61	118	N19°37'E	163.20	meters to corner	119
61	S34°56'E	119.60	meters to corner	62	119	N60°38'E	192.60	meters to corner	120
62	N22°0'E	190.60	meters to corner	63	120	N7°58'E	130.10	meters to corner	121
63	N18°0'E	114.10	meters to corner	64	121	N52°30'E	224.00	meters to corner	122
64	N7°0'W	179.90	meters to corner	65	122	S39°39'E	215.10	meters to corner	123
65	N82°0'E	743.80	meters to corner	66	123	N76°29'E	156.10	meters to corner	124
66	N37°30'E	317.90	meters to corner	67	124	S62°27'E	488.90	meters to corner	125
67	N39°0'E	87.00	meters to corner	68	125	S62°42'E	913.00	meters to corner	126
68	N66°43'E	514.80	meters to corner	69	126	S47°41'E	496.10	meters to corner	127
69	N9°50'E	189.10	meters to corner	70	127	S62°16'E	616.10	meters to corner	128
70	N77°33'E	246.50	meters to corner	71	128	S62°26'E	500.90	meters to corner	129
71	N79°5'E	442.30	meters to corner	72	129	S61°56'E	545.30	meters to corner	130
72	S42°45'E	305.00	meters to corner	73	130	S62°32'W	552.90	meters to corner	131
73	S60°33'E	245.50	meters to corner	74	131	S71°14'W	449.60	meters to corner	132
74	N50°20'E	214.30	meters to corner	75	132	S17°45'E	446.60	meters to corner	133
75	S50°30'E	498.70	meters to corner	76	133	N83°11'E	251.00	meters to corner	134
76	S6°30'W	86.70	meters to corner	77	134	N34°23'E	818.20	meters to corner	135
77	S88°5'E	192.40	meters to corner	78	135	N81°39'E	309.50	meters to corner	136
78	S62°0'E	300.00	meters to corner	79	136	S61°52'E	159.10	meters to corner	137
79	S12°37'W	276.60	meters to corner	80	137	S42°9'W	391.20	meters to corner	138
80	S14°20'E	150.90	meters to corner	81	138	S9°32'E	594.10	meters to corner	139
81	N37°0'E	174.20	meters to corner	82	139	N71°3'E	669.90	meters to corner	140
82	N67°0'E	247.80	meters to corner	83	140	S22°57'E	496.30	meters to corner	141
83	S50°0'E	221.30	meters to corner	84	141	S46°52'W	70.20	meters to corner	142
84	N62°14'E	490.80	meters to corner	85	142	S31°0'E	115.80	meters to corner	143
85	N41°35'E	1585.30	meters to corner	86	143	N56°19'E	50.90	meters to corner	144
86	N14°14'E	500.30	meters to corner	87	144	S22°53'E	818.90	meters to corner	145
87	S50°0'E	173.10	meters to corner	88	145	S23°3'E	1136.60	meters to corner	146
88	N9°37'W	396.40	meters to corner	89	146	S43°30'W	254.80	meters to corner	147
89	N15°33'E	178.80	meters to corner	90	147	N65°47'W	902.90	meters to corner	148
90	N66°0'E	225.60	meters to corner	91	148	S13°55'W	330.70	meters to corner	149
91	N7°2'E	316.90	meters to corner	92	149	S64°46'E	728.40	meters to corner	150
92	N83°28'E	940.00	meters to corner	93	150	S42°57'W	269.10	meters to corner	151
93	N46°24'E	83.40	meters to corner	94	151	S43°4'W	292.60	meters to corner	152
94	S44°3'E	145.00	meters to corner	95	152	N81°38'W	53.90	meters to corner	153
95	N35°16'E	97.40	meters to corner	96	153	N27°56'W	262.50	meters to corner	154
96	N38°9'W	157.80	meters to corner	97	154	S9°33'E	292.60	meters to corner	155
97	N47°1'E	307.40	meters to corner	98	155	N61°59'W	119.30	meters to corner	156
98	N45°32'E	265.70	meters to corner	99	156	S4°43'W	350.40	meters to corner	157
99	S40°53'E	69.40	meters to corner	100	157	S43°4'W	280.70	meters to corner	158
100	N49°43'E	110.50	meters to corner	101	158	S23°14'E	2180.00	meters to corner	159
101	S78°23'E	68.30	meters to corner	102	159	S61°58'W	2545.00	meters to corner	160
102	N58°7'E	176.50	meters to corner	103	160	N40°13'W	695.00	meters to corner	161
103	N37°30'E	147.30	meters to corner	104	161	S39°12'W	810.80	meters to corner	162
104	N56°51'W	175.20	meters to corner	105	162	N42°45'W	3.70	meters to corner	163
105	N47°19'E	278.40	meters to corner	106	163	S60°28'W	59.40	meters to corner	164
106	N47°14'E	331.00	meters to corner	107	164	N33°37'W	14.20	meters to corner	165
107	N85°1'E	192.00	meters to corner	108	165	S55°32'W	93.30	meters to corner	166
108	S4°19'E	267.30	meters to corner	109	166	S44°7'E	65.50	meters to corner	167
109	S77°46'E	102.20	meters to corner	110	167	S39°12'W	320.00	meters to corner	168
110	S4°50'E	290.50	meters to corner	111	168	S39°12'W	434.10	meters to corner	169
111	S79°5'E	58.50	meters to corner	112	169	N50°49'W	184.00	meters to corner	170
112	N3°5'E	217.20	meters to corner	113	170	S39°20'W	190.00	meters to corner	171
113	N48°21'E	185.20	meters to corner	114	171	S50°49'E	180.00	meters to corner	172
114	S27°17'E	158.50	meters to corner	115	172	S30°20'E	2.90	meters to corner	173

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173	S39°12'W	320.00	meters to corner 174	231	N9°20'W	159.20	meters to corner 232
174	S10°46'W	1424.00	meters to corner 175	232	N19°1'W	247.00	meters to corner 233
175	N89°39'W	360.00	meters to corner 176	233	S77°53'W	77.00	meters to corner 234
176	N1°14'W	41.30	meters to corner 177	234	S20°34'E	155.80	meters to corner 235
177	N33°57'E	51.70	meters to corner 178	235	S22°48'E	80.70	meters to corner 236
178	N49°56'E	41.40	meters to corner 179	236	S16°59'E	124.30	meters to corner 237
179	N9°35'E	51.00	meters to corner 180	237	S32°7'E	74.50	meters to corner 238
180	N45°12'W	61.80	meters to corner 181	238	S9°20'E	183.70	meters to corner 239
181	N5°15'W	39.80	meters to corner 182	239	S7°36'E	156.90	meters to corner 240
182	N10°53'E	41.30	meters to corner 183	240	N86°15'W	650.00	meters to corner 241
183	N53°14'E	64.90	meters to corner 184	241	N10°50'E	211.80	meters to corner 242
184	N1°44'E	85.70	meters to corner 185	242	N65°4'W	266.00	meters to corner 243
185	N1°37'W	49.60	meters to corner 186	243	N59°22'W	365.40	meters to corner 244
186	N54°32'W	52.80	meters to corner 187	244	N14°28'W	342.60	meters to corner 245
187	N23°48'W	41.80	meters to corner 188	245	S77°46'W	730.00	meters to corner 246
188	N22°34'W	67.50	meters to corner 189	246	S0°20'E	60.40	meters to corner 247
189	N23°39'W	17.60	meters to corner 190	247	S13°7'W	37.00	meters to corner 248
190	N35°13'E	52.50	meters to corner 191	248	S25°52'E	38.00	meters to corner 249
191	N45°24'E	45.80	meters to corner 192	249	S46°20'E	93.50	meters to corner 250
192	N16°31'E	40.70	meters to corner 193	250	S73°14'W	35.30	meters to corner 251
193	N82°32'E	31.70	meters to corner 194	251	S35°4'W	47.50	meters to corner 252
194	N25°20'E	19.50	meters to corner 195	252	S39°16'W	107.20	meters to corner 253
195	N57°23'E	21.80	meters to corner 196	253	S8°53'E	54.40	meters to corner 254
196	N5°28'W	13.20	meters to corner 197	254	S50°3'E	86.10	meters to corner 255
197	S41°56'W	24.90	meters to corner 198	255	S7°34'E	54.50	meters to corner 256
198	S53°3'W	28.60	meters to corner 199	256	S45°34'W	53.20	meters to corner 257
199	N85°30'W	24.60	meters to corner 200	257	S4°17'W	38.90	meters to corner 258
200	N65°54'W	44.00	meters to corner 201	258	N73°2'W	719.00	meters to corner 259
201	N46°33'W	57.10	meters to corner 202	259	N15°50'E	2626.40	meters to corner 260
202	N77°34'W	28.10	meters to corner 203	260	N80°1'W	287.30	meters to corner 261
203	S80°7'W	45.00	meters to corner 204	261	S14°51'W	2592.80	meters to corner 262
204	S87°3'W	55.00	meters to corner 205	262	N73°2'W	543.40	meters to corner 263
205	N54°37'W	52.50	meters to corner 206	263	N40°18'W	171.00	meters to corner 264
206	N23°12'W	31.30	meters to corner 207	264	N17°19'W	99.20	meters to corner 265
207	N3°36'W	45.70	meters to corner 208	265	N35°22'E	613.20	meters to corner 266
208	N29°40'E	42.80	meters to corner 209	266	N26°46'E	682.90	meters to corner 267
209	N10°40'E	34.70	meters to corner 210	267	N45°53'E	408.30	meters to corner 268
210	N80°20'W	45.00	meters to corner 211	268	N22°49'E	514.70	meters to corner 269
211	N51°19'W	25.50	meters to corner 212	269	N30°10'W	237.00	meters to corner 270
212	N36°49'W	121.30	meters to corner 213	270	N48°40'W	575.40	meters to corner 271
213	N3°19'W	36.30	meters to corner 214	271	N38°10'W	228.60	meters to corner 272
214	N61°19'E	58.30	meters to corner 215	272	S13°54'W	227.80	meters to corner 273
215	N29°10'W	35.80	meters to corner 216	273	S27°14'E	88.90	meters to corner 274
216	N62°14'W	33.10	meters to corner 217	274	S0°53'W	155.00	meters to corner 275
217	N49°8'W	92.70	meters to corner 218	275	S27°6'W	301.30	meters to corner 276
218	S76°58'W	204.00	meters to corner 219	276	S29°14'W	128.80	meters to corner 277
219	N73°52'W	27.70	meters to corner 220	277	S23°30'W	33.50	meters to corner 278
220	S54°55'W	850.00	meters to corner 221	278	N49°12'W	289.70	meters to corner 279
221	S18°57'W	73.80	meters to corner 222	279	S43°16'W	79.70	meters to corner 280
222	S36°53'E	0.30	meters to corner 223	280	N82°15'W	145.00	meters to corner 281
223	S30°2'E	203.40	meters to corner 224	281	N16°52'W	78.00	meters to corner 282
224	S24°2'E	62.40	meters to corner 225	282	S81°44'W	72.50	meters to corner 283
225	S64°39'W	9.00	meters to corner 226	283	S39°0'W	258.90	meters to corner 284
226	S52°57'W	262.80	meters to corner 227	284	S53°4'W	103.10	meters to corner 285
227	S19°55'E	198.10	meters to corner 228	285	S66°43'W	228.70	meters to corner 286
228	S22°1'E	29.50	meters to corner 229	286	S34°47'W	86.70	meters to corner 287
229	N89°39'W	67.40	meters to corner 230	287	N61°30'W	79.00	meters to corner 288
230	N26°5'W	423.50	meters to corner 231	288	S54°27'W	87.20	meters to corner 289

289 S31°3'W 176.70 meters to corner 290
 290 S86°7'W 574.80 meters to corner 291
 291 S89°35'W 149.40 meters to corner 292
 292 N19°30'E 249.00_ ;

4. On page 14, lines 2 and 3, change the words and figures from "eleven thousand sixty-four and 35/100 (11,064.35)" to TEN THOUSAND SEVEN HUNDRED EIGHTY-FOUR AND 5/100 (10,784.05);
5. On page 15, lines 3 and 4, change the words and figures "eleven thousand one hundred seventy-seven and 81/100 (11,177.81)" to TEN THOUSAND NINE HUNDRED AND 59/100 (10,900.59);
6. On the same page, replace the sentence on lines 5 and 6 with the following: THE DENR-NATIONAL MAPPING AND RESOURCE INFORMATION AUTHORITY (NAMRIA) SHALL VALIDATE THE TECHNICAL DESCRIPTIONS PROVIDED IN THIS ACT THROUGH GROUND SURVEY/DEMARCA-TION AND SHALL CREATE APPROPRIATE MAPS THEREFOR;
7. On page 16, after line 23, insert a new subsection to read:
 (N) "MANAGEMENT BOARD" REFERS TO THE MANAGEMENT BOARD OF THE MBSOPL;
8. On the same page, after line 26, insert the following subsections:
 () "MBSOPL "REFERS TO THE MTS. BANAHAW-SAN CRISTOBAL PRO-TECTED LANDSCAPE;
 () "MBSOPL FUND" REFERS TO THE REVOLVING FUND TO BE ESTAB-LISHED FOR THE PURPOSE OF FINANCING PROJECTS IN THE MBSOPL;
9. On page 18, after line 5, insert a new subsection to read:
 () "PROTECTED AREA SUPERINTENDENT (PASu)" REFERS TO THE CHIEF OPERATING DENR OFFICER OF THE MBSOPL;
10. Reletter the subsections accordingly;
11. On page 19, line 2 and wherever found in the bill, replace the acronym "PAMB" with the words MANAGEMENT BOARD;
12. On page 20, lines 10 and 11, delete the sentence "Their nominations shall be conducted in a joint meeting of the current members of the interim PAMB duly called for the purpose:";

13. On the same page, delete lines 13 to 16;
14. On the same page, line 18, between the words "their "and "duty," insert DUTIES THE;

SUSPENSION OF SESSION

Upon motion of Senator Cayetano (P), the session was suspended.

It was 5:48 p.m.

RESUMPTION OF SESSION

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

FURTHER COMMITTEE AMENDMENTS

15. On the same page, line 20, between the words "Act" and "are," insert THE NIPAS ACT AND ITS IMPLEMENTING RULES AND REGULATIONS;
16. On page 21, lines 11 and 12, and on page 22, line 2, change the phrase and acronym "Protected Area Superintendent (PASu)" to PASu ;
17. On page 23 line 1, between the words "Regional" and "Director," insert EXECU-TIVE;
18. On the same page, line 9, replace the word "trust" with REVOLVING;
19. On the same page, delete the provision starting with the word "Seventy-five" on line 10 up to the period (.) on line 17;
20. On the same page, line 22, after the acronym "MBSOPL" and period (.), insert the follow-ing:

PROVIDED, THAT THE SEVENTY-FIVE PERCENT (75%) SHALL BE SET ASIDE AND RETAINED BY THE MANAGEMENT BOARD WHICH SHALL APPROPRIATE THE SAME EXCLUSIVELY FOR THE MANAGEMENT AND OPERATION OF THE MBSOPL. PROVIDED, FURTHER, THAT THE REMAINING TWENTY-FIVE PERCENT (25%) SHALL BE REMITTED TO THE INTEGRATED PROTECTED AREAS FUND (IPAF);
21. On page 25 line 2, change the title "Utilization of Resources" to RENEWABLE AND NON-RENEWABLE RESOURCES;
22. On the same page, line 3, before the word "Energy," insert RENEWABLE; *AP*

23. On the same page, line 28, between the words "act" and "shall," insert AND/OR A FINE AT LEAST TRIPLE THE VALUE OF THE SAID RESOURCES; and
24. On line page 26, line 24, between the words "endemic" and "and," insert SPECIES.

EDITORIAL CORRECTIONS

Senator Cayetano (P) submitted the following editorial corrections:

1. On page 1, line 10, change the letter "I" of the word "Institutional" to lower case;
2. On page 15, line 21, capitalize the letter "r" in the word "resources";
3. On the same page, same line, delete the letter "s" in the word "includes";
4. On page 16, line 1, delete the letter "s" in the word "refers";
5. On the same page, line 4, capitalize the letter "d" in the word "derivatives";
6. On the same page, same line, delete the letter "s" in the word "means";
7. On the same page, line 7, replace the word "is" with REFERS TO;
8. On the same page, line 9, delete the words "preservation and";
9. On the same page, line 13, capitalize the first letter "s" in the word "species";
10. On the same page, same line, delete the letter "s" in the word "refers";
11. On the same page, line 16, capitalize the first letter "s" in the word "species";
12. On the same page, same line, replace the word "means" with REFER TO;
13. On the same page, line 18, capitalize the first letter "s" in the word "species";
14. On the same page, same line, replace the word "means" with REFER TO;
15. On page 17, line 8, replace the word "is" with REFERS TO;
16. On page 18, line 12, capitalize the letters "u" and "z" in the words "use" and "zone," respectively;
17. On the same page, same line, replace the word "is" with REFERS TO;
18. On the same page, line 15, capitalize the letters "p" and "z" in the words "protection" and "zone," respectively;
19. On the same page, same line, replace the word "is" with REFERS TO;

20. On the same page, line 20, delete the letter "s" in the word "refers;"
21. Capitalize the first letters of the terms defined as they are used in the body of the bill;
22. On page 20, line 6, insert a hyphen (-) between the words "co" and "terminus";
23. On page 23, line 21, delete the word "from" between the words "benefiting" and "the";
24. On page 25, line 15, delete the article "a"; and
25. On page 28, line 25, replace the word "will" with SHALL.

SUSPENSION OF SESSION

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

It was 5:53 p.m.

RESUMPTION OF SESSION

At 5:53 p.m., the session was resumed.

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

There being no other committee amendment, upon motion of Senator Cayetano (P), there being no objection, the Body closed the period of committee amendments and proceeded to the period of individual amendments.

LEGARDA AMENDMENTS

As proposed by Senator Cayetano (P), on behalf of Senator Legarda, there being no objection, the Body approved the following amendments, one after the other:

1. On page 19, line 1, insert a new section to read:

SEC. 6. *MANAGEMENT PLAN*. – THERE SHALL BE A MANAGEMENT PLAN PROMULGATED FOR THE MBSCPL THAT SHALL SERVE AS THE BASIC LONG-TERM FRAMEWORK PLAN IN THE MANAGEMENT OF THE PROTECTED AREA AND GUIDE IN THE PREPARATION OF ITS ANNUAL OPERATIONS PLAN AND BUDGET. WITHIN ONE (1) YEAR FROM THE EFFECTIVITY OF THIS ACT, THE MANAGEMENT PLAN SHALL HAVE BEEN PUT INTO EFFECT FOLLOWING THE

GENERAL MANAGEMENT PLANNING STRATEGY PROVIDED FOR UNDER THE NIPAS ACT AND ACCORDING TO THE PROCEDURE HEREIN SET FORTH. IT SHALL CONTAIN, AMONG OTHERS, THE FOLLOWING:

- (A) THE CATEGORY OF THE PROTECTED AREA;
- (B) PERIOD OF APPLICABILITY OF THE PLAN;
- (C) KEY MANAGEMENT ISSUES;
- (D) GOALS AND OBJECTIVES OF MANAGEMENT IN SUPPORT OF SECTION 2 HEREOF;
- (E) SITE MANAGEMENT STRATEGY;
- (F) MAJOR MANAGEMENT ACTIVITIES, SUCH AS, BUT NOT LIMITED TO ENFORCEMENT OF LAWS, HABITAT AND WILDLIFE MANAGEMENT, SUSTAINABLE USE MANAGEMENT, INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE, AND FIRE AND PEST CONTROL;
- (G) ZONING; AND
- (H) VISITOR MANAGEMENT PROGRAMS.

THE MANAGEMENT PLAN SHALL BE PREPARED BY THE PROTECTED AREA SUPERINTENDENT (PASu) IN COORDINATION WITH THE APPROPRIATE OFFICES OF THE DEPARTMENT, LOCAL COMMUNITIES AND THE NGOs. IT SHALL BE REVIEWED AND APPROVED BY THE MANAGEMENT BOARD AND CERTIFIED BY THE SECRETARY OF THE DEPARTMENT. SUCH CERTIFICATION SHALL BE MANDATORY TO ENSURE THAT THE PLAN CONFORMS TO ALL LAWS AND THE APPLICABLE RULES AND REGULATIONS ISSUED BY THE DEPARTMENT: *PROVIDED, HOWEVER,* THAT THE SECRETARY MAY REVISE AND MODIFY THE PROTECTION AND CONSERVATION PLAN, AFTER CONSULTATION WITH THE MANAGEMENT BOARD, PRIOR TO CERTIFICATION TO ENSURE CONFORMITY WITH APPLICABLE LAWS, RULES AND REGULATIONS.

A YEAR BEFORE THE EXPIRATION OF THE PERIOD OF THE APPLICABILITY OF THE PLAN IN EFFECT, THE PASu SHALL CAUSE PUBLICATION OF NOTICES FOR COMMENTS AND SUGGESTIONS ON THE SUCCESSOR PLAN IN A NEWSPAPER OF GENERAL CIRCULATION IN

THE CONCERNED MUNICIPALITIES. NOTICES SHALL ALSO BE POSTED IN THE RESPECTIVE PROVINCIAL AND MUNICIPAL HALLS OF THE CONCERNED PROVINCES AND MUNICIPALITIES AS WELL AS IN THE BARANGAY HALLS BOUNDING OR IMMEDIATELY ADJACENT TO THE PROTECTED LANDSCAPE. THE PROPOSED PLAN SHALL BE MADE AVAILABLE TO THE PUBLIC DURING THE PERIOD FOR COMMENT AND A FINAL PLAN SHALL LIKEWISE BE MADE AVAILABLE FOR PUBLIC PERUSAL AT THE OFFICE OF THE PASu UPON THE APPROVAL OF THE MANAGEMENT BOARD; *PROVIDED,* THAT, THE PLANS SHALL BE PLAINLY WRITTEN IN A LANGUAGE UNDERSTANDABLE IN THE AREA.”

- 2. On page 23, line 3, renumber “Section 9” to Section 10;
- 3. On the same page, same line, delete the words “Management Plan”; and
- 4. On the same page, line 7, delete the word “such,” and replace the phrase “as the PAMB may see fit” with PURSUANT TO SECTION 6 OF THIS ACT.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

There being no other individual amendment, upon motion of Senator Cayetano (P), there being no objection, the Body closed the period of individual amendments.

APPROVAL OF SENATE BILL NO. 2392 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 2392 was approved on Second Reading.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 5:59 p.m.

RESUMPTION OF SESSION

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

COSPONSORSHIP SPEECH OF SENATOR LEGARDA

Senator Pangilinan manifested that Senator Legarda, who has requested that she be made cosponsor of Senate Bill No. 2468 (Amendments to "The Provincial Water Utilities Act of 1973"), would submit her cosponsorship speech to be inserted into the Journal and Record of the Senate.

COMMITTEE REPORT NO. 74 ON SENATE BILL NO. 2393

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2393 (Committee Report No. 74), entitled

AN ACT ESTABLISHING THE APO REEF IN SABLAYAN, OCCIDENTAL MINDORO AS PROTECTED AREA UNDER THE CATEGORY OF NATURAL PARK AND ITS PERIPHERAL WATERS AS BUFFER ZONES, PROVIDING FOR ITS MANAGEMENT, AND FOR OTHER PURPOSES.

Senator Pangilinan stated that the parliamentary status was the period of committee amendments.

Thereupon, the Chair recognized Senator Cayetano (P) for the committee amendments.

COMMITTEE AMENDMENTS

As proposed by Senator Cayetano (P), there being no objection, the Body approved the following committee amendments, one after the other:

1. On page 1, lines 11 to 13, transpose Section 3 (*Land Classification*) to page 2, after line 24;
2. On page 2, between lines 9 and 10, insert the following sentence:

THE DENR-NATIONAL MAPPING AND RESOURCE INFORMATION AUTHORITY (NAMRIA) SHALL VALIDATE THE TECHNICAL DESCRIPTION PROVIDED IN THIS ACT THROUGH ACTUAL SURVEYS/DEMARCATIION. THE METES AND BOUNDS OF THE ARNP SHALL BE

INDICATED ON THE MAP AND/OR NAUTICAL CHART.

3. On page 3, line 1, insert the following subsections:
 - (A) "ARNP" REFERS TO THE APO REEF NATURAL PARK.;
 - (B) "ARNP REVOLVING FUND" REFERS TO THE REVOLVING FUND TO BE ESTABLISHED FOR THE PURPOSE OF FINANCING PROJECTS IN THE ARNP;
4. On page 4, after line 16, insert a new subsection to read:

"MANAGEMENT BOARD" REFERS TO THE MANAGEMENT BOARD OF ARNP.;
5. On page 6, after line 5, insert a new subsection to read:

"PROTECTED AREA SUPERINTENDENT (PASu)" REFERS TO THE CHIEF OPERATING DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR) OFFICER OF THE ARNP.;
6. Reletter the subsections accordingly;
7. On page 7, line 4, change the title of Section 7 to MANAGEMENT OF THE APO REEF NATURAL PARK;
8. On the same page, line 6, and wherever it appears in the bill, replace the acronym PAMB with the words MANAGEMENT BOARD;
9. Delete lines 25 and 26 on page 7 and lines 1 and 2 on page 8;
10. On page 8, lines 10 and 11, delete the sentence "Their nominations shall be conducted in a joint meeting of the current members of the interim PAMB duly called for the purpose:"
11. On the same page, line 19, after the words "among their," insert DUTIES THE and thereafter delete the comma (,) after the word "duty";

SUSPENSION OF SESSION

Upon motion of Senator Cayetano (P), the session was suspended.

It was 6:18 p.m.

RESUMPTION OF SESSION

At 6:18 p.m., the session was resumed. *MS*

FURTHER COMMITTEE AMENDMENTS

12. On the same page, line 21, between the words "Act" and "are," insert a comma (,) and the phrase THE NIPAS ACT AND ITS IMPLEMENTING RULES AND REGULATIONS;
13. On page 11, delete lines 20 to 26;
14. On page 12, delete the paragraph starting from the words "The Department of" on line 1 up to the period (.) on line 8, and in lieu thereof, insert the following:

WITHIN THIRTY (30) DAYS FROM THE EFFECTIVITY OF THIS ACT, THE DEPARTMENT OF JUSTICE (DOJ) SHALL APPOINT A SPECIAL PROSECUTOR TO WHOM ALL CASES OF VIOLATION OF LAWS, RULES AND REGULATIONS IN THE ARNP SHALL BE ASSIGNED. SUCH SPECIAL PROSECUTOR SHALL COORDINATE WITH THE MANAGEMENT BOARD AND THE PASu IN THE PERFORMANCE OF HIS/HER DUTIES AND ASSIST IN THE TRAINING OF WARDENS AND RANGERS IN ARREST AND OTHER CRIMINAL PROCEDURES. THE MANAGEMENT BOARD MAY RETAIN THE SERVICES OF COUNSEL TO PROSECUTE AND/OR ASSIST IN THE PROSECUTION OF CASES UNDER THE DIRECT CONTROL AND SUPERVISION OF THE REGULAR OR SPECIAL PROSECUTOR AND TO DEFEND THE MEMBERS OF THE MANAGEMENT BOARD. THE PASu AND THE STAFF OR ANY PERSON ASSISTING IN THE PROTECTION, CONSERVATION AND SUSTAINABLE DEVELOPMENT OF THE ARNP AGAINST ANY LEGAL ACTION RELATED TO THEIR POWERS, FUNCTIONS AND RESPONSIBILITIES AS PROVIDED IN THIS ACT OR AS DELEGATED OR TASKED BY THE MANAGEMENT BOARD.

15. On the same page, line 20, replace the words and figure "from Fifty Thousand Pesos (P50,000.00) to" with NOT LESS THAN TWENTY THOUSAND PESOS (P20,000.00) AND NOT MORE THAN;
16. On page 13, lines 16 to 18, replace the phrase "of six (6) months to one (1) year, and fine of not less than Five Thousand Pesos (P5,000)" with SIX (6) YEARS AND ONE (1) DAY TO TWELVE (12) YEARS, AND/OR FINE OF ONE HUNDRED THOUSAND PESOS (P100,000.00), PLUS AN ADDITIONAL FINE OF TWENTY THOUSAND PESOS (20,000.00) TO FIFTY THOUSAND

PESOS (P50,000.00) FOR EVERY DAY THAT EACH VIOLATION SUBSISTS.;

17. On page 14, line 15, delete the words "of forfeiture";
18. On page 16, line 22, after the word "vessels," change the period (.) to comma (,) and insert the following: *PROVIDED, THAT THE OFFENDER ACTING UPON THE ORDERS OF THE OPERATOR, BOAT CAPTAIN, MASTER FISHERMAN, AND RECRUITER OR ORGANIZER OF FISHWORKERS SHALL SUFFER A PENALTY ONE DEGREE LOWER, FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) AND NOT MORE THAN ONE HUNDRED THOUSAND PESOS (P100,000.00).*;
19. On page 21, line 4, and wherever found in the bill, change the word "Trust" to REVOLVING;
19. On the same page, line 19, replace the words "National Treasury" with INTEGRATED PROTECTED AREAS FUND (IPAF);
20. On the same page, line 25, change the title of Section 29 from "*Utilization of Resources*" to ENERGY AND NON-RENEWABLE RESOURCES; and
21. On page 22, replace the paragraph starting with the words "This Act" on line 24 up to the period (.) on line 4 of page 23 with the following:

THIS ACT SHALL TAKE EFFECT FIFTEEN (15) DAYS AFTER ITS COMPLETE PUBLICATION IN THE *OFFICIAL GAZETTE* OR IN A NATIONAL NEWSPAPER OF GENERAL CIRCULATION AVAILABLE IN THE ARNP.

EDITORIAL CORRECTIONS

Senator Cayetano (P) submitted the following editorial corrections:

1. On page 3, line 1, delete the word "shall" and append the letter "s" after the word "refer";
2. On the same page, line 3, delete the word "are" and replace it with "refer to";
3. On the same page, line 6, delete the word "is" and replace it with "refers to";
4. On the same page, line 8, change the first letter "f" of the words "fisher" and fisherfolk" respectively to upper case;
5. On the same page, line 8, delete the word "shall" and append the letter "s" after the word "refer";

rc

6. On the same page, line 11, and page 3, line 13, delete the word "shall" and append the letter "s" after the word "mean";
7. On the same page, line 16, change the first letter "s" of the word "species" to upper case;
8. On the same page, line 16, delete the word "shall";
9. On the same page, change the first letter "s" of the word "species" to upper case;
10. On the same page, line 19, delete the word "shall";
11. On the same page, line 21, and page 3, line 25, delete the word "shall" and append the letter "s" after the word "refer";
12. On page 4, line 1, delete the word "shall" and append the letter "s" after the word "mean";
13. On the same page, line 3, delete the word "shall" and append the letter "s" after the word "refer";
14. On the same page, line 6, delete the word "shall" and append the letter "s" after the word "mean";
15. On the same page, line 8, and page 4, line 13, delete the word "shall" and append the letter "s" after the word "refer";
16. On the same page, line 17, change the letter "p" of the word "plan" to upper case;
17. On the same page, line 17, delete the word "shall" and append the letter "s" after the word "refer";
18. On the same page, line 20, change the first letter "f" of the words "fisher" and "fisher-folk" respectively to upper case;
19. On the same page, line 20, page 4, line 23, page 5, line 3, page 5, line 8, page 5, line 12, and page 5, line 16, delete the word "shall" and append the letter "s" after the word "refer";
20. On page 5, line 18, delete the word "shall" and append the letter "s" after the word "mean";
21. On the same page, line 23, page 5, line 26, and page 6, line 3, delete the word "shall" and append the letter 's' after the word "refer";
22. On page 6, line 6, delete the word "shall";
23. On the same page, line 14, delete the word "shall" and append the letter "s" after the word "refer";
24. On the same page, line 20, delete the word "shall";

25. On page 7, line 1, delete the word "shall" and append the letter "s" after the word "refer"; and
26. As an omnibus correction for the terms defined, capitalize all the first letters of the terms as they used in the body of the bill.

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.

LEGARDA AMENDMENTS

As proposed by Senator Cayetano (P), on behalf of Senator Legarda, there being no objection, the Body approved the following amendments one after the other:

1. On page 7, between lines 3 and 4, insert a new section to read:

SEC. 7. MANAGEMENT PLAN. – THERE SHALL BE A MANAGEMENT PLAN PROMULGATED FOR THE ARNP THAT SHALL SERVE AS THE BASIC LONG-TERM FRAMEWORK PLAN IN THE MANAGEMENT OF THE PROTECTED AREA AND GUIDE IN THE PREPARATION OF ITS ANNUAL OPERATIONS PLAN AND BUDGET.

WITHIN ONE (1) YEAR FROM THE EFFECTIVITY OF THIS ACT, THE MANAGEMENT PLAN SHALL HAVE BEEN PUT INTO EFFECT FOLLOWING THE GENERAL MANAGEMENT PLANNING STRATEGY PROVIDED FOR UNDER THE NIPAS ACT AND ACCORDING TO THE PROCEDURE HEREIN SET FORTH. IT SHALL CONTAIN, AMONG OTHERS, THE FOLLOWING:

- A) THE CATEGORY OF THE PROTECTED AREA;
- B) PERIOD OF APPLICABILITY OF THE PLAN;
- C) KEY MANAGEMENT ISSUES;
- D) GOALS AND OBJECTIVES OF MANAGEMENT IN SUPPORT OF SECTION 2 HEREOF;
- E) SITE MANAGEMENT STRATEGY;

[Handwritten signature]

- F) MAJOR MANAGEMENT ACTIVITIES, SUCH AS, BUT NOT LIMITED TO ENFORCEMENT OF LAWS, HABITAT AND WILDLIFE MANAGEMENT, SUSTAINABLE USE MANAGEMENT, INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE AND FIRE PEST CONTROL;
- G) ZONING; AND
- H) VISITOR MANAGEMENT PROGRAMS.

THE MANAGEMENT PLAN SHALL BE PREPARED BY THE PROTECTED AREAS SUPERINTENDENT (PAS) IN COORDINATION WITH THE APPROPRIATE OFFICES OF THE DEPARTMENT, LOCAL COMMUNITIES AND THE NGOS. IT SHALL BE REVIEWED AND APPROVED BY THE MANAGEMENT BOARD AND CERTIFIED BY THE SECRETARY OF THE DEPARTMENT. SUCH CERTIFICATION SHALL BE MANDATORY TO ENSURE THAT THE PLAN CONFORMS TO ALL LAWS AND APPLICABLE RULES AND REGULATIONS ISSUED BY THE DEPARTMENT: *PROVIDED, HOWEVER,* THAT THE SECRETARY MAY REVISE AND MODIFY THE PROTECTION AND CONSERVATION PLAN AFTER CONSULTATION WITH THE MANAGEMENT BOARD PRIOR TO CERTIFICATION TO ENSURE CONFORMITY WITH APPLICABLE LAWS, RULES AND REGULATIONS.

A YEAR BEFORE THE EXPIRATION OF THE PERIOD OF THE APPLICABILITY OF THE PLAN IN EFFECT, THE PASu SHALL CAUSE PUBLICATION OF NOTICES FOR COMMENTS AND SUGGESTIONS ON THE SUCCESS OR PLAN IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CONCERNED MUNICIPALITIES. NOTICES SHALL ALSO BE POSTED IN RESPECTIVE PROVINCIAL AND MUNICIPAL HALLS OF THE CONCERNED PROVINCES AND MUNICIPALITIES AS WELL AS IN THE BARANGAY HALLS BOUNDING OR IMMEDIATELY ADJACENT TO THE PROTECTED LANDSCAPE. THE PROPOSED PLAN SHALL BE MADE AVAILABLE TO THE PUBLIC DURING THE PERIOD FOR COMMENT AND A FINAL PLAN SHALL LIKEWISE BE MADE AVAILABLE FOR PUBLIC PERUSAL AT THE OFFICE OF THE PASu UPON THE APPROVAL OF THE MANAGEMENT BOARD. *PROVIDED,* THAT THE PLANS SHALL BE PLAINLY WRITTEN IN A LANGUAGE UNDERSTANDABLE IN THE AREA.

At this juncture, Senator Cayetano (P) stated that Senator Legarda's proposal concerning Section 12 (*Special Prosecutors and Counsels*), was already addressed in the committee amendments.

GORDON AMENDMENTS

As proposed by Senator Cayetano (P), on behalf of Senator Gordon, there being no objection, the Body approved the following amendments, one after the other:

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

IT SHALL FURTHER BE THE POLICY OF THE STATE TO PROMOTE THE APO REEF WITH THE END IN VIEW OF FOSTERING WIDESPREAD AWARENESS AND CONCERN FOR THE SAME. TOWARDS THIS END, THE STATE SHALL UNDERTAKE TO CARRY OUT COMPREHENSIVE AND HOLISTIC PROMOTIONS TRAINING, AND INFORMATION CAMPAIGN PROGRAMS FOR THE BENEFIT OF THE GENERAL PUBLIC IN PURSUANCE OF THE DUTY OF THE STATE TO UPHOLD THE PRIMACY OF PROTECTING, PRESERVING AND PROMOTING THESE RESOURCES.

FINALLY, IT SHALL BE THE POLICY OF THE STATE TO ENCOURAGE THE PARTICIPATION OF THE PRIVATE SECTOR AND THE LOCAL GOVERNMENT UNITS IN THE PROTECTION, PRESERVATION AND PROMOTION OF THE APO REEF.

2. On page 9, line 23, insert new subsections "I" and "J" to read as follows:
 - (I) REPORT TO THE DENR ON A QUARTERLY BASIS THE STATUS OF THE IMPLEMENTATION OF THIS ACT WITH EMPHASIS ON THE DISBURSEMENT OF FUNDS APPROPRIATED FOR THE EXECUTION OF THE VARIOUS POLICIES AND PROGRAMS HEREUNDER AND ON THE STATUS OF CASES FOR THE PROSECUTION OF VIOLATIONS OF THIS ACT.
 - (J) FORMULATE PROGRAMS FOR THE PROMOTION, TRAINING, AND INFORMATION DISSEMINATION PERTAINING TO THE APO REEF SIGNIFICANCE AS A VITAL NATURAL RESOURCE OF THE COUNTRY.
3. Reletter the succeeding subsections accordingly; *abc*

4. On page 11, line 6, insert new subsections "G" and "H" to read as follows:

(G) IMPLEMENT THE PROMOTION, TRAINING AND INFORMATION CAMPAIGN PROGRAMS AS FORMULATED BY THE MANAGEMENT BOARD.

(H) REPORT TO THE MANAGEMENT BOARD ON A QUARTERLY BASIS THE STATUS OF THE IMPLEMENTATION OF THE VARIOUS PROGRAMS UNDER THIS ACT SUCH AS, BUT NOT LIMITED TO, THE DATA BASE MANAGEMENT SYSTEM, THE MANAGEMENT PLAN OF THE ARNP, AND THE ENFORCEMENT OF THE LAWS, RULES AND REGULATIONS RELEVANT TO THE ARNP AND THE PROSECUTION OF THE VIOLATIONS THEREOF; and

5. Reletter the succeeding subparagraphs accordingly;

SUSPENSION OF SESSION

Upon motion of Senator Cayetano (P), the session was suspended.

It was 6:32 p.m.,

RESUMPTION OF SESSION

At 6:36 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2393

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

COMMITTEE REPORT NO. 75 ON SENATE BILL NO. 2394

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2394 (Committee Report No. 75), entitled

AN ACT ESTABLISHING THE TUBBATAHA REEFS NATURAL PARK IN THE PROVINCE OF PALAWAN UNDER THE NIPAS ACT (RA 7586) AND THE SEP LAW (RA 7611),

PROVIDING FOR ITS MANAGEMENT AND FOR OTHER PURPOSES

Senator Pangilinan stated that the parliamentary status was the period of committee amendment.

Thereupon, the Chair recognized Senator Cayetano (P), Sponsor of the measure.

COMMITTEE AMENDMENTS

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

1. On page 1, line 6, replace the word "prevent" with PRESENT;
2. On the same page, line 7, between the words "pursued" and "through," insert the phrase BY MANAGING TRNP UNDER A "NO-TAKE" POLICY AND;
3. On page 2, line 2, change the phrase "designated protected areas" to TUBBATAHA REEFS NATURAL PARK;
4. On page 4, line 25, change the words "Convention of International Trade of Endangered Species" to CONVENTION ON INTERNATIONAL TRADE AND ENDANGERED SPECIES OF WILD FAUNA AND FLORA;
5. On the same page, line 26, change the words "Bonn Convention on Migratory Animals" to CONVENTION ON THE CONSERVATION OF MIGRATORY SPECIES;
6. On the same page, line 27, change the words "International Conservation of Nature (IUCN)" to INTERNATIONAL UNION FOR CONSERVATION OF NATURE AND NATURAL RESOURCES;
7. On page 5, line 1, and wherever found in the bill, change the acronym "TPAMB" to TUBBATAHA MANAGEMENT BOARD (TMB).
8. On page 5, after line 18, insert a new subsection to read as follows:

"TRNP" REFERS TO THE TUBBATAHA REEFS NATURAL PARK
9. On the same page, immediately thereafter, insert new subsection to read as follows:

"TRNP REVOLVING FUND" REFERS TO THE REVOLVING FUND TO BE ESTABLISHED FOR THE PURPOSE OF FINANCING PROJECTS IN THE TRNP;

16

10. Reletter the subsections accordingly;
11. On page 6, lines 14 to 16, delete the sentence "The technical descriptions provided in this Act will be subject to actual survey/delineation" and in lieu thereof, insert a new sentence to read THE DENR – NATIONAL MAPPING AND RESOURCE INFORMATION AUTHORITY (NAMRIA) SHALL VALIDATE THE TECHNICAL DESCRIPTIONS PROVIDED IN THIS ACT THROUGH ACTUAL SURVEY/DEMARCATIION;
12. On page 7, delete lines 7 to 10;
13. On the same page, delete lines 11 to 19;
14. On page 8, line 15 delete the phrase "zoning in accordance with Section 7 hereof" and in lieu thereof, insert the following: A ZONING PLAN WITHIN THE TRNP WHICH WILL GIVE PRIMARY CONSIDERATION TO THE PROTECTION AND CONSERVATION OF ALL LIFE FORMS, IN ACCORDANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS. THE ZONING PLAN SHALL ALSO TAKE INTO CONSIDERATION THE EFFICIENT PROTECTION OF HABITATS, FRAGILE ECOSYSTEMS AND UNIQUE AREAS. THE ESTABLISHMENT AND MANAGEMENT OF ZONES SHALL INVOLVE THE CONCERNED STAKEHOLDERS BY UNDERTAKING SUCH STEPS AS DIALOGUE, AND COMMUNITY- AND RESOURCE-USE MAPPING. THE METES AND BOUNDS OF EACH ZONE SHALL BE INDICATED ON MAPS AND/OR NAUTICAL CHARTS. MANAGEMENT OF ZONES TO BE ESTABLISHED WITHIN THE TRNP SHALL BE CONSULTATIVE AND PARTICIPATORY.
15. On page 9, lines 5 and 6, change the title of Section 10 to MANAGEMENT OF THE TUBBATAHA REEFS NATURAL PARK;
16. On page 9, line 6, and wherever found in the bill, after the word "Tubbataha," change the words "Protected Area" to MANAGEMENT BOARD (TMB);
17. On page 12, delete lines 21 to 24;
18. On page 15, line 12, and wherever found in the bill, replace the word "Trust" with REVOLVING;
19. On page 16, line 19, replace the words and figure "from Fifty Thousand Pesos (P50,000)" with NOT LESS THAN TWENTY THOUSAND PESOS (P20,000.00) AND NOT MORE THAN;
20. On page 17, line 14, between the words "dump" and "waste," insert the word SOLID; and between the words "waste" and "inside,;" insert the phrase AND/OR BALLAST WATER
21. On the same page, line 16, replace the phrase of "six (6) months to one (1) year, and a fine of not less than Five Thousand Pesos (P5,000.00)" with SIX (6) YEARS AND ONE (1) DAY TO TWELVE (12) YEARS AND/OR A FINE OF ONE HUNDRED THOUSAND PESOS (P100,000.00) PLUS AN ADDITIONAL FINE OF TWENTY THOUSAND PESOS (P20,000.00) TO FIFTY THOUSAND PESOS (P50,000.00) FOR EVERY DAY THAT EACH VIOLATION SUBSISTS;
22. On page 18, line 15, delete the phrase "of forfeiture";
23. On page 20, line 20 after the word "vessels," add the proviso *PROVIDED*, THAT THE OFFENDER ACTING UPON THE ORDERS OF THE OPERATOR, BOAT CAPTAIN, MASTER FISHERMAN AND RECRUITER OR ORGANIZER OF FISHWORKERS, SHALL SUFFER A PENALTY ONE DEGREE LOWER; FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) AND NOT MORE THAN ONE HUNDRED THOUSAND PESOS (P100,000.00);
24. On page 27, lines 4 to 6, delete the phrase "SECTION 41. *Continuation of the TMO.*"; transpose the sentence "The present Tubbataha Management Office (TMO) shall continue to exist and function as such, subject to reorganization, if necessary" after the last sentence of Section 14. *Tubbataha Management Office*; and delete the phrase "in accordance with Section 14 hereof";
25. On the same page, delete lines 14 to 16; and
26. On page 28, lines 10 to 12, delete the paragraph "This Act shall take effect immediately after its complete publication in two (2) newspapers of general circulation." and replace it with the following:

THIS ACT SHALL TAKE EFFECT FIFTEEN (15) DAYS AFTER ITS COMPLETE PUBLICATION IN THE *OFFICIAL GAZETTE* OR IN A NATIONAL NEWSPAPER OF GENERAL CIRCULATION AVAILABLE IN THE TRNP.

EDITORIAL CORRECTIONS

Thereafter, Senator Cayetano (P) submitted the following editorial corrections:

1. On page 1, line 12, delete the word "shall and append the letter "s" after the word "refer";

Page 2

2. On page 2, line 1, delete the word "is" and replace it with "refers to";
3. As an omnibus amendment, on line 4, and wherever found in the bill, change to upper case letter "F," the first letter on the words "fisher" and "fisherfolk", respectively;
4. On line 4, delete the word "shall" and append the letter "s" after the word "refer";
5. On line 6, delete the word "shall";
6. On line 8, delete the word "shall" and append the letter "s" after the word "refer";
7. On line 16, change to uppercase the first letter "s" of the word "species";
8. On lines 16 and line 18, delete the word "shall";

Page 3

9. On lines 1, 4 and 9, delete the word "shall" and append the letter "s" after the word "refer";
10. On lines 12, 15 and 21 delete the word "shall" and append the letter "s" after the word "refer";

Page 4

11. On line 1, change to upper case letter "R" the first letter of the word "renewable";
12. On lines 1 and 3, delete the word "shall";
13. On line 8, 11, 16, 17, and 20 delete the word "shall" and append the letter "s" to the word "refer";
14. On line 23, change to upper case letter "S" the first letter of the word "species";
15. On the same line, delete the word "shall";

Page 5

16. On line 3, delete the word "shall" and append the letter "s" after the word "refer";
17. On line 9 and 11, delete the word "shall";
18. On line 15 and 23, delete the word "shall" and append the letter "s" after the word "refer";
19. As an omnibus correction, set to upper case the first letters of all the terms defined as they are used in the bill.
20. On page 18, line 21, delete the "" between the words "resources" and "It";
21. On page 26, line 14, delete the number "39" and replace it with "36"

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

There being no other committee amendments, 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.

LEGARDA AMENDMENTS

On behalf of Senator Legarda, as proposed by Senator Cayetano (P), there being no objection, the Body approved the following amendments, one after the other:

1. On page 3, between lines 11 and 12, insert a new subsection to read as follows:
 - L. MANAGEMENT PLAN SHALL REFER TO THE FUNDAMENTAL STRATEGY AND/OR SCHEME WHICH SHALL GUIDE ALL ACTIVITIES RELATING TO THE TRNP IN ORDER TO ATTAIN THE OBJECTIVES OF THIS ACT.
2. On page 11, line 16, delete the phrase "coordinate and implement;"
3. On the same page, between lines 19 and 20, insert a new subsection to read as follows:
 - F. ADOPT RULES AND PROCEDURES IN THE CONDUCT OF BUSINESS INCLUDING THE CREATION OF COMMITTEE TO WHICH ITS POWERS MAY BE DELEGATED AND THE DISCIPLINE AND REMOVAL OF ITS MEMBERS.

Senator Cayetano (P) stated that the proposed amendment to subsection "s" on page 13 had been been addressed in the committee amendments;

4. On page 15, line 25, after the period (.), insert a proviso to read as follows: PROVIDED THAT THE TMB SHALL APPORTION THE FUNDS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 18 OF THIS ACT.

SUSPENSION OF SESSION

Upon motion of Senator, the session was suspended.

It was 6:48 p.m.

ps

RESUMPTION OF SESSION

At 6:51 p.m., the session was resumed.

GORDON AMENDMENTS

As proposed by Senator Cayetano (P), on behalf of Senator Gordon, there being no objection, the Body approved the following amendments, one after the other:

1. On page 1, between lines 9 and 10, insert the following as the third and fourth paragraphs of Section 2:

IT SHALL FURTHER BE THE POLICY OF THE STATE TO PROMOTE TUBBATAHA REEFS WITH THE END IN VIEW OF FOSTERING WIDESPREAD AWARENESS AND CONCERN FOR THE SAME. TOWARDS THIS END, THE STATE SHALL UNDERTAKE TO CARRY OUT A COMPREHENSIVE AND HOLISTIC PROMOTIONS, TRAINING AND INFORMATION CAMPAIGN PROGRAMS FOR THE BENEFIT OF THE GENERAL PUBLIC, IN PURSUANCE OF THE DUTY OF THE STATE TO UPHOLD THE PRIMACY OF PROTECTING, PRESERVING AND PROMOTING THESE RESOURCES.

FINALLY, IT SHALL BE THE POLICY OF THE STATE TO ENCOURAGE THE PARTICIPATION OF THE PRIVATE SECTOR AND THE LOCAL GOVERNMENT UNITS IN THE PROTECTION, PRESERVATION, AND PROMOTION OF THE TUBBATAHA REEFS.;

2. On page 13, after line 10, insert new subsections "t" and "u," to read:
 - T. REPORT TO THE DENR, ON A QUARTERLY BASIS, THE STATUS OF THE IMPLEMENTATION OF THIS ACT, WITH EMPHASIS ON THE DISBURSEMENT OF FUNDS APPROPRIATED FOR THE EXECUTION OF THE VARIOUS POLICIES AND PROGRAMS HEREUNDER, AND ON THE STATUS OF CASES FOR THE PROSECUTION OF VIOLATIONS OF THIS ACT;
 - U. FORMULATE PROGRAMS FOR THE PROMOTION, TRAINING AND INFORMATION DISSEMINATION PERTAINING TO THE TUBBATAHA REEFS AND ITS SIGNIFICANCE AS A VITAL NATURAL RESOURCE OF THE COUNTRY.

3. Reletter the succeeding subsection accordingly.
4. On page 14, after line 16, insert new subsections "j" and "k," to read:
 - G. IMPLEMENT THE PROMOTION, TRAINING AND INFORMATION CAMPAIGN PROGRAMS AS FORMULATED BY THE TMB;
 - H. REPORT TO THE TMB, ON A QUARTERLY BASIS, THE STATUS OF THE IMPLEMENTATION OF THE VARIOUS PROGRAMS UNDER THIS ACT, SUCH AS, BUT NOT LIMITED TO, THE DATA BASE MANAGEMENT SYSTEM, THE MANAGEMENT PLAN OF THE TRNP, AND THE ENFORCEMENT OF THE LAWS, RULES, AND REGULATIONS RELEVANT TO THE TRNP AND THE PROSECUTION OF THE VIOLATIONS THEREOF; and
5. Reletter the succeeding subsection accordingly.

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.

APPROVAL OF SENATE BILL NO. 2394 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 2394 was approved on Second reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2394

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 6:55 p.m.

RESUMPTION OF SESSION

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

**COMMITTEE REPORT NO. 95
ON HOUSE BILL NO. 4358**

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4358 (Committee Report No. 95), entitled

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

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

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

INTERPELLATION OF SENATOR AQUINO
(Continuation)

At the outset, Senator Enrile affirmed the contention of Senator Aquino during the previous session that Transco, without any debt, has a net operating income of P23.428 billion and was paying an income tax of P6.651 billion per year, thus realizing a net income of P16.777 billion. Senator Aquino clarified that the figures were not simply an assertion but data culled from Transco's website.

Senator Enrile stated that Transco actually services its debts not directly to PSALM but pays interest cost to Napocor which, in turn, pays PSALM. He then gave the following breakdown of the financial statements from a cash flow basis:

P 23.428B	×	net operating income
- <u>6.651B</u>	×	income tax per year
16.777B	×	net income per year
+ <u>4.175B</u>	×	yearly depreciation
P 20.952B	×	net operating cash for (CAPEX)

Senator Enrile explained that the yearly depreciation cost of P4.175 billion is a non-cash charge

which, when added back to net operating income, becomes a cash equivalent that is available for disposition by Transco, hence a net operating cash for capital expenditure of P20.952 billion.

On the other hand, taking into account the fact that Transco is actually servicing a debt, Senator Enrile said that the presentation that was seen on the website of Transco was inaccurate, thus the computation, inclusive of interest expense, should be as follows:

P 23.428 B	×	net operating income
- <u>6.651 B</u>	×	income tax per year
16.777 B	×	net operating income per year
- <u>5.472 B</u>	×	interest payment to Napocor
11.30 B	×	net income
+ <u>4.175 B</u>	×	yearly depreciation charge
15.480 B	×	net operating cash
- <u>8.305 B</u>	×	debt service to PSALM thru NPC
P 7.175 B	×	actual net operating cash CAPEX

After the grant of franchise, Senator Enrile said that from a purely profit and loss position, the concessionaire would have a net income of P10.635 billion; on the other hand, from a cash flow position, it would have a better position to spend more money for the modernization of the transmission line because with a net income of P10.635 billion, the depreciation charge, which is a non-cash charge, would be added back, thus:

P 10.635 B	×	net operating income
+ <u>4.175 B</u>	×	yearly depreciation charge
14.810 B	×	net operating cash
- <u>1.140 B</u>	×	principal repayment to Transco
P 13.670 B	×	net operating cash for CAPEX

Senator Enrile said that the P13.670 billion for capital expenditure is clearly a lot bigger than the P7.175 billion.

As regards the loans of Transco that are paid back to Napocor by way of PSALM, Senator Enrile explained that when the transmission lines were transferred to Transco by law, there was a foreign loan imputed to the assets being serviced by Transco although it did not appear in the books of Napocor.

Senator Aquino adverted to the 2007 financial statement in the website of Transco, specifically under the column "Results of Operation," to wit: ~~to wit:~~

pb

Foregoing considered, net income for the year was P23.428 million, up 20% from reported earnings last year. For comparability, said profit for the year does not yet include the provision for the corporate income tax, which the Bureau of Internal Revenue (BIR) has imposed beginning 2007.

However, if loan-related expenses, charges and gains as booked by PSALM were to be considered, as reflected in the books of accounts for 2007, net income of Transco would then result in P30,642 million before income tax and P23,991 million after income tax.

Senator Aquino noted the wide divergence between the figures presented by Senator Enrile as against the figures of Transco. Senator Enrile replied that he would study the report that was submitted to him and would give a copy thereof to the Senate.

Senator Aquino asked what would happen to the debt that was transferred *in toto* to Transco when it became a separate entity from Napocor, and which is the basis for the repayment of its loan-related expenses and obligations. Senator Enrile pointed out that Transco was an asset of Napocor before the EPIRA, whereas the generating companies that were transferred to PSALM were all funded either by government contribution, or local and foreign borrowings.

He assumed that government contributions and foreign borrowings treated as assets were carried in the books of the Napocor as loan obligations or payables. Senator Aquino said that these were receivables of Napocor from Transco or loans assumed by the transmission corporation.

Senator Enrile argued that Napocor contracted the loans to set up the transmission system but when it was reorganized, some of the loans were allocated as assets transferred to and are now being serviced by the operations of Transco.

Senator Aquino believed that to attain a balance statement, the same loans were also made to appear in the books as receivables due from Transco as repayment of the said loans.

Assuming that Senator Enrile's presentation was correct and precise, Senator Aquino asked what would happen to the debt once Transco is privatized. Senator Enrile replied that much of the income of Transco from the National Grid Corporation would still be used to pay its loans to Napocor and Napocor to PSALM since all such assets were supposed to

be held already by PSALM. He stressed that the assets, which carried debt obligations in the books of Napocor, must be paid. He pointed out that the government wanted to reform the power industry by privatizing such assets through PSALM, but the EPIRA did not wipe out the debt; instead, its assets were transferred to some corporations but a portion of these debts would have to be serviced by Transco, and the amount needed to service the loan would pass through the books of Napocor to reduce the debt and the money would end up with PSALM to service the foreign obligation.

Senator Aquino maintained that it would not matter whether the debts are being serviced by government-owned or-controlled corporations or by a private entity.

Senator Enrile said that the relationship of the concessionaire should be distinguished from the government corporations involved because the obligation of the concessionaire is to pay the concession fee and it is up to Transco to use this to discharge its own obligation.

Asked if Transco would remain an entity when it is privatized, Senator Enrile replied in the affirmative, stating that the assets belong to Transco, which cannot be dissolved due to the existence of the concession contract.

Assuming that Transco was meeting its obligations under the concession agreement, Senator Aquino queried whether it would be able to maintain its debt payment level to Napocor or PSALM. Senator Enrile replied that it would still be able to pay its obligations because the concession fee is US\$3,950,000,000 over a period of 20 years and the obligation allotted to Transco is US\$2.2 billion.

He believed that Transco or the government would end up with the advantage.

SUSPENSION OF SESSION

Upon motion of Senator Aquino, the session was suspended.

It was 7:17 p.m.

RESUMPTION OF SESSION

At 7:19 p.m, the session was resumed. *AS*
mb

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4358

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

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 104 on Senate Bill No. 2645 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 104 ON SENATE BILL NO. 2645

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill NO. 2645 (Committee Report No. 104), entitled

AN ACT STRENGTHENING THE REGULATORY CAPACITY OF THE BUREAU OF FOOD AND DRUGS (BFAD) BY ESTABLISHING ADEQUATE TESTING LABORATORIES AND FIELD OFFICES, UPGRADING ITS EQUIPMENT, AUGMENTING ITS HUMAN RESOURCE COMPLEMENT, GIVING AUTHORITY TO RETAIN ITS INCOME, CONVERTING IT INTO THE FOOD, DRUGS, COSMETICS AND DEVICES ADMINISTRATION (FDCDA), AND FOR OTHER PURPOSES, AMENDING CERTAIN SECTIONS OF REPUBLIC ACT 3720, AS AMENDED, AND APPROPRIATING FUNDS THEREOF.

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 Cayetano (P) for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR CAYETANO (P)

Senator Cayetano (P) delivered the following speech as she presented for the consideration of the Body Senate Bill No. 2645:

Congress recently passed Republic Act 9502, otherwise known as the "Universally Accessible Cheaper and Quality Medicines Act of 2008." This is part of a package of health reforms, which the Committee on Health and Demography sponsored.

As a background, RA 9502 seeks to make the laws on patents, trade names and trademarks more responsive to the health care needs of the Filipino people by allowing, among others, the importation of patented medicines with the end in view of lowering the prices of medicines. However, during the deliberations of this law, issues regarding the safety and efficacy of the medicines that will be brought in through parallel importations were raised. Together with Congressman Doro Pingoy, the Chair of the Committee on Health of the House of Representatives, we committed to work on a bill to strengthen the Bureau of Food and Drugs (BFAD) to ensure the safety and efficacy of medicines. In fact, the House of Representatives has already approved its own version on Third Reading and has transmitted it to the Senate for approval.

As such, the Senate Committee on Health and Demography is pleased to present for the consideration of the Body, Senate Bill No. 2645 under Committee Report No. 104, otherwise known as "An Act Strengthening the Regulatory Capacity of the Bureau of Food and Drugs (BFAD) by Establishing Adequate Testing Laboratories and Field Offices, Upgrading its Equipment, Augmenting its Human Resource Complement, Giving Authority to Retain its Income, Converting it into the Food Drug Cosmetic and Device Administration (FDCDA) and for other Purposes, Amending Certain Sections of Republic Act 3720, as Amended and Appropriating Funds Thereof."

Indeed, the strengthening of the current BFAD bill is a vital sequel to the passage of RA 9502. Under Chapter 2 of RA 3720 or the Food, Drug and Cosmetic Act, BFAD is mandated to "insure safe and good quality of food, drug and cosmetics and to regulate the productions, sale and traffic of the same to protect the health of the people."

Current Situation of Food and Drugs

The reality is that the mandate under RA 3720 cannot be achieved with the current status of BFAD. It does not have enough capacity to do so. The increase in the number of products and establishments that BFAD has to regulate has overtaken the ability of BFAD to consistently implement its standards and rules and monitor compliance therewith. ~~AC~~

Studies have shown that the growth rate of products and establishments for food, drugs, devices, cosmetic and diagnostic reagents household hazardous for the year 2003-2006 has registered an increase of 21.64% and 5.95%, respectively. On the other hand, human capital within BFAD has declined.

Based on the records of the central office of BFAD for the year 2006, there are 45,747 establishments across the country that need to be inspected by 195 inspectors. To illustrate, in Region IV, there are 6,627 establishments to be inspected by 13 inspectors or a ratio of one inspector for every 525 establishments. That would mean they need to inspect these 525 establishments in only 264 working days. Moreover, every inspection of an establishment costs P270.86. A total of P12,391,032.42 is needed to cover the expenses for the inspection of these 45,000 establishments. With only P2.4 million as inspection budget, it is no surprise why so many establishments remain uninspected.

Currently, 50,954 products are registered with BFAD and there is a need to regularly test these products to insure that their consistency and quality are in compliance with the standards.

Yet, BFAD has performed tests on only 16,281 samples which leaves 34,673 samples unanalyzed. Furthermore, P315.64 is needed for every sample to be tested. As such, P16,083,120.56 is needed to conduct tests on all the 50,954 products registered. However, BFAD's current budget for laboratory testing amounts only to P4.6 million.

In addition to these, BFAD is also tasked to conduct mandatory tests on imported products. But due to the lack of budget, there is inadequate inspection in ports of entry. BFAD's capacity to monitor and conduct inspection on products entering the domestic market is lamentable.

With the fast increase in the growth rate of products and establishments subject to BFAD's mandate and the corresponding lack of manpower, a backlog of samples that are left to be analyzed, inspected and checked to assure its quality is created, not to mention the backlog in the regular monitoring of these establishments that BFAD is also mandated to conduct.

BFAD's budget was steady at P120 million for the years 2005 to 2006. In 2007, it was increased to P125 million and to P193 million in 2008. Although their budget has been increased significantly in 2008 partly due to the fact that the debates on R.A. 9502 were ongoing, it is still

insufficient to cover all the expenses in the exercise of their given mandate.

Since the provisions allowing them to retain their income was placed in the GAA, they are subject to the line veto power of the President. Given that their collection has to be submitted first to the National Treasury, the amount that will be released is subject to the determination of the National Treasury. Oftentimes, the income they are authorized to retain is smaller than their actual collection. Further, there is a delay in the release of their income as such is subject to compliance with certain requirements imposed by the Department of Budget and Management.

Proposed Measure

Indeed, the predicament of BFAD is deplorable especially since the products that are subject to its regulations are those that affect the health and life of our people.

Allow me to present the highlights of the proposed measure:

Foremost, Senate Bill No. 2645 seeks to strengthen BFAD given its current situation. House Bill No. 3293, which our Committee used as the base bill during the technical working group meetings conducted, includes the strengthening of the Bureau of Health Devices and Technology (BHDT), another bureau of the Department of Health. Given that the BHDT regulates devices which consistently affect the health and safety of our people as food and drugs do, the Committee has adopted the proposed inclusion.

Examples of the devices which are regulated by BHDT are medical devices, radiation devices such as medical and non-medical X-ray machines to cell phones, radio and television antennas, microwave ovens, *et cetera*, and health-related devices, such as water filtration devices and health care waste treatment equipment.

Senate Bill No. 2645 seeks to strengthen the two bureaus of the DOH through the establishment of what will be known as the Food, Drugs, Cosmetics and Devices Administration or the FDCDA which shall be headed by a director general with a rank of undersecretary and two deputy director generals.

The FDCDA will be composed of four centers, namely: 1) Center for Drug Regulation Research; 2) Center for Food Regulation and Research; 3) Center for Cosmetic Regulation and Research; 4) Center for Device Regulation and Radiation Health. *mc*

mc

Each center will be headed by a director and each will have three divisions, namely: Licensing and Registration Division, Product Research and Standard Development Division, and Laboratory Support Division.

FDCDA will also be comprised of four offices, namely: Administration and Finance Office, Policy and Planning Office, Field Regulatory Operations Office, and the Office for Legal Services Support.

All current officers and employees of BFAD and BHDT, including the regional offices, will be transferred as far as practicable to appropriate units in FDCDA, provided that there shall be no demotion in ranks and positions and no diminution in salaries, benefits, allowances and emoluments.

The appointment of the director general, deputy director general, directors and assistance directors of the FDCDA shall be based on the fitness and merit principle in accordance with the established Civil Service Commission law, rules and regulations.

To be able to effectively implement the regulatory functions of the FDCDA and enable consumers to gain easier access in case of any complaints or any application for testing, FDCDA is mandated to establish field offices in all regions of the country.

The bill also grants FDCDA additional powers which BFAD and BHDTI currently do not possess but needs this bill to formalize such powers. Examples are the powers to require all manufacturers, distributors, importers, exporters, wholesalers, traders, retailers and consumers of health products to report to FDCDA any incident that a product has caused or contributed to the death, illness or serious injury to the consuming public; prescribe standards and regulations on advertisements, promotions, sponsorships and other marketing activities about health products; issue cease-and-desist orders; ban, recall or withdraw health products; seize and hold in custody any held products found in violation of the law.

The director general is further granted the power of contempt; the power to issue subpoenas; the power to call on the assistance of any department or agency and deputize any law enforcement agency to help in the effective implementation of the law. The director general also has the power to impose administrative penalties.

In accordance with Section 31 of RA No. 9502, FDCDA will be allowed to retain all the

fees, fines, royalties and other charges that it will collect without need of a separate approval from any government agencies and subject only to existing accounting and auditing rules and regulations. The amount will be deposited in an authorized government depository bank as a special regulatory fund and may be used for the acquisition of office and laboratory space, human resource development and expansion, purchase of laboratory equipment and motor vehicles, upgrading of its current facility and equipment, and for its maintenance and other operating expenses.

The delivery of quality health care services to our citizens is government's responsibility. The establishment of the FDCDA is needed to accomplish this goal.

For these reasons, I ask for the support of the Body for Senate Bill No. 2645 under Committee Report No. 104.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2645

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

COMMITTEE REPORT NO. 95 ON HOUSE BILL NO. 4358

(Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4358 (Committee Report No. 95), entitled

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

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

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

ps

INTERPELLATION OF SENATOR AQUINO (Continuation)

Adverting to the analysis entitled "Reconciliation 2007 in Pesos," specifically the cash flow portion under the "less principal repayment" section, Senator Aquino inquired why there is a difference between Transco fully loaded of about P8,305,000,000 as against the concessionaire's principal repayment of P1,140,000,000 when it would be assuming the servicing of Tranco's debt to Napocor. Senator Enrile clarified that under the concession contract, Transco leased its transmission line to the National Grid Corporation for a fixed amount of US\$3,950,000,000, 25% of which is payable immediately upon the grant of the franchise and the 75% balance to be amortized over a period of 20 years. He added that the principal repayment of National Grid Corporation in favor of Transco is P1.140 billion in the first year and the amount may increase over the years. He maintained that since the assets still belong to Transco and there is a foreign obligation attached to them, it must be discharged in the amount of P8.305 billion which is the principal repayment portion of Transco's debt servicing for Napocor assets transferred to it under the EPIRA.

Senator Aquino pointed out that what is creating confusion is the sizeable amounts that seem to be conflicting. He asked to be clarified on the document under the heading "Transco Amortization in millions of pesos" which says in 2001 interest payment, P11,800,000,000; deferred payment, P1.139 billion or a total of 12.989 billion.

SUSPENSION OF SESSION

Upon motion of Senator Aquino, the session was suspended.

It was 7:38 p.m.

RESUMPTION OF SESSION

At 7:46 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4358

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

ADDITIONAL REFERENCE OF BUSINESS

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

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Letter from the Secretary General of the House of Representatives, informing the Senate that on 30 September 2008, the House of Representatives designated Representatives Macapagal Arroyo (J.M.), Villafuerte (L.), Javier (E.), Magsaysay (M.M.), and Bargaza Jr. (E.), on the part of the Majority, and Representative Guingona III (T.), on the part of the Minority, as its conferees to the Bicameral Conference Committee, should the Senate approve its counterpart version of House Bill No. 4193, entitled

AN ACT PROMOTING THE DEVELOPMENT, UTILIZATION AND COMMERCIALIZATION OF RENEWABLE ENERGY RESOURCES AND FOR OTHER PURPOSES

To the Committee on Rules

Letter from the Secretary General of the House of Representatives, informing the Senate that on 30 September 2008, the House of Representatives requested a conference and designated Representatives Cabilao (B.), Joson (E.N.), Binay (M.A.), Arroyo (I.), and Rodriguez (R.) as its conferees to the Bicameral Conference Committee on the disagreeing provisions of House Bill No. 4381, entitled

AN ACT TO PROMOTE ENVIRONMENTAL AWARENESS THROUGH ENVIRONMENTAL EDUCATION AND FOR OTHER PURPOSES,

and Senate Bill No. 1699, entitled

AN ACT TO PROMOTE ENVIRONMENTAL AWARENESS THROUGH ENVIRONMENTAL EDUCATION, STRENGTHENING FOR THIS PURPOSE SECTION 53 OF PRESIDENTIAL DECREE NO. 1152, OTHERWISE KNOWN AS THE PHILIPPINE ENVIRONMENT CODE AND FOR OTHER PURPOSES

To the Committee on Rules ⁴¹

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RESOLUTIONS

Proposed Senate Resolution No. 692, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE NEED FOR A WHOLESALE REINVESTMENT IN AGRICULTURE THAT WILL INCLUDE RESEARCH INTO BETTER AND IMPROVED TECHNOLOGY, INFRASTRUCTURE DEVELOPMENT, AND TRAINING AND EDUCATION OF AGRICULTURAL SCIENTISTS AND TRAINERS

Introduced by Senator Miriam Defensor Santiago

To the Committees on Agriculture and Food; and Science and Technology

Proposed Senate Resolution No. 693, entitled

RESOLUTION TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON SENATE BILL NO. 2074, ALSO KNOWN AS THE CONSUMER FOOD SAFETY ACT OF 2008, TOWARD THE END THAT IT COULD BE PASSED IMMEDIATELY BY THE SENATE

Introduced by Senator Miriam Defensor Santiago

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

Proposed Senate Resolution No. 694, entitled

RESOLUTION TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, TO IDENTIFY, AND CONSEQUENTLY CAUSE THE PROSECUTION AND REMOVAL OF CULPABLE CUSTOMS BUREAU OFFICIALS IN THE APPARENT SMUGGLING OF MILAMINE-LACED MILK AND OTHER FOOD PRODUCTS

Introduced by Senator Miriam Defensor Santiago

To the Committees on Accountability of Public Officers and Investigations; and Ways and Means

Proposed Senate Resolution No. 695, entitled

RESOLUTION COMMENDING DR. JURGENNE H. PRIMAVERA, A FILIPINO SCIENTIST NAMED ONE OF THE INTERNATIONAL "HEROES OF THE ENVIRONMENT" AND "PROTECTORS OF THE PLANET" IN THE SPECIAL ANNUAL ISSUE OF *TIME MAGAZINE* OF 6 OCTOBER 2008

Introduced by Senator Miriam Defensor Santiago

To the Committee on Rules

Proposed Senate Resolution No. 696, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON CREATING MIGRATION POLICIES THAT WILL ADDRESS THE ALLEGED BRAIN DRAIN PROBLEM IN THE PHILIPPINES

Introduced by Senator Miriam Defensor Santiago

To the Committees on Labor, Employment and Human Resources Development; and Science and Technology

Proposed Senate Resolution No. 697, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED NEED TO FORM A BAND WITH OTHER LABOR EXPORTING STATES TO NEGOTIATE FOR A BETTER DEAL ON THE CONDITION OF THEIR MIGRANT WORKERS WITH THE HOST COUNTRIES

Introduced by Senator Miriam Defensor Santiago *MS*

MS

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

**SECOND ADDITIONAL
REFERENCE OF BUSINESS**

RESOLUTION

Proposed Senate Resolution No. 698, entitled

RESOLUTION EXPRESSING THE SENSE
OF THE SENATE FOR THE DEPART-
MENT OF ENERGY TO BE MORE
VIGILANT IN MONITORING PRICE
ADJUSTMENTS OF PETROLEUM
PRODUCTS

Introduced by Senator Ramon "Bong"
Revilla Jr.

**To the Committees on Energy; and Trade
and Commerce**

**THIRD ADDITIONAL
REFERENCE OF BUSINESS**

COMMITTEE REPORT

Committee Report No. 106, submitted by the Com-
mittees on Local Government; and Constitutional
Amendments, Revision of Codes and Laws, on
House Bill No. 3693, introduced by Represent-
atives Sy-Alvarado, entitled

AN ACT AMENDING SECTION 57 OF
REPUBLIC ACT NO. 8754, OTHER-
WISE KNOWN AS THE CHARTER
OF THE CITY OF MALOLOS,

recommending its approval without amendment,
taking into consideration Senate Bill No. 1986.

Sponsors: Senators Benigno S. Aquino III,
Gordon and MAR Roxas

To the Calendar for Ordinary Business

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session
was suspended.

It was 7:51 p.m.

RESUMPTION OF SESSION

At 8:19 p.m., the session was resumed.

**COMMITTEE REPORT NO. 95
ON HOUSE BILL NO. 4358**

(Continuation)

Upon motion of Senator Pangilinan, there being
no objection, the Body resumed consideration, on
Second Reading, of House Bill No. 4358 (Committee
Report No. 95), entitled

AN ACT GRANTING THE NATIONAL
GRID CORPORATION OF THE
PHILIPPINES A FRANCHISE TO
OPERATE, MANAGE AND MAIN-
TAIN, AND IN CONNECTION THERE-
WITH, TO CONSTRUCT, INSTALL,
FINANCE, IMPROVE, EXPAND,
REHABILITATE AND REPAIR THE
NATIONWIDE TRANSMISSION
SYSTEM AND THE GRID IN THE
REPUBLIC OF THE PHILIPPINES.

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

INTERPELLATION OF SENATOR AQUINO
(Continuation)

To Senator Aquino's observation that bid winner
National Grid Corporation committed to pay an average
of P14.5 billion for the right to operate the national
grid system but the proceeds to pay for the franchise
would come from the operations of Transco, Senator
Enrile clarified that this would be true if the amount
coming from the operation will be enough to service
the amortization; otherwise, the National Grid Corpora-
tion would have to utilize funds from its capital account.

Senator Aquino pointed out that Transco does
not have P14.5-billion amortization to run the trans-
mission line at present, but, on the other hand,
National Grid Corporation would have the burden
of making this payment from the proceeds of the
operation and as such, the P14- billion amortization
is considered a substantial increase in the expenses
of the franchise holder.

For his part, Senator Enrile clarified that
TRANSCO's actual annual obligation of about P13.8

billion which is taken from the books of its original parent company, Napocor, is the sum of its interest yearly payment of P5.472 billion as debt service for the foreign loan incurred by the Napocor to set up its facilities plus its yearly capital amortization of P8.306 billion. He noted that while the National Grid Corporation's average P14-billion yearly amortization will more than cover Transco's obligation, since Transco is actually servicing a debt, its actual annual net income is not P16.8 billion but P11.305 billion. He said that Transco's net income of P11.305 billion less the annual depreciation allowance of P4.175 billion would give P7.2 billion of cash available for CAPEX.

Senator Enrile explained that although the deduction of depreciation allowance from its income would leave Transco with an annual net earning of P3.2 billion, the corporation will also have to deal with all the risks and vagaries of an unknown future that is associated with such a business. On the other hand, he said that if the concession contract pushes through, Transco would be relieved of the burden of running the system and would only need to wait to receive P14 billion a year to service its obligation of P13.8 billion.

Adverting to data available on the Transco website, Senator Aquino inquired into Transco's actual debt service obligation to Napocor.

SUSPENSION OF SESSION

Upon motion of Senator Enrile, the session was suspended.

It was 8:26 p.m.

RESUMPTION OF SESSION

At 8:26 p.m., the session was resumed.

Senator Enrile explained that Transco's earnings are entered into its books as well as that of the NPC since it is the amount used to cover the obligations of its parent company. He pointed out that the P13 billion is the fund utilized by Transco as debt payment to the Napocor. He clarified that Transco did not pay a single centavo for the assets that the Napocor had transferred to it since the obligation of the Napocor for these assets carry a sovereign guarantee.

Senator Aquino requested a written explanation of the fund transfers made by the Transco to the NPC.

SUSPENSION OF SESSION

Upon motion of Senator Enrile, the session was suspended.

It was 8:30 p.m.

RESUMPTION OF SESSION

At 8:30 p.m., the session was resumed.

Senator Enrile explained that Transco's P32.3-billion annual collection is entered into its book and at the same time transferred to the Napocor. He said that Transco draws funds for expenses including payment of salaries, travel, repairs and contingencies as well as the P13.8 billion debt service from that same amount which is under the control of the Napocor.

Senator Aquino asked how the National Grid Corporation, which will maintain the same operating conditions except for incurring a new expense in terms of servicing its obligations to Transco, would end up with more capital expenses. Senator Enrile replied that unlike Transco, which has a net operating income of P23.428 billion as it does not have to pay any franchise tax, the concessionaire, which would have to pay a franchise tax of P967 million, will end up with a smaller operating income of P22.461 billion. He explained that P22.461 billion less P11.826 billion, which the concessionaire pays as interest in the first year, would give a net of P10.635 billion compared to Transco's P16.8 billion (without debt burden and debt service) and P11.305 billion (with debt service).

Further, Senator Enrile noted that when comparing the cash flow of the two corporations, Transco with debt service, will end up with only P7.2 billion net cash available for capital expenditure while the concessionaire would still end up with P13.67 billion. This, he said, is made possible given the following:

P10.635 B	x	Net Operating Income
- 4.175 B	x	Yearly Depreciation Charge
P14.810 B	x	Net Operating Cash
- 1.140 B	x	Principal Repayment to Transco
P13.670 B	x	Net Operating Cash for CAPEX

Adverting to an earlier discussion, Senator Aquino asked for clarification regarding the US\$2.2 billion that Transco owes Napocor which would not be a stranded debt but would be paid from the proceeds ^{AB}

from the concessionaire's fees. In reply, Senator Enrile supposed that it would be drawn from that fund which is the only source of income of Transco and, in turn, it would be drawn by Napocor to service its loan. Senator Aquino assumed that whoever runs the system would be taking care of the interest expense of US\$5.5 billion and the principal repayment of US\$8.305 billion.

SUSPENSION OF SESSION

Upon motion of Senator Enrile, the session was suspended.

It was 8:41 p.m.

RESUMPTION OF SESSION

At 8:41 p.m., the session was resumed.

Senator Enrile stated that the National Grid Corporation has nothing to do with the obligation of Transco or Napocor because under its concession contract, its only responsibility is to Transco which it must pay the concession fee. What Transco would do with the money, he said, is not the business of the National Grid Corporation.

When PSALM set the bidding, asked whether there was a floor price that would have allowed Transco to realize proceeds sufficient enough to service its debt obligation, Senator Enrile stated that Transco accepted the bid of US\$3,950,000,000 and he assumed that Transco, PSALM and the national government would not be that foolish to bid out an operating facility with a debt service without calculating the amount needed to discharge the same.

Senator Aquino pointed out that in terms of cash flow, the debt of Transco will be booked in another item but it will still be part of the burden of the new concessionaire when it pays the concessionaire's fee. He maintained that Transco still has the current obligation which should have been considered in determining the winning bid. In answer, Senator Enrile disagreed, saying that from a contractual view point, the debt of Transco is not the obligation or the burden of the new concessionaire. He stated that Transco, PSALM, Napocor and the government must have considered the debt obligation when they opened the concession for bidding. He further stated that while the discharge of Transco's foreign debt could flow from the payments of the National Grid

Corporation, if Transco would not be able settle its debt, the creditors cannot go after the concessionaire because it cannot be held liable.

Noting that the National Grid Corporation would pay Transco US\$3.95 billion over a period of time, Senator Aquino contended that Transco would end up with less income stream considering that it would have new liabilities in terms of new interest charges on loans for new undertakings. Senator Enrile replied that he already submitted a document explaining the whole process but apparently he has failed to convince Senator Aquino.

Asked if there is already a list of the beneficial owners of the concessionaire, Senator Enrile stated that the Securities and Exchange Commission evaluated the capital structure of the National Grid Corporation and it ruled that the corporation has complied with the constitutional limitation on stock ownership for corporations engaged in public utilities. He then presented the following profile of National Grid Corporation:

Ownership

Calaca High Power Corporation	30%
Monte Oro Grid Resources Corporation	30%
State Grid Hong Kong Ltd.	40%
(100% owned by State Grid of China)	

Monte Oro Grid Corporation

(100% owned by Monte Oro Resources and Energy)

Walter W. Brown	Filipino
Victor P. Huat	Filipino
Eduardo Alarilla	Filipino
Wilson L. Sy	Filipino
Pedro O. Tan	Filipino

Calaca High Power Corporation

(owned by Pacifica 21 Holdings Inc.)

Robert Coyiuto, Jr.	Filipino	68.34%
Anthony L. Almeda	Filipino	31.66%

Beneficial Owners

Robert Coyiuto Jr.	20.50%
Antony L. Almeda	9.50%
Enrique K. Razon, Jr.	14.20%
Jose Eduardo Alarilla	2.54%
W. Brown Family	6.63%
Others	<u>6.63%</u>
TOTAL	60%

At this juncture, Senator Pimentel inquired if the names mentioned are the same as those listed under

the shareholder's agreement. Since the owners of Transco would be a consortium, he asserted that it would be important to get a list of the shareholder's agreement. Senator Enrile replied that there is no shareholder's agreement but if there is such, it would be among the shareholders of the three corporations.

Senator Aquino presented a general information sheet which is a requirement for all corporations. He took note that Mr. Roberto Coyiuto Jr. is listed as having only one share and Calaca, when it was organized, has P1 million in authorized stock capital. Senator Enrile replied that the document was only for the purpose of qualifying Mr. Coyiuto as director of Calaca which has since increased its capital to P3 billion.

Asked how the stockholders paid for the P150 million shares, Senator Enrile surmised that it could have been advanced by their stockholders.

To give the entire picture, Senator Aquino stated that Monte Oro Grid Resources, which is owned by Monte Oro Resources Energy Inc., also acquired an additional two shares of about P150 million and it had the P28 million cash advance to its subsidiary which is Monte Oro Grid Resources to pay for the P150 million. He said that it behooves the Senate to know where exactly the resources came from to ensure that there is no violation of the AMLA, among other existing laws.

Senator Enrile replied that the people who bided for the concession have the financial clout to comply with their undertakings. Nevertheless, he reiterated that the cited figures represent the initial amount to organize the corporation; with the magnitude of the transaction the corporation undertakes, it has to increase capitalization and probably advance the amount at the proper time when it finally puts up its actual ratable share of the capitalization.

On whether there is means to undertake the \$3.95-billion transaction taking into account the P36 million of the Monte Oro Grid Resources Corporation and P1 million of Calaca High Power Corporation, Senator Enrile expressed optimism that the corporation can raise the amount in due time because it is not required to pay the amount immediately: 75% of it is payable over time; \$987.5 million would be paid immediately within a certain period after the grant of the franchise, and failure to pay the required capital

would put the corporation at risk. Moreover, he pointed out that there is a bond which is forfeitable to the government if the corporation cannot comply with its undertakings and that bond would continue to ensure that the corporation performs under the terms and conditions of the contract.

Asked how the process of transmitting electricity from generating to eventually distributing companies is related to telecommunications, Senator Enrile replied that the transmission line of Transco has fiber optic components which could be utilized for that purpose. He stated that the EPIRA wisely provided that a public utility operator, whether for transmission or distribution of power, must utilize its assets to its maximum potential for the consumers' benefit.

On whether fiber optic cables utilize transmission of electricity, Senator Enrile replied that the high voltage transmission wire of Transco has fiber optics as components which are considered assets of the corporation.

Quoting from an article in the magazine, *The Economist*, Senator Aquino stated that one does not need transmission lines to transmit electricity. He said that the article demonstrated how various household appliances were charged using radio waves. He asked whether the bill envisions the time when radio waves would become a viable technology and whether it would facilitate an automatic transfer of the franchise for that new mode of transmission of electricity. Senator Enrile replied in the negative.

Asked what limitations are imposed upon the National Grid Corporation as far as telecommunications practices are concerned, Senator Enrile replied that the corporation is subject to the authority and requirements of the National Telecommunications Commission.

But Senator Aquino pointed out the constitutional mandate that every person who wants to engage in public utilities must secure a congressional franchise; however, under the bill, the corporation, in effect, is allowed to undertake two utilities — transmission of electricity and telecommunications. As presently worded, he said that any and all modes of telecommunications could be entered into by the corporation without the necessity of securing any other franchise. *no*

SUSPENSION OF SESSION

Upon motion of Senator Aquino, the session was suspended.

It was 9:10 p.m.

RESUMPTION OF SESSION

At 9:11 p.m., the session was resumed.

At this point, Senator Aquino read the portion of Section 11, Article XII of the Constitution which states "...Neither shall any such franchise nor right be granted except under the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires." He noted that the bill is giving the corporation a wide-ranging license to engage in telecommunications because the provisions did not delineate what portion of the telecommunications industry is entitled or allowed to service.

Senator Enrile replied that the corporation cannot go beyond the capacity of their fiber optics, the limiting factor. He confirmed that Congress has the power to amend or even repeal, with due process, the franchise if necessary.

Asked whether the P3.9 billion which was pegged at the foreign exchange rate of P42.75, would be a fixed rate for the duration of the contract, Senator Enrile replied that the fixed exchange rate is only for the 75% of the total concession fee. He said that the amount involved is mandated to be paid in dollars and whatever is the prevailing exchange rate at that time would be the conversion rate in peso which the government shall get.

Asked if concerned parties like the Mindanao Transco Employees Association, Inc. (MINTREA) and the Freedom from Debt Coalition, which approached his office on the matter, could be furnished with copies of the concession agreement, Senator Enrile replied that while he respects the right of the people to information, he could not say if they have the right to demand; if their request was not granted, their recourse is to go to court and assert their right. He stated that businessmen also have a right to ensure that their contracts are not being bandied about.

Asked why there should be restrictions when the business being sought would affect the entire populace.

Senator Enrile assured the Body that public interest would be protected because the transmission company collects a wheeling charge. Nevertheless, he said, everybody is entitled to participate in the public hearings on the matter to be conducted by the government agency concerned.

Senator Aquino opined that allowing the Body and the groups concerned to review the contract this early would enable them to detect and thresh out whatever defect the contract may have. Senator Enrile replied that Congress' task in this case is to grant or not to grant a franchise. He said that the concession contract has been concluded; hence, the privacy of the contracts between parties should be respected. He believed that the matter could be debated upon if there is anybody who feels that government was not wise enough to protect public interest. He stated there is no reason to keep the agreement a secret but as a matter of business policy, the concessionaire, just like any businessman, does not want the contract to be exposed to just anybody.

As regards the technical skills and knowledge in running the national grid by the State Grid of Hong Kong, Limited, Senator Enrile observed that the same skills can be provided by Transco employees who would be absorbed by the National Grid Corporation. He supposed that the State Grid of Hong Kong, Limited would not bring all the Chinese technicians, laborers and linemen because the technology is not new to the Filipino employees who know better about the technical conditions of the power lines and towers. He said that the National Grid Corporation needed technical backup so it brought in the State Grid of Hong Kong, Limited.

Adverting to the list of corporations involved in the consortium, Senator Aquino observed that Monte Oro started out as a mining corporation while Calaca was set up in 2006 as an energy corporation. He believed that had Transco employees come up with the bid documents and technical study while employed by the National Grid Corporation, there would have been a conflict of interest so it seemed that it was only the State Grid of Hong Kong, Limited that provided the technical analysis.

Senator Enrile stated that it was possible that the State Grid of Hong Kong, Limited prepared the bid, with the help of hired consultants, by studying the operations of Transco and basing it on its own experience.

Senator Aquino noted that according to Section 21, paragraph 3 of the EPIRA, the awardee shall be financially and technically capable, with proven domestic and/or international experience and expertise as a leading transmission system operator and such experience must be with a transmission system of comparable capacity and coverage as the Philippines. He wondered if the consortium has domestic expertise.

Senator Enrile stated that there is only one national grid in the country. Besides, he pointed out, the law does not say that the bidder must be a company presently operating a national grid in the country. He said that a public bidding was held to accept offers from experienced grid operators in compliance with the provisions of the EPIRA.

As regards the performance of the State Grid of Hong Kong, Limited Senator Aquino recalled that China suffered from power outages due to frozen transmission lines and equipment during the winter and the unusual demands from Chinese mainland consumers. He also narrated that thousands were stranded in various railway systems because of power failure from January 26 to February 6, 2008. He said that no less than Premier Wen Jiabao made personal visits to the affected areas to ease the chaos brought about by the power outages.

In reply, Senator Enrile stated that as experienced by other countries, power outages can be expected due to *force majeure* like heavy snow storm, earthquakes or floods that topple power lines, and considering the vastness of China, it is possible that power in some areas may take time to restore.

At this juncture, the Senate President Pro Tempore relinquished the Chair to Senator Pangilinan.

On the medium-term development plan of the Department of Energy, Senator Enrile admitted that he did not go that far in studying the matter. He opined that government agencies which handled the concession contract had taken into account all the requirements they needed to comply with.

Senator Aquino believed that the reason why it is called an "award" of franchise is that the grantee would be rewarded with the monopoly of the transmission. He said that it behooves Congress to determine whether the corporation has the technical

capability and the financial resources to meet its commitments. Senator Enrile believed that the franchisee has the financial and technical capability and the experience to run the business.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 9:35 p.m.

RESUMPTION OF SESSION

At 9:35 p.m., the session was resumed with Senate President Pro Tempore Ejercito Estrada presiding.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 4358

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

MANIFESTATION OF SENATOR PANGILINAN

Senator Pangilinan manifested that Senate President Villar and Senator Legarda would submit their cosponsorship speeches on the BFAD measure for insertion into the Journal and Record of the Senate.

COSPONSORSHIP SPEECH OF SENATE PRESIDENT VILLAR

Pursuant to the manifestation of Senator Pangilinan, following is the cosponsorship speech of Senate President Villar on Senate Bill No. 2645 which was deemed read into the Journal and Record of the Senate:

It is with great honor and privilege that I rise to sponsor Committee Report 104, which seeks to strengthen the regulatory policy of the Bureau of Food and Drugs (BFAD), consequently to be renamed Food, Drugs, Cosmetics and Devices Administration (FDCDA). The committee report considered Senate Bill 2520, which I authored, to reinforce BFAD's mandate to administer and enforce laws pertaining to safety and quality of food, drugs, health products and cosmetics. *AC* *yo*

We have seen how the world and economy have changed enormously in the past decades. As a result, the volume of products sold is immense, and the number of manufacturers, suppliers and exporting countries continue to grow everyday. It is against this backdrop that I express my support for the passage of this legislation to safeguard the health of our citizens.

Consumer safety and protection is the overarching goal of this piece of legislation. It conforms to the needs of our rapidly growing times, plugs loopholes and provides for effective and efficient control mechanisms on food and non-food products. Safety and sanitary standards are imperatives that must be addressed by countries and companies to gain the trust of the consuming public.

Consumers demand information and transparency. They want to be able to rely on the safety and quality of goods available to them. They expect safe food, first and foremost, and respond sensitively especially when food safety is concerned.

The ongoing milk scare has made us clearly aware of the fact that consumer confidence is a precious asset. In this world shaped by diversity and innovation, we as consumers must be made aware of the health implications of products we buy.

All our legislative efforts must reflect our mandate to improve the quality of life of every Filipino, with health on top of our priority agenda.

The state of public health is constantly evolving and we must evolve with it. We cannot afford to let ourselves, and our nation's food safety systems to stagnate.

The proposed legislation will ensure the growth of food safety systems and ensure positive public health outcomes.

COSPONSORSHIP SPEECH OF SENATOR LEGARDA

Pursuant to the manifestation of Senator Pangilinan, following is the cosponsorship speech of Senator Legarda on Senate Bill No. 2645 which was deemed read into Journal and Record of the Senate:

Prominent in the news these days is the unfortunate contamination with melamine of milk products from China. Melamine is used to make fertilizers and is unethically added to food products in order to increase protein content.

Melamine was reported to have caused 53,000 infants ill, 12,900 hospitalized, and four infants dead in China as of September 22, 2008. A number of survivors were diagnosed with acute kidney failure. If there is something good that came out of this unfortunate event, it is the awareness we gained that there might be something wrong with the milk we feed our babies. Naturally and most unfortunately, the victims were infants, the angels of Chinese households. We do not want that to happen to our own babies, to our own angels. They need not suffer the same fate.

And they would not so long as we implement pronouncements in our Constitution. First, Article II, Section 15: "The State shall protect and promote the right to health of the people and instill health consciousness among them." Second, Article XIII, Section 12 states that "The State shall establish and maintain an effective food and drug regulatory system and undertake appropriate health manpower development and research, responsive to the country's health needs and problems." This bill, under Committee Report No. 104 seeks to protect the health of our people by renaming the Bureau of Food and Drugs (BFAD) as the Food, Drugs, Cosmetics and Devices Administration, or the FDCDA, and strengthening its regulatory capacity. Adequate testing laboratories and field offices will be established and their human resource complement will be upgraded.

I have envisioned a more vigilant regulatory body that will support and improve the protection and promotion of the right to health of the Filipino people. The FDCDA will undertake appropriate health manpower development and research that are responsive to the country's health needs and problems. The regulatory capacity of the now-existing BFAD will be enhanced and strengthened to ensure a more effective inspection, licensing, and monitoring of food and drugs. The leaps and bounds of development in food and health since the founding of the Bureau of Food and Drugs as well as the unprecedented integration of the world economy through increased flow of trade in recent years call for a food and drug regulatory system that has the attributes of the FDCDA which this bill seeks to create.

The FDCDA will receive complaints on products and will order the ban and the recall of such products, after reasonable investigation on the merits of the complaints. It will strengthen the post-market surveillance system, meaning FDCDA will continue monitoring and regulating food and health products even after its

production or even when the end products are already on the shelves in stores and markets.

We are lucky that we import most of our imported dairy products from New Zealand and Australia. We could have been up in the neck in detecting these brands and recalling them from the markets. Even Japan and Taiwan, which have a well-regulated food and drug markets, have reported incidents of melamine contamination. Under the FDCDA, there will be created centers for every major product category. One of these centers is the Center for Food Regulation and Research that, among others, will regulate the importation and sale of milk products. We should take cognizance of the fact that vendors in Divisoria, for example, repack milk powder and resell them themselves in smaller packages without proper labels indicating the ingredients, the brand, the country of origin, and other pertinent information on the milk product. It is hoped that the proposed FDCDA will be vested with more powers that will enable it to regulate products which the now existing BFAD is unable to do.

Regulation will not stop with food and drugs. Also to be regulated are labels and devices, medical, radiation, and all the other health-related devices.

Part of strengthening is imposing penalties, actions and remedies for violations of rules and regulations. We should make sure that adulterated, counterfeited, misbranded, or unregistered products, in short, dangerous products are off our supermarket and pharmacy shelves. Whether intentional or due to negligence, endangering the health of the citizenry is a serious matter such that the State needs to interfere with its police powers. Law violators will be meted with criminal and administrative actions.

In fine, the bill enhances the police power of the State to further guard the health of its citizens by reasonable yet effective measures without unduly restraining trade, free competition, and access to health products.

Additionally, this piece of legislation complements the Cheaper Medicines Law, the landmark bill which we envisioned to bring down the prohibitive costs of medicines. The Cheaper Medicines Law gives smaller pharmaceutical firms a fighting chance against giant pharmaceutical companies to enliven competition in the pharmaceutical industry without sacrificing the production of potent, effective, and safe drugs. This proposed law will aid in ensuring cheap and quality medicines.

As globalization intensifies, as we engage in trade with other countries more and more, as we subsist in food that undergoes more processes and stages of preparation before we consume them, as knowledge and researches on health advance, there is all the more need for us to be wary for what we take in.

I call for your support for this bill. Thank you.

COAUTHORS

Senator Pangilinan manifested that the following senators are coauthors of the bills hereunder indicated:

1. Senate President Villar – Senate Bill Nos. 1429 and 2411; and
2. Senator Lapid – Senate Bill Nos. 2639, 1836, 2360, 2392 and 2391.

APPEAL OF SENATOR PANGILINAN


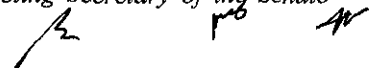
After conferring with the Minority Leader and the Senate President, Senator Pangilinan appealed to the Members to be present when session is called to order at precisely three o'clock in the afternoon of the next day, October 7, 2008, as the Rules provide.

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 9:38 p.m.

I hereby certify to the correctness of the foregoing.


EDWIN B. BELLEN
Acting Secretary of the Senate


Approved on October 8, 2008