BUDGET BRIEFINGS

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<th>COMMITTEE</th>
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| Appropriations| Briefing on the proposed FY 2018 budget, and plans and programs, and major accomplishments of the following government agencies:  
• Department of Health (DOH) | The Committee, chaired by Rep. Karlo Alexei Nograles (1st District, Davao City), listened to the presentations on the proposed FY 2018 budget, plans and programs, and major accomplishments of the Department of Health (DOH) and the Department of National Defense (DND).  
Committee Vice Chair Rep. Scott Davies Lanete, M.D. (3rd District, Masbate) sat as the presiding officer during the budget briefing of the DOH.  
DOH Secretary Paulyn Jean Rosell-Ubial said that under the 2018 National Expenditure Program (NEP), the DOH and its attached agencies/corporations are set to receive ₱164.86 billion for next year, which is 9% higher than its current budget of ₱151.33 billion. The breakdown of DOH’s budget is as follows:  
• Office of the Secretary (OSEC) – ₱103.6 billion;  
• Philippine Health Insurance Corporation (Philhealth) – ₱57.13 billion;  
• Philippine Heart Center (PHC) – ₱870 million;  
• Philippine Children's Medical Center (PCMC) – ₱850 million;  
• National Kidney Transplant Institute (NKTI)– ₱780 million;  
• National Nutrition Council (NNC) – ₱630 million;  
• Commission on Population (POPCOM) – ₱490 million;  
• Lung Center of the Philippines (LCP) – ₱390 million; and  
• Philippine Institute for Traditional and Alternative Health Care (PITAHC) – ₱120 million.  
Rosell-Ubial also reported on DOH’s accomplishments from 2015 to 2017 in pursuit of the three “guarantees” under the Philippine Health Agenda Framework, namely: care for all life stages and protection from triple burden of diseases; service delivery network; and universal health insurance.  
The DOH’s 2018 programs will include the following:  
• National immunization of infants, adolescents, pregnant women, and senior citizens;  
• Services on family health, nutrition and responsible parenting;  
• Prevention and control of tuberculosis and other infectious diseases as well as non-communicable diseases;  
• Treatment and management of drug abuse cases in 13 DOH-treatment and rehabilitation centers;  
• Continued deployment of a pool of human resource for health; and  
• Improvement of primary health facilities.  
The DOH and its attached agencies are requested to submit the following:  
• Stock inventory of each of the categories of contraceptives and their corresponding amount;
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- Department of National Defense (DND)
  - List of areas where barangay health stations will be constructed;
  - Details on the unobligated allotment of P12 billion for FY 2016 which is currently part of the continuing appropriation of the Department;
  - List of DOH-operating units with corresponding utilization rates; and

Committee Vice Chair and Muntinlupa City Rep. Rozzano Rufino Blazon sat as the presiding officer during the DND’s budget briefing.

DND Secretary Delfin Lorenzana said the DBM-recommended FY 2018 budget for DND and its attached agencies amounting to P195.48 billion is 8% higher than this year’s P181.36 billion budget.

Of the 2018 budget, P443 million is allocated to the DND Proper while P76.22 billion is for the Armed Forces of the Philippines (AFP) General Headquarters (GHQ). The rest of the budget will go to the following attached agencies of the DND:
- Philippine Army (PA) - P63.78 billion;
- Philippine Air Force (PAF) – P19.69 billion;
- Philippine Veterans Affairs Office (PVAO) - P12.77 billion;
- Veterans Memorial Medical Center (VMMC) - P1.60 billion;
- Government Arsenal (GA) - P1.23 billion;
- Office of Civil Defense (OCD) - P567.20 million;
- National Defense College of the Philippines (NDCP) - P80.08 million; and
- Philippine Navy (PN) - P21.21 million.

Rep. Nograles inquired whether the medical equipment procured last 2016 for the AFP Medical Center in V. Luna, Quezon City were already delivered.

Lorenzana explained that although there were delays in the procurement process, the medical equipment are already for delivery to the AFP Medical Center by next month.

Replying to another query of Rep. Nograles, Lorenzana said that China’s military assistance to the Philippines amounts to US$14 million. The first delivery, consisting of 800,000 units of M14 rifles, and 5 million rounds of ammunitions, was done in Clark, Pampanga last month. Lorenzana added that the second delivery, which will include rocket-propelled grenades (RPGs) and fast boats, is due in September.

The Members of the Committee later took turns in asking the DND officials about issues and concerns regarding the country’s internal and external security.

Sec. Lorenzana and AFP Chief of Staff Eduardo Año gave the following answers:
- The AFP Modernization Program allocates P200 billion a year to modernize all the branches of the AFP towards maintaining a self-reliant military capable of neutralizing external threats.
- The AFP’s efforts are currently focused on the country’s internal security given the threats coming from armed groups such as the Communist Party of the Philippines/New People’s Army/National Democratic Front (CPP/NPA/NDP), Abu Sayyaf, and the Bangsamoro Islamic Freedom Fighters (BIFF). On threats to external security especially with the country’s territorial dispute with China involving the West Philippine Sea, the President is looking for an amicable solution to resolve this dispute.
- With regard to the armed conflict in Marawi City perpetrated
by the Maute Group, the AFP has already spent about P2.5 billion for its military operations. The AFP has not yet finalized any rehabilitation plan for Marawi since its engineering teams could not yet penetrate certain areas to be able to assess the exact rehabilitation requirements. A small contingent from the US military still remains in Mindanao, providing the AFP intelligence information on the terrorist groups but not engaged in any military strike or operation.

- The AFP denied any involvement in the bombings of Lumad schools in Mindanao, citing its avowed duty to protect civilian lives.
- The AFP requested that the details of the utilization of its intelligence fund be discussed in an executive session in the interest of national security.

Several House Members commended the extraordinary efforts of the DND and the AFP in their fight against terrorism and expressed their full support for the approval, and even an increase, of the DND's proposed 2018 budget.

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Basic Education
and Culture

about moving the start of the school year to August thus holding classes during the summer months, said that school buildings are not designed and built to reduce summer heat which may be unbearable for students.

In the same vein, Rep. Juliet Marie De Leon Ferrer (4th District, Negros Occidental) said that synchronizing the opening of classes on account of weather conditions may not be enough reason especially since weather conditions vary across the country.

Rep. Ma. Lourdes Aggabao (4th District, Isabela) recalled the time when the opening of classes was in the month of August but just after one academic year, it was moved back to June. She suggested that the Department of Education (DepEd) be asked to inform the Committee of the reason for such a swift policy change, which could be helpful in the deliberation of the proposed law.

The Coordinating Council of Private Educational Associations (COCOPEA) and the National Youth Commission (NYC) interposed no objection to the proposed measures.

DepEd Assistant Secretary Nepomuceno Malaluan promised to submit the Department’s official position paper on the bills.

The Commission on Higher Education (CHED) said that it does not recommend a mandatory change in the academic calendar of schools in the country. The National Union of Students of the Philippines (NUSP) concurred with the position of CHED. (The NUSP is a nationwide alliance of student councils, governments and unions that is committed to the advancement of the student’s rights and welfare.)

All the resource persons present were requested to submit their position papers for the consideration of the TWG.

HB 5097
Rep. Tupas
Providing for the restoration of mandatory military training for all Grade 11 and 12 students by reinstating Sections 38 and 39 of RA 7077, otherwise known as the Armed Forces of the Philippines Reservist Act

The Committee will deliberate further on HBs 5097 and 5113 in another meeting.

Deputy Speaker Raneo Abu (2nd District, Batangas), author of HB 5113, underscored the importance of restoring the ROTC in both public and private educational institutions as this will inculcate in the Filipino youth the values of patriotism and nationalism and encourage their involvement in public and civic affairs.


The NYC, Department of National Defense (DND), and Armed Forces of the Philippines (AFP) expressed support for the bills.
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<th>Continuation...</th>
<th>Substitute Bill to HBs 182, 812, 970, 1220, 1527, 2388, 2540 &amp; 3040</th>
<th>Institutionalizing energy efficiency and conservation, enhancing the efficient use of energy, granting incentives to energy efficiency and conservation projects.</th>
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<td>Energy</td>
<td>Reps. Olivarez, Batocabe, Romualdez, Umali, Macapagal-Arroyo, Abad, Tambunting, and Roque (H.)</td>
<td>On the other hand, the NUSP pushed for the abolition of the ROTC. The Committee, chaired by Marinduque Rep. Lord Allan Jay Velasco, approved the substitute bill subject to style and amendment. Rep. Reynaldo Umali (2nd District, Oriental Mindoro) presented the salient features of the substitute bill drafted by the technical working group (TWG) which was created for the purpose and which he chaired.</td>
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<td>HR 860</td>
<td>Deputy Speaker Garin</td>
<td>Inquiry into the performance and impact assessment of RA 9367 or the Biofuels Act of 2006, as amended, and the development of alternative sources of biofuels. The Committee terminated its inquiry on HR 860. Deputy Speaker Sharon Garin (Party-List, AAMBIS-OWA), author of HR 860, stressed that the purpose of the inquiry is to assess the current state of the country’s biofuel program and recommend remedial legislation, if needed, to propel the promotion of alternative sources of energy to reduce the country’s dependence on imported fuel.</td>
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<td>Dr. Shirley Agrupis, professor at the Mariano Marcos State University (MMSU) and program leader of the United States Agency for International Development (USAID) Science, Technology, Research and Innovation for Development (STRIDE) Program, gave a briefing on the potential of “nipa” as a new feedstock for bioethanol production. Agrupis said that the research project is aimed at reducing dependence on fossil fuels, improving the quality of the environment, and creating opportunities for countryside socio-economic development. The bioethanol research facility is being implemented jointly by the local government unit of Cagayan and the MMSU. Explaining the benefits of using nipa as a source of alternative fuel, Agrupis said nipa produces high amount of sap that can be converted to alcohol. She reported that there are almost 6,000 hectares of nipa plantations all over the country which are sufficient to supply the stock requirement for biofuel production in the country.</td>
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<td>The Department of Energy (DOE) was requested to submit a report on its research on “jatropha” as a biofuel feedstock. Likewise, the Department of Labor and Employment (DOLE) was requested to submit a report on the status of implementation of the Social Amelioration and Welfare Program (SAWP) instituted under RA 9367. SAWP is a social amelioration scheme that aims to improve the socio-economic well-being of workers in the biofuel industry including their</td>
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<td>Suffrage and Electoral Reforms</td>
<td>Substitute Bill to HBs 5359, 5361, 5380, 5510 &amp; 5653 and HR 905</td>
<td>Reps. Barbers, Velasco, Panganiban, Sy-Alvarado, Pimentel, and Castelo</td>
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<td>Trade and Industry</td>
<td>HB 3252</td>
<td>Rep. Biron</td>
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implementing laws aimed at lowering the prices of medicines from the time RA 6675 or the Generics Act of 1988 was enacted up to the present.

Federation of Senior Citizens Association of the Philippines (FSCAP) Regional President George Banal appealed to the Committee not to exempt drugs and medicines under price regulation from the coverage of RA 9994 or the Expanded Senior Citizens Act of 2010.

One of the provisions of HB 3252 states that “drugs and medicines under price regulation as fixed by the Board will not be included in the grant of twenty percent (20%) discount and exemption from the value-added tax (VAT) to senior citizens” which are otherwise granted to them under RA 9994.

Rep. Biron, however, assured FSCAP that once his bill is enacted into law, the cost of the regulated drugs will be much cheaper than the prevailing prices of medicines with senior citizen discounts.

On the effect of the proposed law on the viability of the pharmaceutical companies, Rep. Biron said that it will level the playing field for all stakeholders and ensure fair pricing of drugs and medicines.

Pharmaceutical and Healthcare Association of the Philippines (PHAP) Executive Director Teodoro Padilla expressed concern that with price regulation, the industry might not be able to recover the research and development costs related to the manufacture of drugs. Rep. Biron explained that most of the products that will be under price regulation are non-patented drugs, adding that patented drugs will not be subject to price regulation being covered by the law on intellectual property rights.

Resource persons from the government: DOH, Food and Drug Administration (FDA), and Department of Trade and Industry (DTI); and those from the private sector, namely: PHAP, FSCAP, Drugstores Association of the Philippines (DSAP), Mercury Drugstore, UNILAB, Philippine Chamber of Pharmaceutical Industry (PCPI), Philippine Pharmacists Association, Inc., Philippine International Trading Corporation (PITC), World Health Organization (WHO) Regional Office, Philippine Alliance of Patient Organizations (PAPO), and Laban ng Konsumer Inc., were requested to submit their position papers before August 24, 2017.