



Congressional Record

PLENARY PROCEEDINGS OF THE 17th CONGRESS, SECOND REGULAR SESSION
House of Representatives

Vol. 1

Tuesday, August 8, 2017

No. 8

CALL TO ORDER

At 4:00 p.m., Deputy Speaker Mylene J. Garcia-Albano called the session to order.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The session is now called to order.

NATIONAL ANTHEM

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Everyone is requested to please rise for the singing of the Philippine National Anthem.

Everybody rose to sing the Philippine National Anthem.

PRAYER

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Please remain standing for a minute of silent prayer and meditation.

Everybody remained standing for the silent prayer.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Dep. Majority Leader is recognized.

ROLL CALL

REP. MERCADO. Mme. Speaker, I move that we call the roll.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General will please call the roll.

The Secretary General called the roll, and the result is as follows, per Journal No. 8, dated August 8, 2017:

PRESENT

Abayon
Abellanos

Abu
Abueg

Acharon
Acosta
Advincula
Agarao
Aggabao
Aglipay-Villar
Albano
Alejano
Almario
Almonte
Alvarez (F.)
Alvarez (P.)
Amante
Amatong
Andaya
Antonino
Antonio
Aquino-Magsaysay
Aragones
Arcillas
Arenas
Atienza
Aumentado
Bag-ao
Bagatsing
Barbers
Barzaga
Bataoil
Bautista-Bandigan
Belaro
Belmonte (F.)
Belmonte (J.C.)
Benitez
Bertiz
Biazon
Billones
Bolilia
Bondoc
Bordado
Bravo (A.)
Bravo (M.V.)
Brosas
Bulut-Begtang
Cagas
Calderon
Calixto-Rubiano
Caminero
Campos
Cari
Casilao
Castelo
Castro (F.L.)
Castro (F.H.)
Catamco
Cayetano
Celeste
Cerilles
Chavez
Chipeco
Cojuangco
Collantes
Cortes
Cortuna
Cosalan
Crisologo
Cua
Cuaresma
Cueva
Dalipe
Datol
Daza
De Jesus
De Vera
Defensor
Del Mar
Del Rosario
Deloso-Montalla
Dimaporo (A.)
Dimaporo (M.K.)
Durano
Dy
Elago
Enverga
Erice
Eriguel
Ermita-Buhain
Escudero
Espina

Espino	Mercado	Tambunting	Vargas
Estrella	Mirasol	Tan (A.)	Vargas-Alfonso
Eusebio	Montoro	Tejada	Velarde
Evardone	Nieto	Teves	Velasco
Fariñas	Noel	Tiangco	Velasco-Catera
Fernando	Nogralles (J.J.)	Ting	Veloso
Ferrer (J.)	Nogralles (K.A.)	Tinio	Vergara
Ferriol-Pascual	Nolasco	Tolentino	Villanueva
Flores	Nuñez-Malanyaon	Treñas	Villaraza-Suarez
Fortun	Ocampo	Tugna	Villarica
Fortuno	Ong (E.)	Tupas	Villarin
Fuentebella	Ong (H.)	Turabin-Hataman	Violago
Garbin	Ortega (P.)	Ty	Yap (A.)
Garcia (G.)	Ortega (V.N.)	Umali	Yap (M.)
Garcia (J.E.)	Pacquiao	Unabia	Yap (V.)
Garcia-Albano	Paduano	Ungab	Yu
Garin (R.)	Palma	Unico	Zamora (M.C.)
Garin (S.)	Pancho	Uy (J.)	Zamora (R.)
Gasataya	Panganiban	Uy (R.)	Zubiri
Gatchalian	Papandayan	Uybarreta	
Geron	Pimentel		
Go (A.C.)	Pineda		
Go (M.)	Plaza		
Gomez	Primicias-Agabas		
Gonzaga	Quimbo		
Gonzales (A.D.)	Radaza		
Gonzalez	Ramirez-Sato		
Gullas	Ramos		
Hernandez	Relampagos		
Herrera-Dy	Revilla		
Hofer	Roa-Puno		
Jalosjos	Robes		
Javier	Rodriguez (I.)		
Kho	Rodriguez (M.)		
Khonghun	Roman		
Labadlabad	Romualdez		
Lacson	Romualdo		
Lagman	Roque (H.)		
Laogan	Roque (R.)		
Limkaichong	Sacdalan		
Lobregat	Sagarbarria		
Lopez (B.)	Salimbangon		
Lopez (C.)	Salo		
Loyola	Salon		
Macapagal-Arroyo	Sambar		
Maceda	Sandoval		
Madrona	Sarmiento (C.)		
Malapitan	Sarmiento (E.M.)		
Mangaoang	Savellano		
Mangudadatu (Z.)	Sema		
Marcoleta	Siao		
Marcos	Silverio		
Mariño	Singson		
Marquez	Suansing (E.)		
Martinez	Suansing (H.)		
Matugas	Suarez		

THE SECRETARY GENERAL. The Speaker is present.

Mme. Speaker, the roll call shows that 243 Members responded to the call.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). With 243 Members present, the Chair declares the presence of a quorum.

The Dep. Majority Leader is recognized.

APPROVAL OF THE JOURNAL

REP. MERCADO. Mme. Speaker, I move that we approve Journal No. 7, dated August 7, 2017.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion to approve the Journal is hereby approved.

The Dep. Majority Leader is recognized.

REP. MERCADO. Mme. Speaker, I move that we proceed to the Reference of Business .

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General will please read the Reference of Business.

REFERENCE OF BUSINESS

The Secretary General read the following House Bills and Resolutions on First Reading, Message from

the Senate and Committee Reports, and the Deputy Speaker made the corresponding references:

House Bill No. 6097, entitled:

“AN ACT RENEWING THE FRANCHISE GRANTED TO JOSE M. LUISON AND SONS, INC. TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCAST STATIONS IN THE PHILIPPINES UNDER REPUBLIC ACT NO. 8132 FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE DATE OF APPROVAL OF THIS ACT”

By Representative Pichay
TO THE COMMITTEE ON LEGISLATIVE FRANCHISES

House Bill No. 6098, entitled:

“AN ACT REQUIRING SUBDIVISION AND CONDOMINIUM OWNERS OR DEVELOPERS, AND LOCAL GOVERNMENT UNITS IMPLEMENTING HOUSING PROJECTS, TO PROVIDE OPEN SPACES FOR TREE PLANTING AND PROVIDING PENALTY FOR VIOLATION THEREOF”

By Representative Aumentado
TO THE COMMITTEE ON HOUSING AND URBAN DEVELOPMENT

House Bill No. 6105, entitled:

“AN ACT ESTABLISHING AN ELEMENTARY SCHOOL IN SITIO CABAGAAYAN, BARANGAY SIBULAN, TORIL DISTRICT, DAVAO CITY TO BE KNOWN AS THE CABAGAAYAN ELEMENTARY SCHOOL AND APPROPRIATING FUNDS THEREFOR”

By Representative Ungab
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 6106, entitled:

“AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY BAYABAS, TORIL DISTRICT, DAVAO CITY TO BE KNOWN AS THE BAYABAS NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR”

By Representative Ungab
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 6107, entitled:

“AN ACT ESTABLISHING A NATIONAL HIGH

SCHOOL IN BARANGAY TAGURANO, TORIL DISTRICT, DAVAO CITY TO BE KNOWN AS THE RUFERTO F. CAPULONG NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR”

By Representative Ungab
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 6108, entitled:

“AN ACT PROVIDING FOR THE MANDATORY PHILHEALTH COVERAGE FOR ALL PERSONS WITH DISABILITY (PWDs), AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7277, AS AMENDED, OTHERWISE KNOWN AS THE ‘MAGNA CARTA FOR PERSONS WITH DISABILITY’, AND FOR OTHER PURPOSES”

By Representative Villafuerte
TO THE COMMITTEE ON SOCIAL SERVICES

House Bill No. 6109, entitled:

“AN ACT PROVIDING FREE EDUCATION TO SENIOR CITIZENS”

By Representatives Nieto and Maceda
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE AND THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 6110, entitled:

“AN ACT ESTABLISHING A FISH PORT IN THE MUNICIPALITY OF SAINT BERNARD, PROVINCE OF SOUTHERN LEYTE”

By Representative Mercado
TO THE COMMITTEE ON AQUACULTURE AND FISHERIES RESOURCES

House Bill No. 6111, entitled:

“AN ACT RATIONALIZING AND CONSOLIDATING GOVERNMENT REGULATIONS RELATING TO ALL GAMES OF CHANCE UNDER PAGCOR, GAB, PCSO AND SPECIAL ECONOMIC ZONES, CREATING FOR THE PURPOSE THE PHILIPPINE AMUSEMENTS AND GAMING AUTHORITY (PAGA)”

By Representative Pineda
TO THE COMMITTEE ON GAMES AND AMUSEMENTS

House Bill No. 6113, entitled:

“AN ACT ESTABLISHING THE DEPARTMENT OF CULTURE, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES”

By Representative Escudero
TO THE COMMITTEE ON GOVERNMENT
REORGANIZATION AND THE COMMITTEE
ON BASIC EDUCATION AND CULTURE

RESOLUTIONS

House Resolution No. 1162, entitled:

“RESOLUTION DIRECTING THE
COMMITTEE ON WAYS AND MEANS
TO CONDUCT AN INQUIRY, IN AID OF
LEGISLATION, ON THE SUBSTANTIAL
DISPARITY IN THE AMOUNT OF
DEFICIENCY TAX LIABILITIES AS
ASSESSED BY THE BUREAU OF
INTERNAL REVENUE (BIR) AND THE
CORRESPONDING PAYMENT MADE BY
THE TAXPAYER”

By Representative Villanueva
TO THE COMMITTEE ON RULES

House Resolution No. 1163, entitled:

“A RESOLUTION EXTENDING
CONGRATULATIONS TO THE IGLESIA NI
CRISTO 103RD FOUNDING ANNIVERSARY
ON JULY 27, 2017”

By Representatives Nieto and Maceda
TO THE COMMITTEE ON RULES

House Resolution No. 1164, entitled:

“RESOLUTION COMMENDING JAMES DELA
CRUZ LOZAÑES FOR HIS EXCEPTIONAL
FEAT IN THE JAVELIN EVENT OF THE
ASEAN SCHOOLS GAMES”

By Representative Tupas
TO THE COMMITTEE ON YOUTH AND
SPORTS DEVELOPMENT

House Resolution No. 1165, entitled:

“A RESOLUTION DIRECTING THE COMMITTEE
ON NATURAL RESOURCES TO CONDUCT
AN INQUIRY, IN AID OF LEGISLATION,
ON THE IMPACTS OF MINING ON THE
ENVIRONMENT AND WHAT MINING
COMPANIES ARE DOING TO CLEAN-
UP, RESTORE AND REHABILITATE
AREAS DAMAGED BY MINING, WITH
THE INTENTION OF RECOMMENDING
MEASURES TO ENSURE THAT THE
ENVIRONMENT IS AMPLY PROTECTED”

By Representative Matugas
TO THE COMMITTEE ON RULES

House Resolution No. 1166, entitled:

“A RESOLUTION COMMEMORATING THE
EIGHTH DEATH ANNIVERSARY OF THE

LATE BROTHER ERAÑO G. MANALO”

By Representative Castelo
TO THE COMMITTEE ON RULES

House Resolution No. 1167, entitled:

“A RESOLUTION EXPRESSING THE
COLLECTIVE SENSE OF THE
HOUSE OF REPRESENTATIVES
TO CONGRATULATE BROTHER
EDUARDO V. MANALO FOR EIGHT
(8) YEARS OF VICTORIOUS CHURCH
ADMINISTRATION AS HE MARKS HIS
8TH ANNIVERSARY AS THE EXECUTIVE
MINISTER OF THE IGLESIA NI CRISTO
ON SEPTEMBER 7, 2017”

By Representative Castelo
TO THE COMMITTEE ON RULES

House Resolution No. 1168, entitled:

“A RESOLUTION URGING THE COMMITTEE
ON HEALTH TO IMMEDIATELY
INVESTIGATE, IN AID OF LEGISLATION,
THE RECENT REPORT OF THE
DEPARTMENT OF HEALTH AND UNITED
NATIONS SAYING THAT THE PHILIPPINES
HAS HIGHEST HIV INFECTION RATE IN
ASIA-PACIFIC”

By Representative Castelo

ADDITIONAL COAUTHORS

Rep. Greg G. Gasataya for House Bill No. 1622;
Reps. Jose L. Atienza Jr., Arthur R. Defensor Jr.,
Cecilia Leonila V. Chavez, Emmanuel F. Madrona,
Romeo M. Acop, Robert Ace S. Barbers, Pablo C.
Ortega, Raul V. Del Mar, Lorna P. Bautista-Bandigan,
Alejandro Y. Mirasol, and Wilter “Sharky” Wee Palma
II for House Bill No. 5549;

Rep. Marlyn L. Primicias-Agabas for House Bills
No. 5729 and 5995;

Rep. Jose Antonio “Kuya Jonathan” R. Sy-Alvarado
for House Bills No. 691, 2318, 2927, 4993, 4994, 5021,
5497, 5692, 5693, 5721, 5752, 5753, 5778, 5779, 5781,
5783, 5787, 5788, 5791, 5792, 5801, 5804, 5805, 5825,
5826, 5844, 5868, 5875, 6032, 6037, 6038, 6046, 6048,
6049, 6052, 6060, and 6061 and House Resolution No.
689;

Rep. Orestes T. Salon for House Bills No. 143,
1171, and 4266;

Rep. Jose “Pingping” I. Tejada for House Bill No.
5000;

Rep. Lorna C. Silverio for House Bills No. 2047,
2883, 5042, 5417, 5423, 5426, and 5467 and House
Resolution No. 1100;

Rep. Ben P. Evardone for House Bills No. 4106,
4462, 4774, and 6093;

Rep. Estrellita B. Suansing for House Bill No. 5131;

Rep. Salvador B. Belaro Jr. for House Bills No. 37, 5366, 5467, 5914, and 6077;

Rep. Manuel Luis T. Lopez for House Bills No. 36, 38, 2447, 2450, 2454, 2460, 2463, 2505, 2710, 2711, 2712, 2897, 2906, 3412, and 3509;

Rep. Micaela S. Violago for House Bills No. 5106, 5130, 5131, 5303, 5486, 5504, and 5525 and House Resolution No. 938;

Reps. Rosanna "Ria" Vergara, Gus S. Tambunting and Ricardo "RJ" T. Belmonte Jr. for House Bill No. 5811;

Rep. Maria Vida Espinosa Bravo for House Bills No. 3468, 5164, 5523, 5524, and 5549;

Rep. Cesar V. Sarmiento for House Bills No. 5164 and 5523;

Reps. Gus S. Tambunting and Luis Raymund F. Villafuerte Jr. for House Bill No. 5792;

Rep. Gerald Anthony "Samsam" V. Gullas Jr. for House Bills No. 2795, 5549, 5682, and 5777;

Rep. Strike B. Revilla for House Bills No. 3468, 4565, 5164, 5523, and 6033;

Reps. Deogracias B. Ramos Jr. and Rosanna "Ria" Vergara for House Bills No. 3468, 5164, and 5523;

Rep. Florida "Rida" P. Robes for House Bills No. 163 and 2466 and House Resolution No. 263;

Rep. Michelle M. Antonio for House Bills No. 217 and 4405;

Rep. Sherwin N. Tugna for House Bills No. 844, 5093, and 5193;

Rep. Joaquin M. Chipeco Jr. for House Bills No. 40, 1645, and 4334;

Rep. Juliette T. Uy for House Bill No. 5262;

Rep. Ricardo "RJ" T. Belmonte Jr. for House Bills No. 162, 3988, and 5828;

Rep. Maria Carmen S. Zamora for House Bill No. 5828;

Rep. John Marvin "Yul Servo" C. Nieto for House Bills No. 37, 163, 4501, 5912, and 5914;

Reps. Roger G. Mercado and Jesus "Boying" F. Celeste for House Bill No. 5549;

Rep. Eleanor C. Bulut-Begtang for House Bill No. 5914;

Reps. Melecio J. Yap Jr., Enrico A. Pineda, Richard C. Eusebio, Gwendolyn F. Garcia, Joaquin M. Chipeco Jr., Leopoldo N. Bataoil, Michelle M. Antonio, and Noel L. Villanueva for House Bills No. 3468, 5164, and 5523;

Rep. Edward Vera Perez Maceda for House Bills No. 2447, 2450, 2452, 2454, , 2464, 2711, 2712, and 3769;

Reps. Geraldine B. Roman and Francisco Jose F. Matugas II for House Bill No. 4174;

Rep. Christopher V.P. De Venecia for House Bills No. 37, 848, 3284, and 4501;

Rep. Ramon "Red" H. Durano VI for House Bills No. 2447, 2449, 2451, 2453, 2454, 2460, 2463, 2464, 2465, 2711, 2712, 2714, and 2897;

Rep. Scott Davies S. Lanete, M.D. for House Bill No. 37;

Rep. Arthur C. Yap for House Bills No. 177, 450, 1858, 2192, 2193, 2622, 2624, 3468, 3641, 4106, 4174, 4462, 5164, and 5523;

Rep. Ma. Lourdes R. Aggabao for House Bills No. 36, 37, 39, 2449, 2450, 2452, 2453, 2454, 2459, 2462, 2463, 2464, 2710, 2711, 2712, 2713, 2714, 2897, and 3769;

Rep. Frederick "Erick" F. Abueg for House Bill No. 3682;

Rep. Jesulito A. Manalo for House Bill No. 2459;

Rep. Joey Sarte Salceda for House Bill No. 40;

Rep. Antonio R. Floirendo Jr. for House Bill No. 37;

Rep. Linabelle Ruth R. Villarica for House Bills No. 2, 34, 53, 187, 209, 234, 530, 803, 1101, 1319, 1496, 1583, 2258, 2279, 2622, 2950, 3577, 3997, 4742, and 5444;

Rep. Evelina G. Escudero for House Bill No. 3284;

Rep. Gloria Macapagal-Arroyo for House Bills No. 37 and 3285;

Rep. Harlin Neil J. Abayon III for House Bills No. 3353 and 4366;

Rep. Bernadette "BH" Herrera-Dy for House Bill No. 218;

Rep. Romero "Miro" S. Quimbo for House Bill No. 5156;

Reps. Arlene B. Arcillas and Michael L. Romero, Ph.D. for House Bills No. 2622 and 2624;

Reps. Romeo M. Acop, Amado T. Espino Jr. and Gary C. Alejano for House Resolution No. 1117;

Rep. Rico B. Geron for House Bill No. 187;

Rep. Carmelo "Jon" B. Lazatin II for House Bills No. 5868, 5911, and 5912;

Rep. H. Harry L. Roque Jr. for House Bills No. 476, 477, 478, 479, 480, 796, and 797;

Rep. Nancy A. Catamco for House Bill No. 6032;

Rep. Eric L. Olivarez for House Bill No. 512;

Rep. Tricia Nicole Q. Velasco-Catera for House Bill No. 584;

Rep. Edgar Mary S. Sarmiento for House Bill No. 1725; and

Rep. Leo Rafael M. Cueva for House Bills No. 5897 and 5898.

MESSAGE FROM THE SENATE

Message dated August 2, 2017, informing the House of Representatives that the Senate on July 24,

2017, adopted House Concurrent Resolution No. 11, entitled:

“CONCURRENT RESOLUTION PROVIDING FOR THE SENATE AND THE HOUSE OF REPRESENTATIVES TO HOLD A JOINT SESSION TO HEAR THE MESSAGE OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES”

TO THE ARCHIVES

COMMITTEE REPORTS

Report by the Committee on Youth and Sports Development and the Committee on Appropriations (Committee Report No. 342), re H.B. No. 6129, entitled:

“AN ACT ESTABLISHING THE LANA O DEL NORTE SPORTS TRAINING CENTER TO BE LOCATED IN THE MUNICIPALITY OF TUBOD, PROVINCE OF LANA O DEL NORTE AND APPROPRIATING FUNDS THEREFOR”

recommending its approval in substitution of House Bill No. 4086

Sponsors: Representatives Estrella, Dimaporo (M.K.) and Dimaporo (A)

TO THE COMMITTEE ON RULES

Report by the Committee on Youth and Sports Development and the Committee on Appropriations (Committee Report No. 343), re H.B. No. 6130, entitled:

“AN ACT ESTABLISHING THE SARANGANI SPORTS TRAINING CENTER IN THE MUNICIPALITY OF ALABEL, PROVINCE OF SARANGANI AND APPROPRIATING FUNDS THEREFOR”

recommending its approval in substitution of House Bill No. 3228

Sponsors: Representatives Estrella and Pacquiao

TO THE COMMITTEE ON RULES

Report by the Committee on Higher and Technical Education (Committee Report No. 344), re H.B. No. 6136, entitled:

“AN ACT DECLARING THE TWENTY-FIFTH DAY OF AUGUST OF EVERY YEAR AS THE NATIONAL TECHNICAL-VOCATIONAL DAY”

recommending its approval in substitution of House Bills Numbered 5302, 5352 and 5719

Sponsors: Representatives Hofer, Tugna, Vargas and Almario

TO THE COMMITTEE ON RULES

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Dep. Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 5745

Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. MERCADO. Mme. Speaker, under the Calendar of Unfinished Business and with leave of the House, I move that we resume the consideration of House Bill No. 5745, under Committee Report No. 262. For this purpose, may I ask that the Secretary General be directed to read the title of the Bill.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Secretary General is so directed.

THE SECRETARY GENERAL. House Bill No. 5745, entitled: AN ACT ESTABLISHING THE COCONUT FARMERS AND INDUSTRY DEVELOPMENT TRUST FUND AND PROVIDING FOR ITS MANAGEMENT AND UTILIZATION.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Dep. Majority Leader is recognized.

REP. MERCADO. Mme. Speaker, I move that we recognize the Sponsor, the Hon. Jose T. Panganiban Jr., Chairman of the Committee on Agriculture and Food, to sponsor the measure.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved. Congressman Panganiban is so recognized.

REP. MERCADO. Mme. Speaker, I move to recognize the Gentleman from the First District of Albay, Hon. Edcel C. Lagman, for his interpellation.

I so move, Mme. Speaker.

REP. LAGMAN. Mme. Speaker, I am ready to continue my interpellation.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Yes, Congressman Lagman is hereby recognized. Kindly proceed.

REP. LAGMAN. Distinguished Sponsor, yesterday, I asked how much had been appropriated to the Philippine Coconut Authority since its inception for the development of the coconut industry, and the distinguished Sponsor said that yesterday, he was not yet ready with the figures. May I know whether the distinguished Sponsor is now ready with the requested total appropriations under the PCA.

REP. PANGANIBAN. Mme. Speaker, we have already submitted the request of the distinguished

Gentleman for the PCA to provide us the data on all the funds appropriated to their agency since 1940. As of now, we have yet received a copy of the report from the PCA, Mme. Speaker.

REP. LAGMAN. Well, Mme. Speaker, that is very important because that would show that for the longest time, the government has appropriated billions of pesos for the development of the coconut industry. Now, it is high time to prioritize the direct interest of the small and impoverished coconut farmers. But pending the submission of that report, may I request that I suspend my interpellation because I would like to start the continuation of my interpellation with the summation of how much had been appropriated so far for the development of the coconut industry under the Philippine Coconut Administration.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Dep. Majority Leader is recognized.

SUSPENSION OF SESSION

REP. MERCADO. Mme. Speaker, I move that we suspend the session for one minute.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The session is suspended.

It was 4:20 p.m.

RESUMPTION OF SESSION

At 4:21 p.m., the session was resumed.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The session is resumed.

The Floor Leader is recognized.

REP. GARIN (R.). Mme. Speaker, may we acknowledge the presence of our guests in the gallery.

SUSPENSION OF CONSIDERATION OF H.B. NO. 5745

REP. MERCADO. Mme. Speaker, I move that we suspend the consideration of House Bill No. 5745, to greet our guests in the gallery.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion to suspend the consideration of the measure is approved.

The Floor Leader is recognized.

REP. GARIN (R.). Mme. Speaker, let us acknowledge the presence of our guests in the gallery. They are the guests of Hon. Jeffrey D. Khonghun, Representative of the First District of Zambales, namely: Councilors Leysander Aquino, Alexis Rodriguez, Nestor Ignacio, Cirilo Pimentel, Manuel Arquero; Barangay Captains Mario Tagapuen, Arnel Bueno, Ruben Castro, Gene Corpuz, Churchill Fabunan, Jesus Lunario, Eddie Domingo, Jerry Mariano Jr., Gerald Cababaro, Patrocino Ragadio, Angel Cabbab, Henry Dacayo, Michael Piga, Alejandro Memoracion, Joel Velasco, Alejandro Sadera Jr., Ricardo Novicio Jr., and Rico Diego Arquero—5 Municipal Councilors and 18 Barangay Captains of the municipality of San Marcelino, Zambales, all guests of Representative Hon. Jeffrey Khonghun of the First District of Zambales, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Please stand, guests of Representative Khonghun. Welcome to the House of Representatives. (*Applause*) The Dep. Majority Leader is recognized.

REP. GARIN (R.). Mme. Speaker, let us also acknowledge the presence of the guests of Deputy Speaker Romero “Miro” Quimbo from Fortune Elementary School, GPTA, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Will the guests of the Deputy Speaker Miro Quimbo please rise. Welcome to the House of Representatives. (*Applause*)

The Floor Leader is recognized.

REP. GARIN (R.). Mme. Speaker, may we also acknowledge the presence of some guests in the gallery. They are the guests of Hon. Mario Vittorio “Marvey” A. Mariño, Representative of the Fifth District of Batangas—the members of the Rotary Club of Batangas City: Romine Maranan, Cecille Rosales, Eon Rivera, Zaida Noche, Obet Geronimo, Cecille “Babes” Doce, Amy Untalan, Rey Limbo, Rusell Villena, all guests of Hon. Vittorio “Marvey” Mariño, Representative of the Fifth District of Batangas, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Kindly rise so that your presence may be acknowledged. Welcome to the House of Representatives. (*Applause*) The Floor Leader is recognized.

REP. GARIN (R.). Mme. Speaker, let us acknowledge the presence of the guests of Rep. Sabiniano “Ben” S. Canama of COOP-NATCCO Party-List. They are from the Padada Water System Cooperative known as PAWASCO, namely: Lilia Cailing, Boy Fiel, Marites Ungab, Robert Diones

and Benjie Glangin of Toril, Davao City, all guests of COOP-NATCCO Rep. Sabiniano “Ben” Canama, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Will the guests of the Hon. Ben Canama from Toril, Davao City please rise. (*Applause*)

The Floor Leader is recognized.

REP. GARIN (R.). Mme. Speaker, let us also acknowledge the presence of the guests of Hon. Kaka J. Bag-ao, Representative of the Lone District of Dinagat Islands—Hon. SB Marlito Carduza and SB Samuel Coniato from Socorro, Surigao del Norte, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Will the guests of Honorable Bag-ao please rise. Welcome to the House of Representatives. (*Applause*)

REP. GARIN (R.). Mme. Speaker, let us also acknowledge the presence in the gallery of the guests of Hon. Leopoldo “Pol” N. Bataoil, Representative of the Second District of the province of Pangasinan, and also the guests of Rep. Rose Marie “Baby” J. Arenas and all the Representatives of Pangasinan. They are Sheila Marie Primicias, Mario Cariño, Editha Pridas, Milagros Dangat, Villamor Gloria, Jesusa Macam, Allan Macaraeg, Lilibeth Magtang, Eddy Moyano, Minerva Muñoz, Vivian Ofanda, Virgilio Padlan, Elizabeth Vistro, Remegio Casingal, Ellen De Guzman, Marlon Ecol, Milagros Fernandez, Jaime Hermosado, Alejandro Imus, Lerio Patayan, Josephine Rosario, Priscilla Victorio, Oscar Vinoya, Liwawa Siapno, Benedicta Paningbatan, Norman Flores, Cherry Tamondong, Nelson Peralta, Julien Bernard Gonzales, Jocelyn Salvador, Agripino Posadas, Priscilla Castro, Urbano Benitez, Jesus Blaire Cruz, Vilma Beltran, Renante Camara, Maria Evelyn Morillo, Glenda Doria, Levi Bautista, Rosabella Sy, Dennis Padlan, Cristian Delos Angeles, Marilyn Bauzon, Lolita Cayabyab, Julito Casillan and Jose Jesus Primicias. They are all the guests of all the Representatives of Pangasinan especially Rep. Baby Arenas and Rep. Leopoldo “Pol” Bataoil, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Welcome to the guests of the Representatives from Pangasinan. Welcome to the House of Representatives. (*Applause*)

The Floor Leader is recognized.

SUSPENSION OF SESSION

REP. GARIN (R.). Mme. Speaker, I move for a few minutes suspension of the session.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The session is suspended.

It was 4:29 p.m.

RESUMPTION OF SESSION

At 4:31 p.m., the session was resumed.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The session is resumed.

REP. MERCADO. Mme. Speaker, we would like to resume the consideration of House Bill No. 5745 and request that the Chairman be recognized.

REP. PANGANIBAN. Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Honorable Panganiban is hereby recognized.

REP. MERCADO. Mme. Speaker, I move that we recognize the Hon. Edcel C. Lagman for his interpellation.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Honorable Lagman is hereby recognized.

REP. LAGMAN. Mme. Speaker, I refer to my previous question.

REP. PANGANIBAN. Mme. Speaker, fortunately, the representative from the PCA has just arrived and brought with him the list of the amounts appropriated by the government to the PCA from 1973 to 2017. Mme. Speaker, I have a copy with me.

REP. LAGMAN. But, that was not the undertaking of the good Sponsor.

REP. PANGANIBAN. Mme. Speaker, ...

REP. LAGMAN. He said that the funds should be traced back to the National Coconut Corporation or NACOCO way back to 1940 or 77 years ago.

REP. PANGANIBAN. Mme. Speaker, what we have agreed about is to provide the distinguished Gentleman from Albay all the funds appropriated by the government to the Philippine Coconut Authority. The Philippine Coconut Authority was organized by virtue of PD No. 232 only in 1973, Mme. Speaker, and what I have with me are the amounts of appropriations given to the Philippine Coconut Authority starting 1973 up to 2017, Mme. Speaker. If this would satisfy the good Gentleman from Albay, I would gladly give him a copy, Mme. Speaker.

REP. LAGMAN. That would still be inadequate, Mme. Speaker, because as we recall, when we started this interpellation, the resumption of the interpellation this afternoon, the distinguished Sponsor said that he had requested from the PCA, not only the amounts appropriated under the PCA, but including those as early as the National Coconut Corporation or NACOCO in 1940. Is that data forthcoming within the day or by tomorrow?

REP. PANGANIBAN. Mme. Speaker, I have just inquired from the representative of the PCA but, unfortunately, what they have in their records are only the data starting from their organization, that is 1973. With respect to the years before 1973, the PCA has no record, Mme. Speaker.

REP. LAGMAN. Can we get a certification from the PCA that they could not anymore get the data of the appropriations made prior to the creation of the PCA so that we can resume the consideration of this measure?

REP. PANGANIBAN. Mme. Speaker, I have just conferred with the representative from PCA and he already said that what they have are only the data starting from 1973. And so, therefore, any data that will be needed before 1973, the PCA cannot have records of those data, Mme. Speaker.

REP. LAGMAN. I will request, nonetheless, a certification from the PCA that the data on the appropriations made by the government prior to 1973, or the establishment of the PCA, are not available. That certification can be submitted later.

REP. PANGANIBAN. Mme. Speaker, I will endeavor to ask the PCA for that certification, Mme. Speaker. But then, again, the representative from the PCA here is already telling us that the PCA has no records of any appropriations given to the PCA before 1973, Mme. Speaker.

REP. LAGMAN. A verbal statement may not be sufficient. A certification made by the responsible officer of the PCA, most probably by the Administrator, may be the one sufficient. Why is it very hard to get that certification? I am not asking for that certification today. It can be submitted tomorrow.

REP. PANGANIBAN. I have already stated, Mme. Speaker, that we will endeavor to get the certificate from the PCA stating that they had no record of any appropriations given to them years before 1973, Mme. Speaker. We will get the certification from the PCA, Mme. Speaker, and if the PCA can provide us the certificate now or tomorrow, we will give a copy to the distinguished Gentleman from Albay, Mme. Speaker.

REP. LAGMAN. Thank you, Mme. Speaker, distinguished Sponsor, may I request that the certification be signed by no less than the Administrator of the PCA.

REP. PANGANIBAN. Yes, Mme. Speaker. I will ask the Administrator to sign the certification, Mme. Speaker.

REP. LAGMAN. Now, can I proceed, Mme. Speaker.

Per submission of the PCA, since 1973 up to the current year, how much in billions of pesos have been appropriated under the PCA for the development of the coconut industry?

REP. PANGANIBAN. Mme. Speaker, per the report given by the representative from the Philippine Coconut Authority, the total appropriations made to the PCA from 1973 to 2017 amounted to P25,570,000,628.86, Mme. Speaker.

REP. LAGMAN. In that total of P25,570,000,628.86, are all of the years represented?

REP. PANGANIBAN. Mme. Speaker, there are four years corresponding to the year 1973, 1981, 1984 and 1988. The amounts were not included in the report, Mme. Speaker, with the remarks, "No GAA at the Central Office," is written on the report, Mme. Speaker, only for the years 1973, 1984, 1988 and 1981, Mme. Speaker.

REP. LAGMAN. Is there an undertaking by the PCA that with respect to these particular years, there is an ongoing verification which they are making?

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. So, we will await the result of that verification so that we can complete the data.

REP. PANGANIBAN. Mme. Speaker, if the distinguished Gentleman from Albay will accept that, I mean, without the absence of the amount corresponding to the four years that will be given to him on a later date, then we can continue this interpellation.

REP. LAGMAN. Yes, Mme. Speaker, I will continue with my interpellation, but I will not end my interpellation until the data, as requested or the certificate as requested, is presented to this Representation.

May I continue now.

During the Committee hearing on this particular measure, I understand that there were various position papers submitted by different coconut farmers' organizations. Is that correct, Mme. Speaker?

REP. PANGANIBAN. Yes, Mme. Speaker, there were a number of position papers submitted to us not only from the farmers' organizations, but also from the other agencies of the government.

REP. LAGMAN. I am only referring to the position papers submitted by the various coconut farmers' organizations. More or less, how many had been submitted from the coconut farmers' organizations?

REP. PANGANIBAN. Mme. Speaker, per the list coming from the ComSec, position papers came, number one from the COCOFED; number two from Milk Pilipinas, Inc.; and number three from the group of Mr. Royandoyan and the Kilos Magniniyog, and the Confederation of Coco Farmers' Organization of the Philippines. So there are six coconut farmers' organizations that submitted their position papers, Mme. Speaker.

REP. LAGMAN. Mme. Speaker, distinguished Sponsor, may we be furnished copies of those five position papers.

REP. PANGANIBAN. We will furnish the distinguished Gentleman from Albay all the copies of the position papers, Mme. Speaker.

REP. LAGMAN. In essence, what was the general position of the coconut farmers' organizations?

REP. PANGANIBAN. In essence, Mme. Speaker, the coconut farmers' organizations are already awaiting the disposition and utilization of the Coco Levy Funds.

REP. LAGMAN. We will have to validate that once we receive copies of the position papers.

Yesterday, on the same issue, the distinguished Sponsor said that one farmers' organization even recommended that 100 percent of the Coco Levy Funds should be for the development of the coconut industry. Does the distinguished Sponsor recall this statement, Mme. Speaker?

REP. PANGANIBAN. Mme. Speaker, I do not recall having stated that.

REP. LAGMAN. Let me just refer to the transcript of stenographic notes of yesterday's interpellation, and let me quote from the transcript of stenographer Cabato-2, August 7, 2017, 5:05 p.m., which states:

REP. PANGANIBAN. Madam Speaker, the various positions of the coconut farmers were already given and discussed during the Committee deliberations, Madam Speaker, and some of the farmers even asked that 100 percent

of the fund should be used for the development of the coconut industry.

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. Let us ask again whether the distinguished Sponsor recalls having made that statement, Mme. Speaker.

REP. PANGANIBAN. Yes, Mme. Speaker, at the context of the full utilization of the fund.

REP. LAGMAN. Now, may we know who are these farmers or coconut farmers' group which asked that 100, and I quote: "...100 percent of the fund should be used for the development of the coconut industry"?

REP. PANGANIBAN. I will have to check with the specific position papers, Mme. Speaker. But I remember it very vividly that the farmers' organization belongs to the group of the distinguished Representative from ANAKPAWIS, Cong. Ariel "Ka Ayik" Casilao, Mme. Speaker.

REP. LAGMAN. I am really surprised that a farmers' organization belonging to the group of ANAKPAWIS Party-List would recommend to the Committee that the entirety of the levy funds should be used for the development of the coconut industry, Mme. Speaker. I seriously doubt such statement. That is why I would like to get the position papers where this particular statement of utilizing 100 percent of the fund is presented. Will the distinguished Gentleman ask his panel to get a copy of that position paper where the farmers recommended 100 percent utilization of the fund for the development of the coconut industry.

REP. PANGANIBAN. Mme. Speaker, what I have stated refers to the full utilization of the Coconut Levy Funds. I did not say for the development of the coconut industry. What I said is that some farmers' groups are even requesting for the full utilization of the funds, Mme. Speaker.

REP. LAGMAN. I do not think the distinguished Sponsor is impeaching the integrity of our stenographers, Mme. Speaker.

Let me again read for the record:

REP. PANGANIBAN. Madam Speaker, the various positions of the coconut farmers were already given and discussed during the committee deliberations, Madam Speaker, and some of the farmers even asked that 100 percent of the fund should be used for the development of the coconut industry.

That is what is reflected in the transcript of stenographic notes, Mme. Speaker.

REP. PANGANIBAN. If I have said that in the previous interpellation, Mme. Speaker, I stand corrected. But what I meant was that some of the farmers' groups are requesting for the full utilization of the funds, Mme. Speaker.

REP. LAGMAN. I think we should be able to get accurate statements from the distinguished Sponsor because what appears in the transcript is very clear on what he has said. That is why, Mme. Speaker, I am asking for copies of the position papers so that we could validate what the farmers' groups presented to the Committee.

REP. PANGANIBAN. Yes, Mme. Speaker, I have already stated that we will definitely furnish the distinguished Gentleman from Albay all the copies of the position papers.

REP. LAGMAN. May we know whether the distinguished Gentleman has already checked the status of the Senate counterpart Bill on what stage they are in now, Mme. Speaker.

REP. PANGANIBAN. Mme. Speaker, per inquiry from our Senate counterpart, Senate Bill No. 1233 was last discussed on March 15, 2017. Since then, there had been no movement on the said Bill, Mme. Speaker.

REP. LAGMAN. Is there any information that what had been discussed was to transform the Bill for Third Reading?

REP. PANGANIBAN. Mme. Speaker, the Bill as it was discussed last March 15, 2017, is still pending before the Senate.

REP. LAGMAN. Mme. Speaker, yesterday the distinguished Sponsor admitted that during the last Congress, a similar Bill had been passed on Third Reading by the House. May we know the major differences between that Bill passed last Congress and the present Bill that we are deliberating on?

REP. PANGANIBAN. Mme. Speaker, there are three major differences between the bill passed during the Sixteenth Congress and the Bill that we are discussing now: first, the definition of "coconut farmers;" second, the provision of the Jumpstart Funds amounting to P10 billion; and third, we have increased the composition of the farmers' representation in the coconut industry or in the Coconut Industry Trust Fund Committee, Mme. Speaker.

REP. LAGMAN. Yesterday, we also discussed the section where an alternative depository bank can be named by the Committee in addition to the Bureau of the Treasury.

May we know whether it is necessary that an alternative or alternate depository bank be constituted.

REP. PANGANIBAN. Mme. Speaker, the very reason we have an alternative banking institution is that the Bureau of the Treasury is, of course, not a bank, Mme. Speaker. Therefore, the lingering problem that we are facing about this fund, Mme. Speaker, is that out of the P75 billion, the P65 billion is not earning any interest since 1983, Mme. Speaker. Kaya nga po nasasayanan tayo. Gusto na nating magamit itong pondo para naman hindi na nakatengga kasi nga hindi ito kumikita ng interes, Mme. Speaker.

REP. LAGMAN. I do not know whether the Bureau of the Treasury is not paying or the amounts under the custody of the Bureau of the Treasury are not earning any interest. I understand that, practically, all funds in trust to the Bureau of the Treasury should have earned interest because these amounts could be used in the meantime by the Bureau. Arrangements could be made with the Bureau of the Treasury that interest could be paid without, in anyway, appointing an alternative depository bank.

Just imagine, under the existing provisions of the Bill, Mme. Speaker, the UCPB, which is privy to the errant utilization of the levy funds, could be made an alternative depository bank, as admitted yesterday by the distinguished Sponsor.

REP. PANGANIBAN. Mme. Speaker, if the Trust Fund Committee so decides, then it may be. The UCPB may become a depository bank, Mme. Speaker. But that decision will now be based upon the wisdom of the Trust Fund Committee, Mme. Speaker.

REP. LAGMAN. The Congress should be the one to impose a restriction that all banks, like the UCPB which was privy to the errant utilization of the levy funds, should not be made a depository bank. Let us not give this full discretion to the Committee. That is why, at the proper time, we will have to make such restriction.

May we know, Mme. Speaker, distinguished Sponsor, if aside from the UCPB, there were other banks which participated in the utilization, in the errant utilization of the levy funds.

REP. PANGANIBAN. I guess, I believe, Mme. Speaker, the UCPB was the only bank that used to be a depository of these funds.

REP. LAGMAN. Consequently, I do not think there is a need to constitute an alternate depository bank, and if ever there is such a need, we should prohibit the Committee from constituting the UCPB because of the historical fact that it was privy to the errant utilization of the funds.

At the proper time, Mme. Speaker, we will introduce such an amendment.

REP. PANGANIBAN. Yes, Mme. Speaker, at the proper time, the distinguished Gentleman could propose that amendment.

REP. LAGMAN. Yesterday, Mme. Speaker, the distinguished Sponsor justified why there is no cut in the hectareage of coconut lands cultivated individually by farmers or supervised and managed by farmers because, originally, the hectareage should not be more than five hectares. Now, may we know, with respect to supposed farmers owning five hectares or more, what benefits can they directly derive from this Bill when it becomes a law?

REP. PANGANIBAN. Mme. Speaker, as a stakeholder of the coconut industry, farmers owning more than five hectares would benefit from the development of the coconut industry.

REP. LAGMAN. I beg the Gentleman's pardon, Mme. Speaker.

REP. PANGANIBAN. Farmers owning more than five hectares, Mme. Speaker, with this Representation being one of the stakeholders in the coconut industry could, of course, benefit from the development of the coconut industry.

REP. LAGMAN. It is not a question of whether they can benefit because under the definition, they are covered beneficiaries. My question is, what are the direct benefits which they could derive from this Bill once it becomes a law?

REP. PANGANIBAN. Mme. Speaker, as stated in Article 21, subparagraph (d), and I quote:

(d) Establishment of social protection programs that directly benefit coconut farmers and farm workers, in case these social protection programs are not funded by an appropriations law or any other special law, or where funding is insufficient. The social protection programs shall include: (1) social services such as life, medical, and accident insurance coverage of the coconut farmers; (2) scholarships for the benefit of the deserving descendants of the coconut farmers; and (3) livelihood programs.

Mme. Speaker, of course, they could enjoy these benefits.

REP. LAGMAN. In other words, together with the small coconut farmers, these big coconut farmers can enjoy medical and accident insurance. Is that correct?

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. They can also enjoy livelihood support programs.

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. And they can also avail of the scholarship grants for their descendants.

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. With all of these benefits being availed of by both the poor and the big coconut farmers, the import and the impact of social justice is derailed, Mme. Speaker. But yesterday, I recall that according to the distinguished Sponsor, the big coconut farmers cannot enjoy the scholarship grants. I vividly recall that.

REP. PANGANIBAN. Mme. Speaker, the social protection programs, as crafted in Section 21 of this Bill, does not distinguish the number of hectares a farmer could own. But, of course, in the crafting of the rules for the social protection programs, if they would qualify, Mme. Speaker, then, they would also enjoy the benefits as the small farmers would enjoy, Mme. Speaker.

REP. LAGMAN. Well, I am going over the transcript of the stenographic notes yesterday, Mme. Speaker, and I have read in the stenographic notes what the distinguished Gentleman said that, among others, the big coconut farmers cannot enjoy these scholarship grants, unless, he is again recanting that statement.

REP. PANGANIBAN. Mme. Speaker, what I am saying, Mme. Speaker, is that under Section 21 of this Bill, the benefits that would be enjoyed by the coconut farmers are already provided, and we did not distinguish whether a farmer owns five hectares or more than five hectares, Mme. Speaker. But of course, if they would qualify—now, it would now depend on the guidelines to be provided by the Trust Fund Committee. If they would qualify, then they would enjoy, Mme. Speaker; if they would not qualify, then they could not enjoy these benefits, Mme. Speaker.

REP. LAGMAN. But yesterday, the distinguished Sponsor made the distinction. You said that the big

coconut farmers could not avail of these scholarship benefits, among others. But anyway, if he is recanting that statement, so be it. Let the transcript record his turnabout. Now, after the enactment of this Bill into law, what role will the UCPB play in the implementation of the law?

REP. PANGANIBAN. Mme. Speaker, as the Bill is crafted, the UCPB could have any role, Mme. Speaker.

REP. LAGMAN. Let me go to the appropriate language. Because I understand, I recall that under this Bill, the UCPB will still play the role of administrator of the trust funds deposited with the UCPB. Is that a correct statement of what appears in the law, in the Bill?

REP. PANGANIBAN. Mme. Speaker, that would not be correct, Mme. Speaker.

REP. LAGMAN. Okay. Now, let me refer the distinguished Sponsor to page 4 of the Bill on Trust Principal. It says here:

The initial Trust Principal composed of dividends declared, paid, or issued on the Converted SMC Series 1 Preferred Shares; the proceeds from the redemption of the Converted SMC 1 Preferred Shares; all income or interest derived therefrom as of the effectivity of this Act; any other cash Coconut Levy Asset deposited in the Bureau of the Treasury (BTr) and the UCPB as administrator of the CIIF; and other cash Coconut Levy Asset including amounts deposited in the UCPB as Administrator of the CIIF.

Is that not giving a continuing role to the UCPB?

REP. PANGANIBAN. Mme. Speaker, the Sponsor's answer is on the negative because what the distinguished Gentleman read is just the definition of the "Trust Principal."

The term "Trust Principal" refers to all the items as read by the distinguished Gentleman from Albay, but definitely this does not mean that the UCPB, after the—should this Bill become a law, it would not remain as administrator of the funds, Mme. Speaker. But, as it is written here, "this refers to the CIIF and the Coconut Levy Assets including amounts deposited in the UCPB as administrator as of this moment," Mme. Speaker, because all these items refer to the Trust Principal, Mme. Speaker.

REP. LAGMAN. So, in other words, the distinguished Sponsor—and I welcome that statement

of the distinguished Sponsor that after the enactment of this Bill into law, the UCPB will have no role at all with respect to the implementation of the levy funds.

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. I also understand that there will be an audit and inventory of the Coco Levy Funds which will have to be certified and the report will be given to the Bureau of the Treasury, the COA, and the Office of the President.

REP. PANGANIBAN. Yes, Mme. Speaker. It is provided in Chapter II, Section 4 of the proposed Bill, Mme. Speaker.

REP. LAGMAN. Why is it that the Congress—the House of Representatives and the Senate—is not included in the agencies to which the certified report should be given?

REP. PANGANIBAN. Mme. Speaker, with the indulgence of the distinguished Gentleman, if he could please kindly repeat the question, Mme. Speaker.

REP. LAGMAN. My question is, why should the certified report on the audit and inventory of Coco Levy Funds be given only to the Bureau of the Treasury, to the COA, and the Office of the President? Why not include the House of Representatives and the Senate?

REP. PANGANIBAN. Mme. Speaker, yes, indeed the Bill only refers that report—that the certified report be submitted to the COA and to the Office of the President. But if the distinguished Gentleman would propose that Congress should be given, then at the proper time, Mme. Speaker, ...

REP. LAGMAN. Thank you, Mme. Speaker, ...

REP. PANGANIBAN. ... we would allow that as an amendment, Mme. Speaker.

REP. LAGMAN. ... for accommodating the projected amendment from this Representation.

Will the implementation of the utilization of the Coco Levy Funds await the completion of the COA report?

REP. PANGANIBAN. Mme. Speaker, the COA report only refers to the Coco Levy Assets, Mme. Speaker, the audit and inventory of the Coconut Levy Assets. These assets are separate, I mean, a separate item from the Coco Levy Funds, Mme. Speaker. But as regards the P75 billion in cash and treasury, the utilization and implementation of the same is ready as

soon as the Bill together with the IRR is passed, Mme. Speaker.

REP. LAGMAN. Thank you, Mme. Speaker, distinguished Sponsor, for that assurance.

Now, let us go to the Coconut Farmers and Industry Development Trust Fund. May we know what is the present magnitude of the coco levy moneys.

REP. PANGANIBAN. Mme. Speaker, this is a report from the Bureau of the Treasury as regards the position of the Coconut Levy Funds as of December 31, 2016. The first fund is P62,506,680,508.38, Mme. Speaker. This represents the SAGF, Mme. Speaker, with the Bureau of the Treasury. And number two, in the form of government securities and cash retained with the Bangko Sentral ng Pilipinas and government securities transferred by UCPB, this amounts to P13 billion, Mme. Speaker.

REP. LAGMAN. May I beg your pardon, 30?

REP. PANGANIBAN. Thirteen billion ...

REP. LAGMAN. Thirteen billion.

REP. PANGANIBAN. P13,093,822,174.60, Mme. Speaker. And the third are those held by PCGG—held in escrow account, PCGG escrow account amounting to P7,641,879,784.59, Mme. Speaker.

REP. LAGMAN. That is P7 billion, Your Honor.

REP. PANGANIBAN. That is P7 billion, Mme. Speaker.

REP. LAGMAN. What else?

REP. PANGANIBAN. So, that is a total of about more or less P84 billion, Mme. Speaker.

REP. LAGMAN. Why is it, Mme. Speaker, that previously, we have repeatedly heard that the total amount of the levy funds from all sources would amount to P100 billion?

REP. PANGANIBAN. The cash and securities, Mme. Speaker, is about P84 billion, but the Coco Levy Assets, the value of the Coco Levy Assets is about P20 billion, Mme. Speaker. So, all in all, we are talking of P104 billion, Mme. Speaker.

REP. LAGMAN. Well, that is more like it, Mme. Speaker. According to the Bill, the Trust Fund shall consist of the Trust Principal and the trust income. Is that correct?

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. May we know, distinguished Sponsor, how much is the initial Trust Principal?

REP. PANGANIBAN. The initial Trust Principal which is termed “Jumpstart Fund,” Mme. Speaker, is P10 billion, Mme. Speaker.

REP. LAGMAN. Okay. So, the initial Trust Principal is P10 billion, which is known as the “Jumpstart Fund.”

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. And, what happens to the rest of the P104 billion?

REP. PANGANIBAN. Mme. Speaker, this Bill proposes a perpetual fund, Mme. Speaker, that is why the Trust Principal of about—I mean, the Trust Principal including the Coco Levy Assets is P104 billion. But, out of the P104 billion, we have a P10 billion Jumpstart Fund and the remaining, let us say, P94 plus billion, P94 billion, including the Coco Levy Assets will not be used or will not be expended, Mme. Speaker, only the trust income which represents the interest from the P94 billion that shall be used to this, I mean, for the payment of the expenses of, I mean, for the implementation of the other, of the objects of this Bill, Mme. Speaker.

REP. LAGMAN. Well, is the distinguished Sponsor knowledgeable of what amounts will be infused to the Principal Trust Fund within one year, within two years, within three years or within five years from the enactment of the law?

REP. PANGANIBAN. Mme. Speaker, as it stands now the fund amounts more or less to P104 billion including the Coco Levy Assets. Now, if we use the P10 billion as Jumpstart Fund, then the P94 billion shall be invested in government securities and other investment schemes to be decided by the Trust Fund Committee. The interest that is earned from the P94 billion shall become the Trust Income which shall be disbursed to pay for the implementation of the other objectives of this Bill, Mme. Speaker. And so therefore, any amount of trust income not expended shall be given back or shall be deemed as Trust Principal in the ensuing year, Mme. Speaker.

REP. LAGMAN. My question really, Mme. Speaker, distinguished Sponsor, is: Is there any stand which would show how much funds will be forming part of the principal, say, within one year after the enactment of the law or within two years after the enactment of the law?

REP. PANGANIBAN. Mme. Speaker, the Trust Principal would remain at P95 billion, Mme. Speaker, because out of the P105 billion, we will be using the P10 billion as Jumpstart Fund. Now, the remaining P95 billion will become a Perpetual Trust Fund. So, there is no instance where the Fund shall fall below the P95 billion, Mme. Speaker.

REP. LAGMAN. Where in the Bill is that provided for?

REP. PANGANIBAN. Mme. Speaker, under Section 9, it is provided:

“Management and Utilization of the Trust Fund. The Trust Fund shall be available and may be utilized only for the purpose for which it was created and upon authorization of the Committee, subject to the following conditions:

a) The Trust Principal shall be preserved—meaning, the P105 billion—“and maintained at all times and only the Trust Income may be used: *Provided*; That the ten billion pesos (PhP 10,000,000,000.00) of the initial trust principal which shall be known as the Jumpstart Fund may be used within two (2) years commencing from the approval of the plan by the President to jumpstart the development of the industry.

b) The Trust Income”—meaning, all the interests that may be earned from the trust principal—“shall be disbursed only on the basis of the funding requirement of the program, activity or project as approved by the Committee.

REP. LAGMAN. But nowhere in the Bill does it say how much would constitute the principal trust fund.

REP. PANGANIBAN. Mme. Speaker, the Trust Principal will be composed of all the funds, the funds I read earlier, that is, the Trust Principal less the P12 billion as Jumpstart Fund. So, if for example the fund at the end of December 31, 2016 amounted to about P104 billion, deducting therefrom the P10 billion Jumpstart Fund, then the fund will be a perpetual fund in the amount of P94 billion as Trust Principal, Mme. Speaker.

REP. LAGMAN. Well, let me just get it straight, Mme. Speaker, distinguished Sponsor. The initial principal fund, as the Gentleman said previously, is P10 billion which is denominated as the Jumpstart Fund. Is that correct?

REP. PANGANIBAN. Mme. Speaker, the principal fund is the totality of all the funds, meaning, the P104

billion as of December 31, 2016. From that P104 billion, this Bill allows P10 billion, which is called the “Jumpstart Fund,” to be used within two years, commencing from the approval of the plan. So, the remainder, which is about P94 billion, shall become the principal, the Trust Principal, Mme. Speaker. That amount will not diminish, Mme. Speaker, because only the Trust Income that is earned from the P95 billion will be used for the implementation of the other projects as stated in this House Bill, Mme. Speaker.

REP. LAGMAN. Pardon me, Mme. Speaker, distinguished Sponsor, but that answer is not responsive to my question. The question is, how much is the initial principal of the fund? And I recall, Mme. Speaker, distinguished Sponsor, that the Gentleman said that the initial fund denominated as the Jumpstart Fund is P10 billion. Is that correct?

REP. PANGANIBAN. Mme. Speaker, that is not correct, Mme. Speaker. The fund we are talking here of, the totality of the fund, which is the Trust Principal, amounts to P104 billion, Mme. Speaker. From the P104 billion, this Bill allows the use of P10 billion as initial funding or the so-called initial Trust Principal which is known as the Jumpstart Fund, Mme. Speaker.

REP. LAGMAN. Well, the Bill calls for an initial trust fund. That is why the question is, what is and how much is this initial trust fund? That is mentioned in page 6, line 14, “initial trust principal.” That is why I am asking, how much is this initial trust fund? And I recall, this was answered previously by the distinguished Sponsor when he said that the initial trust fund is P10 billion, which is denominated as the Jumpstart Fund. Is my recollection correct, Mme. Speaker, distinguished Sponsor?

REP. PANGANIBAN. Yes, Mme. Speaker, because what we have here is the Trust Principal amounting to P104 billion, then we have an initial Trust Principal amounting to P10 billion which is also known as the Jumpstart Fund, Mme. Speaker.

REP. LAGMAN. That is precisely the point. There is an initial Trust Principal of P10 billion denominated as Jumpstart Fund. Now, when will this initial Trust Principal be augmented?

REP. PANGANIBAN. Mme. Speaker, as soon as the Bill becomes a law, and the implementing rules and regulations shall have been formulated, then the P10 billion, as initial Trust Principal, shall become available, Mme. Speaker.

REP. LAGMAN. Of course, all of these will be if there is already a law, even the initial trust principal of P10 billion—my question is, at what point in time will the Trust Principal be augmented from other sources? Is it by operation of law?

REP. PANGANIBAN. Mme. Speaker, the augmentation of P10 billion, I mean, as it is provided in this proposed Bill, Mme. Speaker, the P10 billion would not be augmented at any point, Mme. Speaker, because, precisely, the objective of this House Bill, Mme. Speaker, is to make the fund a perpetual trust fund, Mme. Speaker. Only the trust income may be used, Mme. Speaker.

REP. LAGMAN. Will interest earnings not augment the principal fund? Will proceeds from privatization not augment the principal Trust Fund?

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. Will reconveyance of assets now in the hands of third parties not augment the principal fund?

REP. PANGANIBAN. It will augment the Trust Principal, Mme. Speaker, but it will not augment the initial Trust Fund, Mme. Speaker.

REP. LAGMAN. Of course. My question is, after the initial P10 billion, at what point in time will the Trust Principal be augmented? And it will be augmented from several sources, interest earnings, reconveyance, privatization proceeds, et cetera.

Now, let me go back to my previous question. Is there any study on how much this augmentation will be in the first year and subsequent years after the enactment of the law so that we can see the universe of this fund? If there is no study, then just tell us that there is no study. If there is a study, then tell us what is the study.

REP. PANGANIBAN. Mme. Speaker, as regards the value of the Coconut Levy Assets, Mme. Speaker, and if this Coco Levy Assets would be privatized, Mme. Speaker, then that amount—we do not know the amount as yet, Mme. Speaker, with respect to the privatization of the Coco Levy Assets, Mme. Speaker, but as far as the cash and other securities are concerned, Mme. Speaker, we already have a projection that if the P74 billion in cash or the P74 billion will be deposited, Mme. Speaker, in government securities, it would earn approximately P2 billion annually, Mme. Speaker.

REP. LAGMAN. How much would it earn?

REP. PANGANIBAN. P2 billion annually, more or less, Mme. Speaker.

REP. LAGMAN. Where does the distinguished Sponsor base that projection?

REP. PANGANIBAN. It was estimated by the Bureau of the Treasury, Mme. Speaker.

REP. LAGMAN. Do we have a statement from the Bureau of the Treasury validating that projection?

REP. PANGANIBAN. We have already inquired from the Bureau of the Treasury during the technical working group, Mme. Speaker. And, if the distinguished Gentleman would ask for the computation, Mme. Speaker, we would gladly furnish the distinguished Gentleman the computation from the Bureau of the Treasury, Mme. Speaker.

REP. LAGMAN. I would be thankful if I would be given a copy of that computation, Mme. Speaker. Now, Section 9 provides, among others, and I quote:

The Trust Principal shall be preserved and maintained at all times and only the Trust Income may be used: *Provided*; That ten billion pesos (PhP 10,000,000,000.00) of the initial trust principal which shall be known as the Jumpstart Fund may be used within two (2) years commencing from the approval of the plan by the President to jumpstart the development of the industry.

Why is this known as the “Jumpstart Fund” when the development of the coconut industry was jump-started 77 years ago, with the allocation of funds to the development of the industry starting with the NACOCO establishment in 1940? Who conceptualized this label “Jumpstart Fund”?

REP. PANGANIBAN. Mme. Speaker, if we look at the state of the coconut industry now, despite all the billions of pesos already appropriated by the government since 1940 or 1973, we are in a very dismal state, Mme. Speaker. Therefore, we opt it that—this Jumpstart Fund would now start the rehabilitation and the development of our coconut industry, Mme. Speaker.

REP. LAGMAN. After 77 years and billions of pesos appropriated for the development of the coconut industry, here we are saying that there will be a Jumpstart Fund. This is a semantical hyperbole, Mme. Speaker, if I may say so. But, anyway, it says “within two years commencing from the approval of

the plan by the President to jumpstart the development of the industry.” From where do we reckon the two years?

REP. PANGANIBAN. Mme. Speaker, the two years shall start from the approval of the Coconut Farmers and Industry Development Plan, Mme. Speaker.

REP. LAGMAN. Is it not the approval by the President? Because under the Bill, the President does not approve the plan.

REP. PANGANIBAN. Mme. Speaker, may I read Section 21, I mean, page 12 of the proposed Bill, Mme. Speaker. It is stated here that:

Within ninety days (90) from the appointment of all farmer-representatives and the industry representatives, the Plan shall be submitted by the *Ad Hoc* Committee to the Coconut Farmers and Industry Trust Fund Committee which shall, in turn, submit the Plan to the President for approval. Immediately upon its approval, the Plan shall be returned to the Committee for the disbursement of funds in accordance with the provisions of this Act. Any amendment to the Plan shall require the approval of the President.

REP. LAGMAN. So, in other words, the plan has to be approved by the President.

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. This P10 billion initial Trust Fund can be used as a Jumpstart Fund for the development of the industry? What agency or official is supposed to use and manage the Jumpstart Fund?

REP. PANGANIBAN. The Jumpstart Fund, as provided in Chapter V, shall be managed by the Coconut Farmers and Industry Development Trust Fund Committee, Mme. Speaker.

REP. LAGMAN. And it says here, “within two years commencing from the approval of the plan by the President.” It says within two years. When you say “within two years,” you are not fixing a maximum, but “within two years” could include within one month. Is that correct?

REP. PANGANIBAN. Yes, Mme. Speaker.

REP. LAGMAN. It could be within one day. Is that correct?

REP. PANGANIBAN. Yes, Mme. Speaker, as soon as the plan is approved by the President, Mme. Speaker.

REP. LAGMAN. Once the P10 billion is released for implementation as a Jumpstart Fund for the development of the industry, how much would the balance be in the Trust Principal?

REP. PANGANIBAN. As it is stated in the report given by the Bureau of the Treasury, Mme. Speaker, the fund, as it stands as of December 31, 2016, consists of P84 billion in cash and securities, Mme. Speaker. And so, after deducting the P10 billion Jumpstart Fund, we now have a trust principal of more or less P74 billion, Mme. Speaker.

REP. LAGMAN. Mme. Speaker, I have other questions but I still need to wait for the documents I have requested from the distinguished Sponsor. So, may I move for the suspension of my interpellation. I understand that another Member of the House is ready to make an interpellation.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Dep. Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF H.B. NO. 5745

REP. MERCADO. Mme. Speaker, I move that we suspend the consideration of House Bill No. 5745, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 5828 ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. MERCADO. Mme. Speaker, I move that we consider House Bill No. 5828, contained in Committee Report No. 295, as reported out by the Committee on Economic Affairs.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.*

The Secretary General is directed to read only the title of the measure.

* See MEASURES CONSIDERED (printed separately)

With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.

THE SECRETARY GENERAL. House Bill No. 5828, entitled: AN ACT PROVIDING FOR THE DEFINITION OF PUBLIC UTILITY, FURTHER AMENDING FOR THE PURPOSE COMMONWEALTH ACT NO. 146, OTHERWISE KNOWN AS THE “PUBLIC SERVICE ACT,” AS AMENDED.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Dep. Majority Leader is recognized.

REP. MERCADO. Mme. Speaker, I move that we recognize the Chairperson of the Committee on Economic Affairs, the honorable Cong. Arthur C. Yap of the Third District of Bohol, to render his sponsorship speech, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Honorable Yap is recognized.

SPONSORSHIP SPEECH OF REP. YAP (A.)

REP. YAP (A.). Mme. Speaker, distinguished colleagues, ladies and gentlemen, good afternoon.

Eighty-one years ago, at a time when the Philippine Commonwealth’s population approximated just 15 million Filipinos, six years before World War II engulfed the Pacific, the Public Service Act or Commonwealth Act No. 146 was promulgated. Patterned after American law and jurisprudence, the law governed public services in the Philippines. Commonwealth Act No. 146 ostensibly defined the enumeration of public service. This is including every person that owned, operated, managed, or controlled a business involving any common carrier, railroad, street railway, subway, motor vehicle, steamboat or steamship line, pontines including ice plants and irrigation systems. Unfortunately, Mme. Speaker, the terms “public services” and “public utilities” have not been properly defined and the reason this House Bill has been filed is to put in order this definition.

The distinctions are not merely academic ones because to interchangeably define “public services” and “utilities” will constrain and put certain services within the ambit of constitutional prohibition. That being the case, it would work to encourage or impede investment in those public services.

With that having been said, Mme. Speaker, I would like to move that the Explanatory Note be entered in the Record as the endorsement speech on Second Reading for the House Bill.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Dep. Majority Leader is recognized.

REP. MERCADO. Mme. Speaker, with the Explanatory Note having been entered as the sponsorship speech, I move that we recognize the Hon. Antonio L. Tinio of the ACT TEACHERS Party-List to render his interpellation.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Honorable Tinio is recognized.

REP. TINIO. Thank you, Mme. Speaker.

Mme. Speaker, una, nalulungkot ako na hindi na itinuloy ng kagalang-galang na Isponsor iyong kanyang sponsorship speech, kasi sa palagay ko, importanteng marinig ng Kapulungang ito at lalung-lalo na ng publiko kung ano ba talaga iyong layunin ng panukalang batas na ito. Bakit ipinapanukala ng Isponsor na baguhin ang definition sa batas ng public utilities? Ano, sino ang makikinabang dito? Makikinabang ba ang nakararaming Pilipino dito? So, bakit kailangang gawin ang ipinapanukala nila? So, I was hoping that through the presentation ay masasagot na iyon. Pero dahil hindi natin narinig, di itatanong ko na. Mme. Speaker, bakit nga ba ipinapanukala ng kagalang-galang na Isponsor ang pag-amyenda sa definition ng public utilities?

REP. YAP(A.). Mme. Speaker, when Commonwealth Act No. 146 was enacted into law 81 years ago, it sought to be the defining law governing public services. At that time, instead of providing a clear definition of what public services are, the Public Service Law merely enumerated what these businesses are.

In Section 13, on Public Services, as defined in Commonwealth Act No. 146, it says that every person that owns, operates, manages or controls a business involving common carrier, railroad, street railway, subway, motor vehicles, steamship lines, ferries, watercrafts, docks, ice plants, canals, pati ho irrigation systems, marine wharves, gas, electricity, heat, water, power supply, pati po petroleum, sewerage systems, wire communications, communication systems, broadcasting at similar other public services po, nasasaklaw po sa batas na Commonwealth Act No. 146. Just as I said when I started, the enumeration is not merely an academic definition of “public service.” Dahil po hindi natin nabigyan ng linaw iyong definition ng public utility sa public service, ang nangyari po sa batas natin, pati po sa mga jurisprudence po ng Pilipinas, interchangeable po ang paggamit ng definition ngayon sa “public service” sa “public utility.” Ano po ang naging impact nito? Kapag po sinabi na public utility po ang isang negosyo, pumapasok po siya sa saklaw ng constitutional prohibition against foreign ownership of more than 60 percent.

Nakatalaga po sa ating Konstitusyon na public utilities, I will read po, here, allow me to read Article XII, Section 11:

No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines, at least sixty per centum of whose capital is owned by such citizens x x x.

So, ang nangyari po, hindi pupuwedeng ibalewala na lang po ang definition ng public services, kasi po pag napasok po tayo sa saklaw ng constitutional prohibition na ito, instead of encouraging more investments in these sectors that were identified, ang nagiging eksperyensiya po natin, mas nako-constrict. Instead of encouraging investments, investments are actually blocked and impeded and that results in less players in an industry. Umaakyat po iyong presyo, hindi naman po gumaganda ang services noong sektor na iyon.

That is the reason panahon na siguro na baguhin natin ang definition ng public services at public utilities. Maging klaro po tayo. Dahil for example po, 81 years ago, isinama po sa definition ng public services at ginawa pong public utilities po iyong—for example, steamships, steam boats, docks, wharves, railways, heat, water, all of these services at that time—siguro po puwede pong i-categorize po nating public utility. Pero ngayon po, because of changes in innovations and technology, hindi na po siguro natin puwedeng sabihin na public utilities na po ang mga negosyo or services na ito. So, iyon po iyong puno't dulo noon.

We have to bring the definition of public services and public utilities into the 21st century. Kaya nga po kailangang baguhin po ang mga probisyong iyon by providing statutory definitions for what a public utility is.

REP. TINIO. Maraming salamat, Mme. Speaker. Maraming salamat sa sagot, G. Isponsor. Napakalinaw, importante po iyong tanong. Bakit merong ganitong panukalang batas ngayon? Bakit tinatalakay natin ngayon ang House Bill No. 5828? Malinaw po ang sagot ng Isponsor. Ito po ay dahil sa probisyon ng Konstitusyon, Article XII, Section 11. Article XII, iyon iyong tungkol sa National Economy and Patrimony. So, malinaw po iyong paliwanag ng Isponsor na para sa kanila ipinapanukala ang redefinition ng public utility dahil sa Konstitusyong ipinagbabawal ang public utility na maging pag-aari ng mga dayuhan kasi ang requirement dito, sabi nga, basta public utility, kailangang ang may-ari ay Filipino citizen or at least 60 percent Filipino-owned.

So, malinaw po. Tanong ko kanina, para kanino ba ang panukalang ito? Mukhang ang sagot ay para sa dayuhan para mapahintulutan silang makapag-invest nang maikutan na, nang naiikutan na iyong prohibition sa Konstitusyon. Tama po ba iyon? Is that fair summary or rephrasing of your main objective, Mme. Speaker?

REP. YAP (A.). Mme. Speaker, ang pakay po natin ngayong hapon ay hindi po upang baguhin iyong constitutional provision sa public utility restrictions. Ang sabi po ng ating kagalang-galang na interpellator na binubuksan na po natin ang mga sektor na ito sa pag-aari ng mga dayuhan. Sa ating mga batas ngayon, there is nothing preventing foreigners from owning these businesses kahit po 100 percent ay puwede naman pong pag-arian na po ito ng mga dayuhan. Ang hindi pupuwede, ang operasyon. That is the constitutional prohibition. Ang nakasulat sa Konstitusyon ay “No franchise, certificate, or any other form of authorization for the operation of a public utility,” kaya iyon po ang binubuksan po natin na kung puwede sana i-define na po natin. Bigyan po natin ng istriktong kahulugan ang kung ano dapat ang public utility. Kasi pag nabigyan po natin ng istriktong depinisyon kung ano ang public utility, ang maiiwan po na hindi papasok ay hindi po kailangang pumasok sa saklaw ng constitutional prohibition na 60 percent ownership of Filipinos iyong company na nag-o-operate po noong negosyong iyon.

Ano po ang epekto? Ang epekto ay mas marami pong tataya sa mga negosyong ito. At pag dumami po ang tumaya sa negosyong iyan, madadagdagan po ang mga players, if you will, sa public services na ito. Siyempre pag dumami, may kompetisyon. Pag may kompetisyon, mas gaganda ang serbisyo at mas bababa pa ang presyo para sa mga consumers, para sa mga kababayan natin. Iyon po ang pakay natin.

Instead of looking at it from the point of view of ownership, we are looking at this from the point of view, Mme. Speaker, of the Filipino consumer. Huwag po natin itong tingnan sa punto de bista ng kung sino po ang mag-aari ng negosyo. Tingnan po natin ito sa punto de bista ng consumer, ng mamamayang Pilipino, ng mga kababayan po natin at tayo pong lahat, kasi po tayo pong lahat naman ang makikinabang po sa magiging epekto ng batas na ito.

REP. TINIO. Well, thank you for that, Mme. Speaker. Pero, una, bago natin pasukin iyong sinasabing pakinabang daw ng mamamayang Pilipino bilang consumer, so we will go to that. We will address that, pero una muna dito, siguro ako, palagay ko importanteng maunawaan natin or mabanggit ko rito iyong konteksto ng panukala na tinatalakay natin ngayon. Malinaw na nakapatungkol ito doon sa constitutional prohibition, iyong pagbabawal ng Konstitusyon sa pagbigay ng franchise to operate sa mga korporasyon, kung hindi

ito 60 percent, at least 60 percent Filipino-owned. Kaya gustong baguhin ang definition ng public utility dahil sa kasalukuyang batas natin, namely iyong Commonwealth Act No. 146 or Public Service Law, katulad ng sinabi kanina, napasasaklaw daw noong definition ng public utility. Kaya nga, ang layunin dito sa batas, and we will go to the actual definition here, ililimita na lang sa tatlo ang saklaw ng public utility. So, kung dati ay mula sa kuryente, tubig hanggang sa mga ice plant, sabi mo nga kanina, irrigation and so on ay saklaw ng public utility, ililimita na lang sa tatlo. Okay, iyan iyong objective, iyong limitasyon ng Konstitusyong.

So, Mme. Speaker, ang gusto ko lang banggitin dito na simula noong 1987 Constitution na ito, pero 1990s pa lamang, lalo na noong panahon ni—una nating narinig ito noong panahon ni Pangulong Ramos, at ito iyong panahon ng unang pamamayagpag ng globalization, iyong panahon na pumasok tayo sa GATT-WTO at saka naging parang economic dogma iyong liberalization, deregulation at privatization, mula noong panahon ni Pangulong Ramos. In fact, si Pangulong Ramos ang nagtulak noong move para baguhin ang Constitution.

Iyong Cha-cha, hindi ba? Actually, diyan nga una—sa panahon ni Pangulong Ramos unang sumikat iyong termino o iyong kataga o phrase na Cha-cha o Charter change. Kasi nga ang agenda, ang sabi nila, 1990 si Ramos pero 1987 ang Konstitusyong natin. You know, early mid-90s si Ramos, sabi niya outdated na raw iyong Konstitusyong natin kasi nga ang partikular na pinatutungkulan ay iyong mga economic provision. Sabi nila, protectionist ito, so even the very idea of national economy and patrimony, actually, kinukwestiyon na nila. Bakit daw ang Konstitusyong natin ay masyadong nagpapahalaga sa pag-aari ng mga Pilipino, pag-aari at kontrol ng mga Pilipino sa mga natural resources, sa business industry and so on and so forth? Hindi na iyan ang hinihingi ng kasalukuyang panahon ayon sa kanila. Globalization na ngayon, so kailangang buksan na natin ito, kaya itinulak ang Charter change.

Tapos, alam natin, hindi iyon nag-succeed. Malawak ang pagtutol dito. Pinangunahan pa nga mismo ni Cory Aquino at that time. So, temporarily, tumahimik iyong ganyang kilusan. Pero alam natin noong panahon ni Pangulong Arroyo, binuhay na naman ito, tapos increasingly, learning the lessons from the Ramos experience, kasi ikinabit iyong Charter change, hindi na lang economic, pati political shift to parliamentary. So, nababanatan palagi doon sa political aspect. Noong panahon ni dating Pangulong Arroyo ay ganoon pa rin. Essentially, may political component iyong Charter change. Again, a shift to parliamentary, tapos may economic component which is to remove or amend the so-called “outdated protectionist or nationalist economic provisions in the Constitution.”

Again, nag-fail, kasi, you know, may mga question regarding the legitimacy of the former President, and so on and so forth. We all know this. So, namatay na naman iyon.

Ngayon, noong panahon ni Pangulong Aquino in the past administration, nanggaling sa House iyong initiative, pero learning the lessons from the two previous attempts to change the Constitution, they junked the political component of Charter change. Ang sabi na lang nila, huwag na iyang pulitikal kasi kontrobersiyal e, sasabihin na ang habol lang nating mga pulitiko ay term extension and so on, so ilaglag na lang muna natin iyan. No less than former Speaker Belmonte, as we know, many of us were already in Congress at that time, ang nai-propose na lang niya, Cha-cha pero just the economic provisions, including this provision on public utilities for the same purpose. Baguhin na natin ito para mabuksan ang public utilities o ang kasalukuyang itinuturing na public utility sa foreign investment. Okay. Pero again, ano ang nangyari sa effort led by Speaker Belmonte and Congress at that time? Again, it did not succeed. In fact, President Aquino himself said, hindi niya susuportahan iyong Charter change. Ganoon ang nangyari doon.

Now, in the Seventeenth Congress, ano ang sitwasyon? Well, of course, again, mayroong move to change the Constitution, pero it is now tied up with a larger project of the new President for federalism. Talagang masasaklaw na ito. Pero, sinabi rin naman ni Pangulong Duterte na kasama na roon iyong economic agenda for liberalizing the economy and so on and so forth. Kaya lang, federalism is still up in the air—malaking usapin ito.

Ang nakikita natin ngayon, dahil mukhang mahirap, mahaba pa ang landas ng Charter change, mukhang iyong mga kasamahan natin sa Kongreso ay nakaisip ng isang mabilis na paraan na hindi na kailangang hintayin pa ang pagbabago ng Konstitusyong at ito ay sa pamamagitan lang ng pagpasá ng ordinaryong bill, pag-amyenda ng isang existing law, at makukuha na, at least, iyong isa sa mga layunin noong economic Cha-cha, which is the opening up of public utilities to foreign ownership. Ito na nga iyong House Bill na tinatalakay natin ngayon.

So, iyon po ang unang mahalagang punto na gusto kong banggitin for the record na bahagi ito noong matagal na—I mean, this has been, you know, a decade, a 30-year agenda of various administrations to turn away from what I often call “protectionist provisions” of the 1987 Constitution and to open up the economy to foreign investment along the lines of neoliberal or free market doctrine. So iyon ang agenda dito ngayon. Kaya po, ang kuwestiyon po, ang problema nga lang, sige, naisip na baka mas mabilis ito, mag-amyenda tayo ng batas, baguhin natin iyong definition ng public utility para kahit hindi natin binabago iyong Konstitusyong ay magagawa na natin iyong matagal na nating gustong gawin. Kaya lang, Mme. Speaker, Mr. Sponsor, ang tanong ko lang, puwede bang gawin iyon? Kasi iyong Konstitusyong ay isang buong dokumento na mayroong isang malinaw na pinagbabatayang mga prinsipyo.

So, dahil ang 1987 Constitution ay bunga noong karanasang Marcos dictatorship, nandiyan iyong mga prinsipyo—sinasabi nga anti-martial law document daw ang Constitution. Kasama rin sa mga core principles noong Constitution iyong pagpapahalaga sa national economy and patrimony. Kaya ang sinasabi ko, sa aking palagay, hindi maaaring ipasá ang batas na ito nang hindi nilalabag hindi lang iyong spirit pati iyong letter ng Konstitusyong ito.

The Constitution is, you know, protectionist. Wala tayong magagawa diyan. Ganoon ang Konstitusyon. Iniluwal iyan noong mga partikular na kondisyon noong 19—you know, noong panahon na iyon—1987, post-Marcos dictatorship, iyong karanasan ng mga Pilipino, iyong historical experience natin na sinasamantala ng mga dayuhan ang ating natural and other economic resources, no. So nandiyan iyan at hindi basta-basta masosolusyunan sa pamamagitan ng pag-amyenda ng isang batas na kontra sa buong prinsipyo at pilosopiya ng Konstitusyon, Mme. Speaker.

REP. YAP (A.). Mme. Speaker, kakambyuhan ko lang po nang kaunti iyong diskusyon. Hindi po natin pakay ngayong hapon na baguhin o amyendahan ang Konstitusyon natin. We are not trying to effect any Charter change here. Ang pinag-uusapan lang po natin iyong isyu ng public service, ng Public Services Act na isang batas that came into being 81 years ago. Eighty-one years ago, this law sought to be the governing law of all public services in the country, kaya nga po ipinasok diyan ang pati irigasyon, pati refrigeration services, pati subway, railway, electricity, tubig, heat, docks, wharves, bridges, common carriers, wireless communication—lahat po iyan ay ipinasok diyan po sa public services.

Ano po ang nangyari noong ipinasok po lahat sa public services na iyan? Noong ipinasok po iyan sa public services at hindi po natin binigyan ng maganda at tamang depinisyon, nasaklaw tuloy siya sa constitutional prohibition. Ngayon, ang nangyari po, instead na nabuksan po natin ang ekonomiya natin sa kompetisyon, ang nangyari po, nasakal po, nasakal po iyong mga sektor ng public services.

Kaya nga po kung gusto nating umunlad at umusad pa ang ating ekonomiya, kailangan po nating buksan ito. Napakaganda pong pakinggan, very romantic to hear that we want to protect the economy for Filipinos pero kung ito po ang proteksiyon para sa mga kababayan natin na iiwan po natin ang mga sektor na ito to continually be—hindi po entangled but constricted—kung iiwan po natin itong constricted, hindi po natin siya bubuksan at bibigyan ng ability na makapag-attract po ng foreign investments. Hindi po magbabago ang services sa bansa natin.

Common carriers—sino po dito ngayon sa mga nakikinig ang masaya po sa estado ng ating mga bus o

ating mga taxi? Kaya nga po nanganak ng Uber at saka ng Grab e. That is why we upgraded.

Sino po sa inyo ang masaya sa estado ng telekomunikasyon ngayon? Pumalakpak kayo kung masaya po kayo sa estado ng telekomunikasyon ngayon.

Napakaganda po ng mga lansangan namin sa Bohol pero subukan po ninyong umikot doon po sa aming napakagandang isla, e hindi po kayo makakatapos ng isang tawag.

Kahapon po, pinapakinggan ko po si Congresswoman France Castro doon po sa kanyang Education for Lumad Children. This is a right, this is not a privilege, this is not discretionary. Sinasabi ko lang sa sarili ko, kung napakaganda po ng estado ng interconnection natin, kahit po sa kabundukan, maaabot po natin iyon. Hindi lang po patuloy ang edukasyon ng mga bata pati po ang edukasyon ng mga guro natin, maa-upgrade po natin na hindi sila kailangang lumuwas sa mga bayan-bayan po natin.

Ako po ay nabigyan ng karangalan na magsilbi bilang Kalihim po sa Agrikultura ng ating bansa, at napansin ko rin po doon, kung mayroon lang tayong napakagandang connectivity, kung maii-connect lang natin ang ating mga magsasaka sa mga merkado natin, baka ho may chance po tayo, may pagkakataon po tayo na mapaganda ang presyo po ng mga pangunahing bilihan at agricultural products natin. Siyempre, ang mabebenepisyuhan diyan, ang ating mga mangingisda at magsasaka. Pero hindi po natin magagawa ngayon iyon dahil kung hindi po natin aamyendahan at pakakawalan ang mga probisyon po sa public services, lahat po ay uuwi doon sa public utility constriction ng Konstitusyon. Sino po namang negosyante ang magtataya ng kanyang pera sa mga negosyong ito? Ang mga negosyong ito ay kakain po ng limpak-limpak na salapi. Sino po ang tataya ng billions of pesos in resources for infrastructure investments, kung hindi po natin sila bibigyan ng kontrol sa mga negosyong ito?

Kaya simple lang po ang pakay natin, ibinabalik ko lang po sa simpleng usapin. Huwag na po nating pasukan ang modern-day political history ng bansa natin. Simple lang po ang tanong: Sa mga public services po, when it comes to irrigation, common carriers, bridges, electricity, water, docks, wharves, wireless communication, lahat po ba ito, kailangan pa po nating sabihing i-protect natin? To protect for whom, Mme. Speaker? For whom are we protecting these businesses? We say Filipinos who? Sinong mga Pilipino ang may kapasidad na mag-invest at tumaya sa mga negosyong ito? Should we rather not say we are just protecting these businesses for oligarchs? Or should we not say, buksan na lang natin ito sa kung sino ang gustong mamuhunan at gustong tumaya sa mga negosyong ito? Dahil ang kapalit naman po ay kompetisyon. Kapag may kompetisyon, gaganda ang

serbisyo, bababa rin po ang mga rates. Ang panalo, ang mga kababayan natin, tayo pong lahat, the Filipino consumer.

I just want to bring the discussion into simple terms. We are simply talking about services, we are talking of competition, we are talking of modern-day upgrading of standards for the Filipino consumers, thereby also capacitating our economy to expand, to improve and to modernize.

Sana po, natuto na rin tayo sa mga experience natin sa nakaraan. Kaya nga po hindi po natin sinasabi na papalitan natin ang Konstitusyon, at sana hindi po isipin ng ating mga kababayan na kapag binuksan po natin ang mga negosyong ito, ang ibig pong sabihin ay naghuhubad po tayong inaalay natin ang mga industriyang Pilipino sa mga dayuhan, sapagkat hindi po natin sinasabi sa amendment ng public service ng Commonwealth Act 146, na wala na pong regulasyon ang mga negosyong ito at ang mga may-ari po nito ay hindi po papasok sa saklaw ng regulasyon ng ating mga ahensya.

Just because you are not a public utility does not mean you will not fall into the regulatory framework of our laws. Kasama ka pa rin, pati po sa rate setting, kung kailangan po mai-rate set ka. Sa damages po, dinagdagan po natin. Dati po ang damages dito, P200, but now when you violate, there will be disgorgement of profits. Pasusukahin po ang mga kinita ng mga kompanyang iyan. Kung hindi po tama ang pagkita nila sa profits na iyan, isusuka po nila iyan, disgorgement of profits. The damages will be trebled, hindi lang P200 per day, katawa-tawa naman po. You will violate public services and you will be charged P200 a day for fines. Hindi naman po tama iyon.

When there is a national emergency and the State so deems it, we can take over the operations of these industries. Kaya huwag pong sabihin na isusuko po natin ang mga industriya na ito sa mga dayuhan. Sila po mga dayuhan, hindi po nila ito bayan. Tataya po sila, iiwan po nila lahat ng kanilang investments sa bayang ito at pasok po ito sa regulasyon ng ating mga national agencies. So, paano po natin sasabihin, Mme. Speaker, na isinusuko natin ang ating ekonomiya sa mga dayuhan?

You fall within the regulations. We can take over your business if there is a national emergency. More than that, if public interest so demands it, the government can operate it as well. Are we also infringing on Congress' right to grant franchise? Hindi po. Wala pong lumalabas sa amendment na ito, Mme. Speaker, that we are surrendering any prerogative or right of any Philippine government instrumentality. Isinasaayos lang po natin na ang mga negosyong puwede na po nating buksan sa mas malawak na investments ay buksan na po natin sa mas malawak na investments. As I said, competition follows, better rates follow.

REP. TINIO. Mme. Speaker, alam po ninyo, narinig na po natin iyang mismong argumento na iyan. Noong unang wave ng privatization, deregulation at liberalization, noong 1990s basically, ganyang-ganyan ang argumento ng mga proponent ng privatization, deregulation at liberalization kaugnay sa telecommunications. Ang binabanatan nila noon iyong monopolyo ng PLDT. So, kaya sabi nila, may monopolyo kaya napakasama ng serbisyo and so on and so forth. Kaya nagbago ng patakarang pambansa, and now, binuksan iyong telecommunications for, sabi nila, competition. Lumitaw, nawala na iyong monopolyo, nabasag ang monopolyo ng PLDT sa landline, tapos eventually sa mobile, kasi iyong mga panahon na iyan, diyan unang sumulpot at lumaganap iyong cell phone, di ba?—texting and so on. So, kaya palaging naririnig natin sa mga free market advocates na bilang success story, pinaka-success story daw ng ekonomiya ng Pilipinas iyong deregulation ng telecommunications sector dahil daw lumitaw ang Globe, lumitaw ang Smart, lumitaw ang—noon may mga iba pang kompanya. Dahil daw dito, nabasag ang monopolyo. We have all of these wonderful new communications technologies. Gumanda ang serbisyo and so on, naging mas affordable and so on.

That was a success story, but until now it is not. Ngayon, kahit iyong Sponsor po natin, inaamin na sa kabila noong napakahusay na patakaran ng pagbubukas at pagkakaroon ng kompetisyon, ay siya mismo ang nagsasabi, dahil hindi naman natin made-deney, sa kabila ng so-called competition sa telecommunications sector, ay alam naman nating lahat na pinakamasahol sa rehiyon, isa sa pinakamasahol sa rehiyon ang serbisyo ng telecommunications.

I mean, talagang damang-dama natin. Ako, kahit simpleng landline, you know, 80 percent of landline calls ay napuputol—unintelligible, garbled, and so on and so forth. Internet, hindi ko na kailangang ulitin, Internet connections, one of the slowest in the region. Kahit iyong mga bansa, mga kapitbahay natin na probably mas maliit ang kanilang ekonomiya sa atin ay mas mabilis ang kanilang Internet connections.

So, Mme. Speaker, narinig na natin iyang argumento na iyan, na gagawin ito para sa kompetisyon at ang kompetisyon ay magdadala ng pakinabang sa ordinaryong Filipino consumer.

Pinatunayan na sa karanasan na hindi po totoo iyon. Ang nangyari ay limpak-limpak na ang tubo ng mga telcos natin, at kabilang ito sa pinaka-profitable na mga negosyo ngayon, pero tingnan mo naman ang kalidad ng serbisyo at tingnan mo naman ang kawawang Filipino consumer.

So, Mme. Speaker, I am afraid na, you know, fool me once, okay, pero uulitin pa ba naman natin? Maniniwala pa ba ang publiko sa ganitong argumento na, “Yes, huwag kayong mag-alala, buksan natin ito sa foreign investors at bibilis ang inyong Internet?” Talaga? Narinig na natin iyan eh. So, iyon po ang punto.

Ngayon, ang Konstitusyon natin, nasaklaw po ang definition ng “public utilities.” Wala silang specific definition, pero nasaklaw, at ang intensyon niyon ay para proteksyunan ang publiko at ang public interest. Kung babalikan natin ang Konstitusyon ay palaging nakadugtong ang idea ng public interest, public safety and so on, kapag binabanggit iyong mga public utilities. Para mas malinaw ito, babanggitin ko lang iyong ilang mga pagkakataon sa Konstitusyon na binabanggit iyong term na “public utilities,” and then, may tanong ako after this.

So, iyon nga, iyong Section 11, nabanggit na natin. So, sinasabi nga rito:

No franchise, certificate or any other form of authorization for the operation of public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least sixty per centum of whose capital is owned by such citizens.

So, isa po iyon. In that same section, binabanggit din dito, “The State shall encourage equity participation in public utilities by the general public. The participation of foreign investors in the governing body of every public utility enterprise shall be limited to their proportionate share in its capital,” and so on. Okay. So, iyon ang isa. Isa pang pagkakataon na binabanggit ng Konstitusyon ang salitang “public utilities” ay sa Section 17, same article, article on National Economy and Patrimony:

In times of national emergency, when the public interest so requires, the State may, during the emergency and under reasonable terms prescribed by it, temporarily take over or direct the operation of any privately owned public utility or business affected with public interest.

So, iyon po iyong binabanggit natin na iyong public utilities. Sa Konstitusyon, iyong public utility, parating nakadikit sa public interest, para sa proteksyon at kapakanan ng publiko. Kaya po nasaklaw ang definition ng public utility or ang implicit definition iyan ng public utility kasi walang explicit. Section 18,

The State may, in the interest of national welfare or defense, establish and operate vital industries and, upon payment of just compensation, transfer to public ownership utilities and other private enterprises to be operated by the Government.

So, dito, ang ginamit naman, national welfare or defense, so implicitly security. So, iyong public utility may kinalaman din sa national security, kaligtasan

na mismo ng Estado at ng bansa at ng sambayanang Pilipino. So, ganoon po ang pagpapahalaga rito.

Now, iyong isa pang gamit ng public utility specific sa provision on the COMELEC, Commission on Elections, so this is Article IX, Constitutional Commission, the Commission on Elections. In other words, ang point natin dito, Mme. Speaker, kaya kailangang balikan natin lahat ng mga gamit ng Konstitusyon sa term na “public utility” kasi maaaring may epekto ito, hindi lang sa ekonomiya, kundi kahit sa ibang mga ahensiya na binibigyan ng Konstitusyon ng kapangyarihan kaugnay sa mga public utilities. Particular sa COMELEC, ano ang sinabi ng Konstitusyon? Section 4 states: “The Commission may, during the election period, supervise or regulate the enjoyment or utilization of all franchises or permits for the operation of transportation and other public utilities, media of communication or information...”, and so on and so forth. So, ito po iyong, sabi nga, kapangyarihan ng COMELEC na, essentially, magtakeover ng operasyon ng mga negosyo na tinatawag na public utilities. Kasi, napakahalaga po ng eleksyon, kung kailangan, para matuloy ang eleksyon, hindi ba? So, binibigyan siya ng ganoong kapangyarihan.

Ang unang point diyan, kapag binago mo iyong definition ay maaaring nililimitahan mo na ang kapangyarihan ng COMELEC. Pangalawa, at ito pa, at sa tingin ko ang mas importante rito, I think dito sa partikular na seksyon na ito, mayroong mas explicit na definition ang Konstitusyon dahil ang ginamit ng Constitution, “the operation of transportation and other public utilities.” So, very explicit po dito na itinuturing ng Konstitusyon na halimbawa ay iyong transportation ay public utility.

Ngayon, iyon na po ang tanong ko, kasi sa definition ninyo, nililimita ninyo na nga sa tatlo ang public utilities. That is in your Section 1, Mme. Speaker. Puwede po bang matanong ang Sponsor. Ano po ba iyong public utility sa inyong bagong definition?

REP. YAP (A.). Ilang punto lang po, Mme. Speaker. Iyong una po, iyong aral ng karanasan na siguro itong sinasabi sa telecom po ay—this has been a failure, hindi po naging matagumpay. Kaya dapat, instead na mas buksan pa natin iyong ekonomiya, mas dapat nating iwan na lang po siya kung nasaan siya ngayon.

Ako po ay mas nakatatanda sa ating kagalang-galang na interpellator at hindi ko po alam kung naabutan niya, pero ako po ay naabutan ko po iyong party line. *(Laughter)*

REP. TINIO. Party line, yes.

REP. YAP (A.). Naabutan mo po ba iyon, kapatid? *(Laughter)*

REP. TINIO. Of course.

REP. YAP (A.). Iyong Republic Telephone Company diyan po sa Pasig at saka iyong PLDT, naalala ko po iyon. Iyong hindi ka po makagagamit ng telepono dahil po may party line at kahit sabik na sabik mo na pong makausap iyong girlfriend mo, hindi mo pa po puwedeng makausap. Hindi mo nga po puwedeng galitin iyong party line. Kapag ginalit mo po iyong party line, iha-hang pa iyong telepono at hindi mo magagamit.

It is true, Ladies and Gentlemen, na hindi pa po siguro perfect iyong mga services po ng ating telecommunications but malaki na rin naman po siguro ang narating natin. Kung hindi pa po natin binuksan ang sektor na iyan eh akalain mo po ngayon, in times of emergency, nakatutulong po iyan sa atin.

From simple things na hanapin ninyo po iyong anak ninyo, “Nasaan ka anak? Susunduin na kita,” or, “Anak, mayroon akong—or, Daddy, puwede bang bilhin mo ito, nasa National Bookstore ka? Ibili mo nga ako ng libro diyan.” From basic communication services to the more grave implications of telecommunications, siguro po nakatulong rin ang pagbubukas natin. At ang sinasabi po natin, kung iiwan po natin, kung hindi po natin klarong mabigyan ng definition at categories kung ano po ang public services sa public utilities, hindi na po natin maeengganyo ang patuloy na pagbabago sa mga sektor na iyan.

Ang sinasabi po natin, please do not stop the reform. Baka naman po kapag mas maraming pong mga kumpanya ang binigyan po natin ng karapatan at pagkakataon na mamuhunan, mas gaganda po ang mga serbisyo natin sa bayan, especially in the area of telecommunications. So, rather than be scared, I think the lesson, ang aral po ng kasaysayan natin, ang modern-day history natin is to further, to continue and to be focused on the reform that we want to bring to these sectors.

Again, I have to comment on the protectionist angle po. Huwag naman po sanang protection for the few businessmen who can do businesses in these concerns, because sila lang ang can afford. We must open this to more investors.

So far, ang nakikita ko po, we are merely protecting our resources, whether it is in mining, whether it is in forestry, whether it is in telecommunications, whether it is in major infrastructure works. Parang iilan at iilan na lang po ang mga kompanyang paulit-ulit nang namumuhunan na pag-aari ng mga paulit-ulit na pareparehong mga pamilya rin ang nagmamay-ari ng mga negosyong ito. Kaya nga, para sa akin, buksan na po natin ito dahil hindi naman po natin isinusuko ang mga industriya, mga kayamanan at mga resources ng bayan natin sa mga banyaga. Hindi naman po iyon dahil hindi pa naman po natin sinasabi na mawawala sila sa regulasyon ng ating mga national agencies, sa mga ahensiya natin.

Kaya nga po, doon rin po sa issue ng elections, so much of the integrity of our elections is also dependent on our connectivity. Kaya, para sa akin, napakakritikal po na, kung puwede sana, ang strengthening po ng mga public service at public utilities na ito is directly going to contribute to the stability and the strength of our freedom and our liberty, and the development of our economy.

Ngayon po, iyong sinasabing pagde-define po natin, hindi naman po natin sinasabi na iyong itinakda nating mga industriya, na public utilities, ngayon at kailan pa man ay iyon na lang po ang magiging public utilities, dahil po mayroon naman po tayong itinalaga sa batas, sa Bill natin, kung ito po ay maipapasá po nating batas, mayroon naman pong criteria na puwede pa nga pong madagdagan. But, it has to be very clear kung ano po iyong mga standard na iyon.

Kaya nga po sa section—doon po sa amendments natin, iyong defined po nating electricity, distribution of electricity, transmission of electricity, water pipeline distribution system or sewerage pipeline system, kaya po natin itinalagang utilities iyan ay dahil pumapasok po iyan sa saklaw ng istriktong depinisyon of what a utility is. And, that means, this criteria also provided in the Bill says that a person or a business must perform a public service. This has been established that public utilities must—are subsets of public services. So, dito po sa malaking sektor ng public services, public utilities are a mere subset.

Pangalawa, that the business or the service regularly supplies and directly transmits and distributes to the public through a network a commodity or service of public consequence. At ito po, this has already been established and decided upon in cases, in jurisprudence, iyong *Albano vs Reyes* at iyong *JG Summit case vs Court of Appeals*, this was set by the Supreme Court as a standard.

Ikatlo, it is necessary to the public and, if it is a natural monopoly, it needs to be regulated when the common good so requires. Ibig sabihin po ng natural monopoly, ito po ay isang industriya in which high infrastructure cost and other barriers to entry relative to the size of the market give the largest supplier in our industry an overwhelming advantage over potential competitors. It has to be a natural monopoly. For example po, noong nag-umpisa po ito 81 years ago, siguro po ang paglalalag po at ang pagtatayo po ng mga docks, wharves, refrigeration facilities, these could have been a natural monopoly, Mme. Speaker, 81 years ago, because it was very expensive and once having to put up a dock or a refrigeration facility, no competition becomes possible precisely because at that point in time in that industry, the high infrastructure cost and the barrier to entry relative to the size of the market give that supplier an advantage. And that is what we would like to say that this continues to be a good policy. And

that is why if it is a natural monopoly, we do recognize in criteria number three that it can be categorized as a public utility.

Number four, “The business or service is necessary for the maintenance of life and occupation of residents.” This has also been decided in *JG Summit vs. CA*, in 2003.

Finally, in the same case, the fifth criteria, “The business or service is obligated to provide adequate service to the public on demand.” Are we trying to pick up foreign policies and notions into our laws? We are not. What we provided for in the criteria for what can be designated as public utilities in the future have actually been passed upon by our own courts and have been decided by the Supreme Court in a slew of cases in the past 20 years. So, we are not introducing anything new. Ang ginagawa lang nga po natin ay isinasaayos po natin—what are public utilities and which can still be designated as public utilities in the future can be done so through the NEDA, together with the Philippine Competition Commission, advising Congress to declare it so. Neither are we infringing on the power of Congress to designate certain industries as public utilities.

So, these are the definitions—these are the criteria and the definition of a “public utility” that we are introducing today, not foreign ideas, but ideas that we have also learned and accepted as part of what we have learned and what we have experienced in our national life, in our national history in the past 81 years since Commonwealth Act No. 146 was enacted into law. And the most important point, Mme. Speaker, we are not taking them out of regulation to protect Filipino consumers even as we invite more investors, we are actually keeping them. We are providing for a system of regulation for these agencies.

REP. TINIO. Mme. Speaker, hindi po nasagot ng Sponsor natin dahil sa palagay ko, hindi maaaring sagutin ang puntong binanggit ko kanina na sa Section 4, Article IX ng ating Konstitusyon, malinaw po, in black and white, na binabanggit doon ang transportation and other public utilities. Iyong phrase na iyan na nakikita natin. So, malinaw po na sa Konstitusyon, kasama po ang transportation sa public utilities. Black and white po iyan. Ngayon, malinaw din po, ayon sa paliwanag ng Sponsor natin, at kung babasahin natin ang kanilang panukalang batas na ang public utility na lamang daw ay ang sumusunod, iyon nga ano. I am now reading from House Bill No. 5828, “*Public Utility Definition*,” this “refers to a person that operates, manages and controls for public use any of the following:

- (1) distribution of electricity;
- (2) transmission of electricity; and
- (3) water pipeline distribution system or sewerage pipeline system.”

Tapos sinabi pa rito in Roman Numeral II of Section 1 of the House Bill being sponsored, “*Amendment of Public Utility Definition*. – No other person, business or service shall be deemed a public utility under Section 13 (d) 1 unless otherwise subsequently provided by law.” So, malinaw po ang sinasabi ng panukalang batas na ito na kapag ipinasá ito, ang public utility ay iyong tatlo lang na binanggit.

Ang punto ko naman po, malinaw na kinokontra nito o nilalabag ang nakasaad sa Konstitusyon dahil sabi sa Konstitusyon, transportation and other public utilities. Mayroon bang nakasulat na transportation dito? Wala po. Puwede bang amyendahan ng isang batas ang Konstitusyon? Hindi po. So, ang punto natin sa definition pa lang ay tahasang labag na sa Konstitusyon. Maaari bang pag-usapan at magpasá ng batas ang Kapulungang ito na labag sa Konstitusyon? Palagay ko naman, malinaw ang sagot na hindi, Mme. Speaker. I think sa definition pa lang na ito, malaki na ang problema, Mme. Speaker.

REP. YAP (A.). Mme. Speaker, with all due respect to my distinguished colleague, very humbly, hindi po kasi ganoon ang basa ko sa probisyong ito. Kailangan nating ikonteksto ang nakasulat sa Section 4, and I quote in part:

The Commission may, during the election period, supervise or regulate the enjoyment or utilization of all franchises or permits for the operation of transportation and other public utilities, ...

So it is clearly separated, Mme. Speaker. If transportation is meant to be included in the terminology or in the definition as a “public utility,” then the Commission on Elections need not designate or specifically identify and just say public utilities, and it would fall within all the definition of everything that falls within public utilities, but specifically the provision segregated it and took it out of the ambit. Bakit hindi na lang sinabi sana, the Commission may, during the election period, supervise or regulate the enjoyment or utilization of all franchises, or permits for all utilities. Bakit pa nasegregate ang transportation? It is precisely in that context that transportation is a totally different animal. If not, isinama na po iyon sa public utilities. Hindi na po kailangan i-identify specifically ang transportation. Kaya nga po sa aking humble interpretation, hindi ganoon kasi ang pagtingin ko sa opinyon ng ating kasama.

REP. TINIO. Mme. Speaker, with all due respect to the Sponsor, I am afraid the Sponsor is grasping at straws here. Hindi po ako lawyer. Our colleagues who are more learned than this Representation in the legal profession can probably say this better. Pero I am

certain in terms of legal construction and so on, they will say that this phrase, “transportation and other public utilities,” explicitly means that transportation is a public utility. Hindi ako lawyer, pero I was an English teacher and I can authoritatively say that this wording definitely includes transportation as a public utility.

Furthermore, tatanggapin ko ang argumento na pagka may hinihiwalay ka, hindi kasali. That will apply to the next phrase, “media of communication or information.” In this case, malinaw ang Konstitusyon na ang transportation isa among public utilities. “Media of communication or information” hindi isinasama ng Konstitusyon sa public utilities. That is my humble response to our distinguished Sponsor, Mme. Speaker.

Ang punto po, malinaw sa Konstitusyon, black and white na ang transportation ay itinuturing ng Konstitusyon na kahanay sa public utilities, at malinaw din po sa panukalang batas na ito na hindi ito isinama. Unfortunately, sabi nga natin noon—kanina dahil hindi matuluy-tuloy ang Cha-cha, inuna na muna natin itong amyenda sa batas.

Let us redefine public utilities, gawin na lang nating tatlo ang saklaw, hindi na iyong iba pa. Okay. It is clever. It could have worked. Unfortunately, mayroong malinaw na sinasabi ang Constitution. That is to a minimum kung gusto ninyo isama ang transportation sa inyong definition ng public utilities. I mean, iyan ang malinaw dito. Ang punto ko, as it is right now, it is clearly unconstitutional even just on this, based on the reading of this line. Hindi pa nga tayo papasok sa talakayan natin kanina na iba ang pilosopiya ng Konstitusyon na nakabatay sa konsepto ng national economy, patrimony, national interest, which entails a broad definition of public utilities as against free market, neo-liberal definition nila ng public utilities, na sa kanila naman ilimita na natin. So the role of the State will be limited to just these handful of services, all the rest, market na ang bahala, leave it to the private sector and let the private sector liberalize, deregulate, and so on. Unfortunately, magkaiba po ang pilosopiya. Unfortunately for the Sponsor, Mme. Speaker, bumabangga po sa teksto ng Konstitusyon ang kanilang prino-propose.

REP. YAP (A.). Mme. Speaker, I am sorry, Sir.

REP. TINIO. Mme. Speaker, please, if the Sponsor will respond.

REP. YAP (A.). Mme. Speaker, as I said, Section 4 must be taken into context. This context defines what the Commission on Elections can control and cover in the performance of its duties during elections. What we are trying to do right now is to define utilities through this provision when this provision totally relates to a different subject matter.

If at all, the exchange between the Sponsor and our honorable and distinguished colleague actually shows, demonstrates very clearly why we need to define what public services are and what public utilities are. Because if not, it is not only this Representation who is grasping at straws. We are going to condemn ourselves to continually grasp our straws when we try to define what public services and public utilities are. It is not only me who is grasping at straws, we all are. That is what this Bill seeks to do, to clearly define it. We cannot define it indirectly by using this provision of what the COMELEC can control.

Mme. Speaker, I beg to disagree with the distinguished Sponsor that although he is not a lawyer, he cannot explain himself very well. He is a dear colleague and I know he has always been very effective in his plain language.

REP. TINIO. Thank you, Mme. Speaker.

Nevertheless, iyon na nga, I mean, we can appeal. The interest of the people is all we want. However, we are bound to pass laws that are in accord with the letter and spirit of the Constitution. I think I already made my point very clear na malinaw po ang Konstitusyon dito kaya ang may problema ay sa definition nila.

I will now move on. Basta ang point ko, unconstitutional ang proposal nila. That is the point that I think I have made clear. Sabi po ng Sponsor, Mme. Speaker, kapag naipasá ang batas na ito, tatlo na lang ang public utility, the rest are public services. So pag public service ka na hindi ka na covered ng constitutional requirements on foreign ownership, okay?

So iyon naman ang isang objective. Pero sinabi ng Sponsor, Mme. Speaker, anyway, huwag kang mag-alala kasi there is a provision here para amyendahan ang definition ng public utilities. In the future, kung gusto ninyo, kung makukumbinsi kayo ni BAYAN MUNA Rep. Caloy Zarate, I mentioned your name para mamaya puwede ninyong sabihin na, aba kailangang dagdagan pala natin ang mga policy kasi puwede naman daw.

Sabi dito, may criteria naman daw. The process here is that Congress can amend this law and redefine public utility. Puwedeng gawing mas masaklaw upon the recommendation daw of the NEDA secretariat in consultation with the Philippine Competition Commission. That is the process outlined. Tapos, may criteria na itinatakda.

Mme. Speaker, the Sponsor mentioned earlier the following: (1) person performs the public service; (2) the business is regularly supplied and directly transmits and distributes to the public through a network and commodity or public consequence; (3) the business or services are necessary to the public; and if a natural monopoly needs to be regulated when the common good so requires; (4) the business or service is necessary for

the maintenance of life and of residents; and (5) the business or service is obligated to provide adequate service to the public on demand.

Sabi nila, Mme. Speaker, those are the criteria. Ito ang mga puwedeng ituring na public utility. Meron lang akong problema sa unang paliwanag ng Sponsor, Mme. Speaker.

Sabi niya kasi kanina, kailangan daw natural monopoly or monopoly ang isang serbisyo or negosyo para maituring na public utility. I beg to differ, Mme. Speaker, because in the text of the Sponsor's own Bill, hindi naman requirement ang natural monopoly.

Sabi nga rito, the business or service is necessary to the public, and if a natural monopoly needs to be regulated when the common good so requires. So, hindi rekisito na monopolyo. Walang sinasabi dito na monopolyo. Anyway, that was just a clarification I made.

REP. YAP (A.). Ah, iyan, tama.

REP. TINIO. Now, the real question I have here is, Mme. Speaker, sa mga paliwanag ng ating Sponsor, palagi niyang ginagamit ang example ang telcos o ang telecommunications companies raw ang makikinabang. Ang sector daw ng telecommunications ang makikinabang sa pagpasá ng batas na ito pag binuksan daw natin sa liberalization of foreign investment. Ang tanong ko lang po, Mme. Speaker, hindi po ba na kung iisa-isahin natin ang mga criteria na ito, actually pasok sa kanilang definition ng public utility ang telcos.

One, the person performs a public service. Hindi ba public service and telecommunications? I do not think we need to belabor that point. Pero baka mali po ako, let me hear the answer of the Sponsor, Mme. Speaker. Telcos po ang example natin kagaya ng Smart, Globe, et cetera.

REP. YAP (A.) Opo, Mme. Speaker.

REP. TINIO. First, the person performs a public service. Tama po ba, covered? Check?

REP. YAP (A.) Opo, Mme. Speaker.

REP. TINIO. Opo, so check. Second, the business or service regularly supplies and directly transmits and distributes to the public through a network a commodity of public consequence.

REP. YAP (A.) Opo, Mme. Speaker.

REP. TINIO. Opo, okay. Third, the business or service is necessary to the public and if a natural

monopoly needs to be regulated when the common good so requires.

REP. YAP (A.) Opo, check rin po iyan, Mme. Speaker.

REP. TINIO. Opo. Check again. Fourth, the business or service is necessary for the maintenance of life and occupation of residents.

REP. YAP (A.). Opo, Mme. Speaker.

REP. TINIO. Opo. And fifth, the business or service is obligated to provide adequate service to the public on demand.

REP. YAP (A.). Opo, Mme. Speaker. Nagkakaisa tayo.

REP. TINIO. Opo. Actually, Mme. Speaker, sumasang-ayon ang ating Sponsor na ang telecommunications companies actually fall under their criteria, fulfill their criteria and should, therefore, fall under the definition of "public utility." Kung ganoon nga, bakit hindi ito kasama sa depinisyon ninyo ng public utility?

REP. YAP (A.). Kasi criteria po ito, Mme. Speaker. Pero ibinibigay natin ang final decision based on certain guides of the criteria sa NEDA at sa Philippine Competition Commission. Sila po ang magre-recommend sa Congress kung ano ang puwede nating sabihin na public utility. At the very end of the day, this is the process. Ito po ang criteria.

Hindi po ibig sabihin that just because you fall into all of these definitions, you can be considered a public utility. Kaya nga isinusuko natin ang discretion, pagsusuri at pag-aaral sa NEDA at sa Philippine Competition Commission. Especially in this case, for example, ang telco, a telco cannot be considered a natural monopoly today.

As I said, 81 years ago, noong sinama po natin ang refrigeration facilities, bridges, docks and wharves sa definition ng public service, siguro 81 years ago, puwede nating sabihin that these are natural monopolies, Mme. Speaker. Ang ibig sabihin ng natural monopoly, na sa laki po ng pangangailangan na pamumuhunan sa negosyong iyon, na kapag ginastusan ito, it makes competition from other businessmen not viable anymore.

Sa panahon ngayon, hindi na po. Siguro noong dati, puwede po iyon sa wireless and telecommunication companies, dahil dati po kasi, tayuan mo ng poste at linya, that is it. Pero ngayon siguro, dahil po sa teknolohiya, a telephone line with wires is not going to close that sector down to just one player. Because of technology, you can already use satellites, considering

the different wavelength and different transmission equipment, you can establish connectivity. Siguro dati, puwede, pero ngayon po, hindi na. That is why we cannot treat the enumeration as constricted, a definition of public utility cast in stone definition. Kaya nga the criteria is a guide which we may surrender to the consideration of the NEDA, in consultation with the Philippine Competition Commission, to recommend to Congress to classify whether the business or the service is a public utility or not.

REP. TINIO. Iyon nga ang problema, Mme. Speaker, distinguished Sponsor. Una, ang role ng NEDA Secretary at ng Philippine Competition Commission, recommendatory lamang. Ang may actual na poder sa pag-define, pagsabi kung ang isang negosyo ba ay utility o hindi, ang Kongreso pa rin.

Ngayon, I think ang ipinapakita rito sa discussion natin, umooo ang kagalang-galang na Sponsor sa lahat ng criteria with respect to telcos. In other words, malinaw naman po na utility ang telco. Pero ang problema sabi ng Sponsor, depende na ito sa recommendation.

So in other words, ang nangyayari po ay magiging negotiable, discretionary, ultimately politicized ang definition ng public utility—negosasyon na ito. Kasi alam ninyo po, malaki ang, you know, a lot is at stake. Kung tawagin kang public utility as against public service ka lang, kung negosyo ka, aba ay, you know, night and day, heaven and hell ang usapin dito. Bakit? Kasi siyempre, kapag public utility, that means regulation, government regulation. Magse-set ka ng presyo, ng produkto o serbisyo mo, e kailangang aprubahan muna noong government regulator. Pero kapag public service ka, bahala ka na, free market. So, there are many things. That is what is at stake here. And, I think what our discussion is showing is, ultimately, arbitrary iyong magiging definition dito, kasi tayo nagkaisa, public utility. Iyong Sponsor mismo e nag-agree na pumapasok sa criteria ng public utility ang telco, pero siya mismo, bilang Sponsor, hindi naman niya isinama sa listahan ng mga public utility ang mga telco. So, iyon nga po ang problema.

Our Sponsor mentioned jurisprudence. Let me point out one of the, I think, important statements from existing jurisprudence on telcos ang, if you will excuse me, iyong *JG Summit Holdings Inc.*, di ba, ano ang sinabi nila tungkol sa definition ng public utilities. Okay, let me quote:

A legislative declaration such as the definition by enumeration in the Public Service Act does not *ipso facto* render a business or service a public utility. For, as this Court held in *North Negros Sugar Co. v. Hidalgo*, whether or not one is a public utility is a matter of judicial, not legislative determination.

Whether or not a given business, industry, or service is a public utility does not depend upon legislative definition, but upon the nature of the business or service rendered, and an attempt to declare a company or enterprise to be a public utility, where it is inherently not such, is, by virtue of the guaranties of x x x.

Actually, I am reading—anyway, iyon na. So, mainly, the point is, that is jurisprudence on the matter, na ang sinasabi dito, hindi batas ang magtatakda kung public utility ang isang negosyo o hindi. It is actually the facts, and the facts will be determined by the courts, ganoon. I think—now I understand the wisdom. Kasi nga, katulad noong exchange natin kanina, even if the Sponsor agreed, pasok sa public utility pero hindi mo pa rin ituturing na public utility. So, in other words, it has nothing. Kung legislation iyan, it has nothing to do with the actual facts. That is why the wisdom here is, legislation is irrelevant. What actually matters is the actual nature of the business or enterprise and its relationship to the public and public interest. Iyon po, Mme. Speaker. So, iyong isang problemang nakikita natin sa definition at sa mga criteria na inilalatag dito.

REP. YAP (A.). Mme. Speaker, they say there is actually no perfect law that has been crafted. They say that if you want to look at what perfect laws are, just follow the 10 Commandments. Those 10 laws, if we follow them, strictly and religiously, would negate the need for Congress actually to legislate all of these laws. There are no perfect laws. That is why, Mme. Speaker, what we can do as legislators is to exhaustibly discuss our intent, our fears, our objectives, as we are doing this afternoon—because when these fears, ideas, concepts, though they may clash, are articulated in the future, those who would seek to be guided by our laws can go back to these ideas to determine our intent. That is the same in this case, Mme. Speaker. It is not a perfect law. But are we any better off if we leave Commonwealth Act No. 146 the way it is? Since there is no statutory definition of public utilities in our laws today, are we better off leaving Commonwealth Act No. 146 the way it is, allowing the definition of “public services” in CA No. 146 to be interchangeably defined and used with what public utilities are? Are we better off that way or should we not provide at least a guide, criteria, certain basis, to consider what public utilities are?

There is a saying in law, Mme. Speaker, that the life of the law is lived. There is no perfect law, Mme. Speaker. We have to live this law.

Eighty-one years ago, the framers of Commonwealth Act No. 146 did not think that this law probably would need amendments to it. They probably thought that this was the perfect law. At that time, nobody thought that we can communicate with each other beyond a telephone

call and lines, but today, I can pick up my phone and call somebody halfway across the world. Maybe 20 years from now, we can call somebody in the moon by picking up our phone. We do not know. That is the state of innovation and technology.

Are we writing a perfect law? I say, not. But the life of the law must be lived. The most that we can do for history or posterity is to air all our concerns, all our fears, all our ideas, our objectives, and provide criteria for them. Hopefully, as we live the life of the law, we can amend it, we can make it better when it is so required and that is also what is provided in this law. We do not take the prerogatives of Congress away. We limit its powers, they can take over any of these businesses, they can redefine the terms and metes and bounds of public service and public utilities, they can even add to it, they can even detract from it and when they do, we are also giving them guidelines and criteria.

That is all we can do, Mme. Speaker, to try to put some order where there is confusion and hopefully, the life of the law will sustain us.

REP. TINIO. Mme. Speaker, I am quite moved by the eloquence of our Sponsor.

REP. YAP (A). Thank you, distinguished colleague.

REP. TINIO. Indeed, we cannot write perfect laws but we are obliged to write laws that are in accordance with the Constitution and jurisprudence and I think I have already pointed out at least two instances where this law is explicitly in direct conflict with the black-and-white text of the Constitution and also with existing jurisprudence. But anyway, I would like, Mme. Speaker, this is a simple clarificatory question, in your definition, sa definition po ng Sponsor, iyong tatlo nga lang iyong ano, no, iyong public utilities, electricity distribution—sorry, distribution of electricity, transmission of electricity, and then iyong pangatlo ang gusto ko lang ma-clarify; number three, water pipeline distribution system or sewerage pipeline system. So, para lang malinaw po, for the record, when you say water pipeline distribution system, you mean, iyong mga water utilities, halimbawa, Maynilad, iyong ganoon, iyong ginagawa nila, Maynilad Water Services Inc., Manila Water Company Inc. Is that what you mean?

REP. YAP (A.). Yes, Mme. Speaker.

REP. TINIO. Yes.

REP. YAP (A.). Yes, Sir. Yes, Sir.

REP. TINIO. Okay, thank you. I just wanted clarification on that.

Now, let me now move to—sa Public Service Law po kasi, it refers to Public Service Commission which has never, to my knowledge, never, at least, definitely, under the 1987 Constitution, has not been implemented. There is no such body as the Public Service Commission. So, inaamyendahan ninyo po ito ngayon. Could you explain your amendment?

REP. YAP (A.). Actually, Mme. Speaker, kaya nga po natin kailangang ipasá iyong Bill na ito kasi po the provisions of the law have actually been overtaken by events. Tollways, there used to be a Commonwealth agency that used to take care of tollways. That has now been taken over by the LTFRB. I think for ports, it has been taken over by the Philippine Ports Authority. Marami pong iba't ibang ahensya na dati po covered by the Public Service Commission. Wala na po doon ngayon at na-overtaken by other legislation. That is why we are trying to unify and pass this Bill to bring the terminologies to present day and age. Iyon po iyong rason.

REP. TINIO. Okay. So, dahil nga sabi ninyo nga, overtaken by events, so dahil wala naman pong Public Service Commission, ipinalit ninyo po dito, administrative agency. So, could you explain, ano iyong tinutukoy na administrative agency? Give us some examples so it is clear to all of us what is—which, what or which agencies are being referred to in specific instances?

REP. YAP (A.). Mme. Speaker, that, I can—I do not have it specifically right now, Sir, but I can provide you that list. Maybe, we can go to another question, Sir, and I will just ...

REP. TINIO. Please provide us with that list kasi you know, masaklaw po ang kapangyarihan na ibibigay ng ...

REP. YAP (A.). Opo.

REP. TINIO. ... batas ninyo sa mga administrative agency na ito. So, kailangang malinaw sa atin, anong administrative agency ito? So, maybe you cannot provide a complete list now but can you cite at least some examples.

At this juncture, Deputy Speaker Garcia-Albano relinquished the Chair to Rep. Arthur R. Defensor Jr.

REP. YAP (A.). Ang isa nga po iyong sinasabing tollways that were used to be handled by a different agency. Ang naaalala ko po, that has now gone to the LTFRB or—ah ito, ito po pala iyon, iyong relevant provisions po ng CA No.146 referring to the Public

Service Commission, na we are now putting this in order by now recognizing that their powers have been spread out to modern-day agencies and would include some of the following: DOTr, Department of Transportation; LTFRB, Land Transportation Franchising and Regulatory Board; LTO, Land Transportation Office; Civil Aeronautics Board; Civil Aviation Authority of the Philippines; Philippine Ports Authority; Maritime Industry Authority; Philippine Coast Guard; Department of Information and Communications Technology; National Telecommunications Commission; Department of Energy, Energy Regulatory Commission; DENR, Department of Environment and Natural Resources; National Water Resources Board; LWUA, Local Water Utilities Administration; Philippine Competition Commission, and others. All of these used to be referenced and—they used to be referenced under C.A. No. 146. But now, they are now operating as these new agencies, and these are the agencies that give those franchises or forms or authorizations for those public services to operate, so ito po iyon.

REP. TINIO. Okay, so malinaw po iyong tinutukoy. Those are some concrete examples. Halimbawa iyong sinabi ninyo, transportation na sa definition ninyo ay hindi na kasama sa public utility, public service na siya, they will be under the—what is the term? Administration or supervision of administrative agencies, so in the case of transportation, LTO, LTFRB and the like, tama po?

REP. YAP (A.). Opo, pati, Mr. Speaker, iyong ang nga po, there used to be certificates of public convenience and certificates of convenience and necessity, wala na po ito. So, we are now bringing the provisions into the modern age, into today. We are making them current. Kasi, dati po, nagbibigay po tayo ng certificates of convenience but wala na pong ganoon ngayon.

REP. TINIO. All right. Now, ito pong ang isang importanteng amendment which I would like to point out. One of the amendments here, sabi ko, masaklaw iyong mga kapangyarihan ng administrative agencies. Nakalagay dito: “To fix and determine x x x,” your amendment is “maximum individual or joint rates, tolls, charges, classifications x x x,” the insertion of “revenues” is a proposed amendment, “x x x or schedules, thereof, as well as commutation, mileage, kilometrage, and other special rates which shall be imposed, observed, and followed thereafter, by any public service.”

In other words, iyong pag-set ng rates, di po ba? So, in the case of transportation, pamasaha. In the case of telcos, iyong rates ng telcos. So may kapangyarihan dito na mag-set iyong administrative agency. Kaya lang, ipinadagdag ninyo rin ang phrase, “when the public interest so requires.”

In other words, hindi na automatic o hindi na, as a general rule, hindi na magiging tungkulin o responsibilidad ng administrative agency iyong pagtatakda ng rates. My point here, Mr. Speaker, is actually, aside from liberalizing the capital investment requirements, okay, for public services, this Bill actually also institutionalizes deregulation. So, the general policy is deregulate and then only set rates or intervene when the public interest so requires. So, mayroon nang ganoong phrase. So, bakit po, ako, iyon ang appreciation ko sa pagdagdag ng—iyong amendment na pino-propose ninyo eh, when the public interest so requires. So bakit ninyo ipinadagdag iyan?

At this juncture, Rep. Defensor relinquished the Chair to Deputy Speaker Mylene J. Garcia-Albano.

REP. YAP (A.). Mme. Speaker, ang pinapalitan lang po iyong maximum at iyong revenues eh. But iyong—and the one “when the public interest so requires...” yes, I will concede, Mme. Speaker, ipinapalagay po natin itong, “When the public interest so requires: *Provided*, that the administrative agency may, in its discretion, approve rates proposed by public services provisionally and without necessity of any hearing; but it shall call a hearing thereon within 30 days, thereafter, upon publication and notice to the concerns operating in the territory affected.”

Let me state right now, that it is not the intention of the framers of this Bill, of this law to mean that—how do you say it, Mr. Interpellator—to mean that public interest takes a back seat, because it is not in the nature of regulatory agencies to deal with their business that way. They exist and they are mandated and created under the law specifically to protect the public interest. So, this is not meant, Mme. Speaker. Let it be entered into the record that this is not the intent of this Bill.

REP. TINIO. Well, ...

REP. YAP (A.). Yes, Sir.

REP. TINIO. Well, Mme. Speaker, I think, malinaw dito na dahil sa proposed amendment nila na pagdagdag noong phrase, “When the public interest so requires,” malinaw na po na ang general policy para sa mga administrative agencies na sumasaklaw sa mga tinatawag na ngayong public services, ang general rule rito, bahala kayo. Let the market dictate the rates, tapos, papasok na lang kami when the public interest so requires. So, sa tanong ko, halimbawa, pamasaha, ngayon, transportation is considered a public utility. Kaya nga ang tawag natin sa jeep, “PUJ,” “public utility

jeepney,” “PUV,” “public utility vehicle,” hindi ba? Sa definition ninyo, hindi na siya public utility, tinanggal ninyo siya sa public service. So, ano ang epekto niyan sa kasalukuyang papel ng LTFRB na hindi ba, bago ka magtaas ng pamasaha ay kailangang aprubahan ng LTFRB, that is the rule. Pero sa batas ninyo baligtad na, deregulated, tapos papasok lang kami when the public interest so requires. That is the concrete effect. So, kapag napasa po ba ang batas na ito, will this mean the deregulation of fares in public transport? I think the public deserves to hear an answer in black and white. Kasi mabigat po ang epekto niyan kung ngayon. Hayaan na natin ang merkado ang magtakda ng pamasaha. In fact, that is kind of what we are seeing with Uber, hindi ba, iyong mga surge pricing and so on? So, ganoon ba, Uber na lahat, ganoon ba? Ganoon yata. I am afraid, Mme. Speaker, ganoon ang gustong mangyari dito ng mga Sponsor?

REP. YAP (A.). Mme. Speaker, allow me to enter into the record na that is not the contemplation. Iyong public utility vehicles, jeepneys, common carriers, removed though they may be from the definition or the category of “public utilities,” this does not remove them out from public services. They are still part of public services, and being part of public services, they are still regulated by the State. So, sabi nga po ng ating distinguished colleague, the public deserves to hear a categorical answer, and the categorical answer is, no, we are not going to free it up against them and their interests. Ang nakasulat lang naman po kasi dito, “To fix and determine maximum individual or joint rates, tolls, charges, classifications, revenues x x x when the public interest so requires.” Kasi po, kapag nagbago naman po iyong rates at naibaba po, baka hindi naman po kailangan na magtawag ng any hearing involving that because public interest in that way will not necessitate calling for these hearings. The long and short answer po, Mme. Speaker is, let me allay the fears of our distinguished interpellator. We do not seek to release any of these businesses outside government regulation that will work against the interests of Filipino consumers. Hindi po tayo papayag.

REP. TINIO. All right, Mme. Speaker.

Tinabihan ako ng distinguished Deputy Majority Leader natin, kaya huling tanong na po, huling concern from this Representation, pero, I think, mabigat din ito.

Again, in that same section, Section 3, with respect to the powers that will be given to administrative agencies, I am referring to page five, starting at line 12. I hope we have the same text. Iyong setting ng rates. Okay. Napakahalaga po nito. This is, I think, one of the most critical sections in this proposed Act, apart from

the definitions we discussed earlier. Ano ang sabi po? Let me read, for the record, para hindi na mapagod ang ating Sponsor:

The maximum rate of return shall be equal to the post-tax weighted average cost of capital for the same or comparable businesses computed using established methodologies such as the capital asset pricing model. Income tax shall be allowed as a cash outflow for rate-determination purposes. This provision shall not bar the application of performance-based rate regulation should the administrative agency regulating such public service deem it efficient and in the public interest.

The Philippine Competition Commission (PCC) is hereby mandated to conduct regular studies on whether deregulation is warranted in a sector and submit its recommendation to Congress.

So, Mme. Speaker, I think napaka-critical ng passage na ito, at sa totoo lang iiwan ko sa ibang mga kasamahan natin dito iyong paghihimay noong lahat ng mga binanggit dito. Gusto ko na lang mag-focus sa isang sentence dito, iyong sinabi rito, “Income tax shall be allowed as a cash outflow for rate-determination purposes.” Puwede po bang maipaliwanag ng Sponsor ang ibig sabihin nito.

REP. YAP (A.). Mme. Speaker, when you say the maximum rate of return shall be equal to the post-tax weighted average cost of capital, there is a methodology for computing this, but the principle behind the formula, allow me to quote, and this is taken from the BSP-UP Professorial Chair Lectures of Dr. Helena Agnes Valderrama on Corporate Income Taxes and Utility Rates in the Philippines, the philosophy is:

Companies need to generate sufficient revenues to cover all costs they incur and payments they need to make in relation to the business as well as provide a sufficient net return to their investors to compensate the latter for the risk their capital was subjected to.

The Supreme Court, in the case of *Republic v. Meralco*, also said that the philosophy behind this formulation in fixing rates, the Supreme Court issues us this guidance: “In fixing rates, the only standard which the legislature is required to prescribe for the guidance of the administrative authorities is that the rate be reasonable and just.” There is the standard actually implied.

So, iyon po iyong puno’t dulo. Kahit na paano natin po tingnan iyong formula o iyong guidelines po na iyon. What we are trying to achieve here is, we are trying to

lay the guidelines for all utility operators and public service operators that will allow them a rate of return which is fair, which is just, from which they can recover their investments. We will only defeat our objective, our purpose of having more companies and entrepreneurs to invest in these businesses if we cannot allow them a just rate of return for their investments. Sasayangin lang po natin ang pagbukas po ng mga industriya na ito kung bibigyan rin po natin sila ng batayan na hindi po nila mababawi ang kanila pong mga puhunan sa mga negosyong ito.

So, kung gusto po natin silang madagdagan at lumago para magkaroon ng kompetisyon sa mga sektor na ito, kailangan po nating masigurado na babalik po ang kanilang mga puhunan.

REP.TINIO. Okay, Mme. Speaker, ito, I think, as I said, napakaimportante nito. So, ang ibig po sabihin, ako, ang intindi ko, correct me if I am wrong, ang ibig po sabihin nitong “income tax shall be allowed as a cash outflow for rate-determination purposes,” sa pagtatakda ng presyo ng serbisyo na sisingilin sa publiko, puwedeng i-factor in ng utility or service iyong kanilang taxes? Tama po ba? Iyong partikular na halimbawa, corporate income tax. Tama po ba ang unawa ko sa probisyon na iyan?

REP. YAP (A.). Mme. Speaker, iyong isa sa mga basehan na ginamit po dito, as I said from that study of Dr. Valderrama, it says that if corporate income tax is “not considered as recoverable expenditure and investors are not given a return sufficient to cover the business’ tax obligation plus their risk-adjusted net return $x \times x$, then the latter receives less than their required or ‘fair’ rate of return as represented by their approved WACC,” o iyong Weighted Average Cost of Capital po nila. This, in effect, also works as a constitutional violation of unjust taking because you are causing losses. This is a violation of that constitutional provision as well.

REP.TINIO. Mme. Speaker, pasimplehin pa natin iyong usapin. Ang pino-propose ninyo dito, ayon sa aking pagkakaintindi, ay puwede na po, pinapahintulutan na po, ang mga utility or public service na ipasa sa consumers iyong kanilang corporate income tax. Iyon po ang pinakasimpleng explanation niyan. Tama po ba?

REP. YAP (A.). Hindi po ipapasá, ie-expense out po. We will expense it out.

REP.TINIO. At ang mag ...

REP. YAP (A.). So, by expensing it out, we will lower the net taxable incomes of these corporations and, thereby, allowing them a better rate of return for their investments. So, hindi po ipapasa, ie-expense out.

REP.TINIO. Mme. Speaker, alam ninyo po, kaya malaking isyu ito, kasi nga, as you know, a few years ago, naging isyu ito with respect to Maynilad and Manila Water. Mayroon pong mga consumer groups na nag-raise ng isyu. Sabi nila, ipinapasa ng mga dambuhalang utilities na ito iyong kanilang corporate income taxes sa consumers kaya mas mataas iyong mga rate na sinisingil sa amin. According to their computation, P15.5 billion daw iyong total in income taxes that were passed by the water concessionaires to the consumers from the years 2008 to 2012. Tapos, hindi natapos iyon.

Iyong MWSS mismo, sa kaso ng Manila Water at Maynilad, in fact, pumosisyon on the side of the consumers, ang sabi, “Oo nga, ipinapasa ninyo kaya ibalik ninyo iyan. Hindi puwede iyan. Hindi puwedeng ipasa ninyo iyong income tax. Inyo yan e, tax sa tubo ninyo iyan e. Tax sa kita ninyo iyan e. Bakit sinisingil ninyo sa consumer?” So, pumosisyon nang ganoon iyong regulator. Siyempre hindi pumayag ang Maynilad, hindi pumayag ang Manila Water. So, umabot ito sa arbitration sa International Chamber of Commerce, mayroon silang arbitration panel. In the case of—actually, alam naman ninyo ang nangyari—in the case of, in the case of Manila Water, the appeals panel of the ICC sided in favor of the MWSS and the consumer. Sabi nila, “Oo nga pinasa ninyo iyong inyong corporate income tax ninyo sa mga consumer. Hindi puwede iyan. Ibalik ninyo.” Iyon iyong naging ruling ng arbitration ng Appeals Panel sa Manila Water.

Let me read for the record iyong relevant portion of the ruling. This is from a news report. The Appeals Panel, by a majority, ruled that the CIT, corporate income tax, and I quote:

The CIT is not an allowed expenditure under the Concession Agreement by virtue of the application of the principles enunciated in the Meralco case to the effect that the people of the Philippines should not be burdened directly or indirectly with CIT which has to be paid by the Claimant as a result of the profits made from its business operations.

So, napakalinaw po noong ruling na iyon ng, international na po ito, International Chamber of Commerce. Ako ay nababahala, Mme. Speaker, na kung iyong International Chamber of Commerce magsasabi na hindi puwede ipasa ng utility ang kanilang corporate income tax sa consumer. Bakit po? Nababahala ako na bakit sa panukalang batas—I think, kaya nga inilagay ito ay para magkaroon ng kalinawan, kasi, actually, as far as I know, in the case of Manila Water, the arbitration went in favor of the MWSS but in the case of Maynilad, it went against, hindi ba? So, parang may kalituhan ngayon. Ano ba talaga? Puwede bang ipasa o hindi puwedeng ipasa?

Ngayon, dahil ayaw ng mga investor daw ng uncertainty, mukhang nililina na ito ng panukalang batas na ito. Unfortunately, mukhang ang pinapanigan ng panukala ay iyong side ng concessionaire ng utility at hindi iyong side ng consumer. So, ito po ang isang napakalaking problema ko sa panukala ninyo, Mme. Speaker. Bakit naman pumanig pa kayo? E mas mabuti po iyong arbitration panel, sa Manila Water pumanig sa consumer, sabi “Ibalik ninyo iyong bilyones na corporate income tax na ipinabayad ninyo sa tao.”

REP. YAP (A.). Mme. Speaker, kapag ipinasa po natin ang batas na ito, pumapanig po tayo sa consumers, sa mga kababayan natin.

Iyong pangamba po ng ating distinguished colleague po, puwede po natin mabigyan ng resolusyon iyon dahil dito po sa batas natin, itinatakda po natin na ang income tax shall be allowed as a cash outflow for rate determination purposes. Ie-expense out na nga po natin.

Tama po iyong sinasabi ng distinguished interpellator po natin, na dati ang ginagawa po ay bina-bundle po lahat ng charges na iyon at ipinapasa po sa consumer, at iyon nga po iyong hindi natin pinapayagan. Kaya nga po itinatakda na natin sa panukalang batas na ito, kung ipapasa po natin na papayagan po natin na income tax shall be allowed as a cash outflow, if it is allowed and expensed out as a cash outflow, it is a deduction from your net taxable income.

So, pag naitanggal po iyon, hindi na po natin kailangan i-bundle—iyong operator po ng public service o public utility, hindi na po niya kailangan i-bundle iyon at dayain po iyong consumer at ipasa po lahat ng costs sa kanya para makabawi siya sa negosyo niya.

So, I join the distinguished interpellator, na hindi po tayo papayag doon.

REP. TINIO. Mme. Speaker, hindi ko masyadong naunawaan iyong explanation. So, as a cash outflow— income tax shall be allowed as a cash outflow. So, it will be listed sa cash outflow, so mababawas na po iyan sa net taxable income. Ganoon po ba? That is what I heard.

REP. YAP (A.). Opo. Kaya nga po iyong basis po noon, ...

REP. TINIO. Medyo naano ako roon ha. Parang ...

REP. YAP (A.). Papayagan po nating ...

REP. TINIO. Parang self-contradictory, ‘no. Hindi na isasama sa taxable income iyong income tax? Paano nangyari iyon e iyong income tax nakabatay sa—iyon po, parang medyo nabuhol ako doon.

REP. YAP (A.). We are trying to address the situation po, Mme. Speaker, sa *Republic vs Meralco*, kung saan po sinabi po ng Korte Suprema na ang income taxes hindi po natin puwedeng isama iyan as an expense in our business.

Sa *Republic vs Meralco*, sinasabi po ng Korte Suprema, the business has to absorb that cost and in this business of public services and public utilities that require massive amounts of capital, we need to make the running of the business attractive for the businesses. So, in this corrective measure that we are trying to do in this Bill, we will allow businesses to expense out the tax payment. You list down all your revenues and you can include taxes and expense it out to bring down your net taxable income. If that happens, then you do not need ...

REP. TINIO. Your net taxable income. E income tax na nga ito e, so paano mo i-expense out iyong income tax na ...

REP. YAP (A.). Mme. Speaker, may revenues po kayo. You will put all your expenses there. If you allow your taxes to be expensed out, then you do not have to pass the cost to your consumers. So, allow me to at least state for the record na iyong legislative intent po nating lahat hindi po tayo iba. Ang ayaw po ng interpellator natin ay maipasa iyong burden na iyon sa mga consumer natin at iyon rin po ang pakay ng batas natin.

So, if the distinguished interpellator would like to introduce amendments to make it clearer that what he wants and what the Sponsor also wants and the other Sponsors want is not to burden the consumer, we will join the interpellator in clarifying this in the period of amendments.

REP. TINIO. Well, I think that is one, kung ganoon nga ang intensiyon, dapat malinaw ito. Let us make it very explicit. Kasi, ako ...

REP. YAP (A.). Yes.

REP. TINIO. I admit, Mme. Speaker, hindi naman ako, you know, you know, business or ...

REP. YAP (A.). Opo.

REP. TINIO. Hindi po iyan ang background ko. So, I think para maliwanag sa publiko, given iyong karanasan na nga ...

REP. YAP (A.). Opo.

REP. TINIO. ... sa Maynilad and Manila Water, bakit hindi na lang gumamit ng malinaw, walang kaduda-duda sa interpretasyon na lengguwahe na hindi

puwedeng ipasa ng mga utilities or services ang kanilang corporate income tax sa publiko para malinaw. Iyong desisyon noong appeal panel sa kaso ng Manila Water, that was very clear which I read in the Record. So, bakit hindi natin sundin iyon, Mme. Speaker? Anyway, Mme. Speaker, and I appreciate the openness of the Sponsor in recognizing that particular point.

Mme. Speaker, alam ko na mahaba na ang oras ng aking interpellation at mayroon pang mga iba na nakahanay kaya tatapusin ko na po. Pero to sum up, I think the major concerns I have at this point are, one, iyong definition mismo na inilalatag sa batas na ito partikular iyong paglimita lang sa tatlo ng public utilities ay malinaw, direktang lumalabag sa letra at lalung-lalo na sa espiritu ng Konstitusyon kaya hindi po maaaring ipasa ito ng Kongreso. Lalabagin po natin ang ating sinumpaang tungkulin na irespeto at itaguyod ang Konstitusyon.

Pangalawa, iyon na nga pong concern natin kaugnay sa eto, iyong mga kapangyarihang ibinibigay sa mga administrative agencies na ang isang epekto po, kapagka hindi na itinuring na public utility ang isang negosyo o serbisyo ay nagbubukas na para maging mas maluwag, deregulation sa rates, pati nga dito sa usapin ng paniningil sa income tax and so on. Ultimately, naninindigan po ang Kinatawag ito sa prinsipyo na ang pangunahing dapat pangalagaan ng ating mga batas ay ang interes ng mga Pilipino. Kaya po kailangang itaguyod natin ang ideyal ng national economy. Ang ekonomiya ng Pilipinas ay pangunahin para sa mga Pilipino. So, doon po ako nagtatapos sa ngayon, Mme. Speaker.

Maraming salamat po.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The Dep. Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF H.B. NO. 5828

REP. MERCADO. Mme. Speaker, I move that we suspend the consideration of House Bill No. 5828.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. MERCADO. Mme. Speaker, for administrative matters, the Secretariat received the list of Members who are attending the meeting of the Committee on Appropriations, as authorized by the Committee on Rules, only after the roll call earlier this afternoon.

Pursuant to Section 71 of the Rules of the House, with the roll call showing 243 Members present, I move that we amend the result of the roll call to include the eight (8) Members who were not included, for a total of 251 Members present, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. MERCADO. Mme. Speaker, I move for the change of referral of the following measures:

House Bill No. 5990 – providing medical scholarships to qualified students in all municipalities establishing for this purpose the One Town: One Doctor Scholarship Program, from the Committee on Health to the Committee on Higher and Technical Education.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the said motion for change of referral is hereby approved.

REP. MERCADO. Mme. Speaker, I move for the change of referral of House Bill No. 1137 – amending pertinent laws on the retirement benefits and pension of the uniformed personnel of the uniformed services, from the Committee on National Defense and Security to the Committees on Government Enterprises and Privatization and National Defense and Security.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the change of referral of House Bill No. 1137 is hereby approved.

REP. MERCADO. Mme. Speaker, I move for the change of referral of House Bill No. 4709 – establishing a single retirement and separation benefit system for government employees, including members of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP), from the Committee on Government Enterprises and Privatization to the Committees on Government Enterprises and Privatization and National Defense and Security.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the change of referral of House Bill No. 4709 is hereby approved.

REP. MERCADO. Mme. Speaker, I move for the change of referral of House Bill No. 5673 – amending pertinent laws on the retirement benefits and pension of the uniformed personnel of the uniformed services, from the Committee on Government Enterprises and Privatization to the Committees on Government Enterprises and Privatization and National Defense and Security.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the said change of referral is hereby approved.

REFERRAL OF HOUSE RESOLUTIONS
ON INQUIRIES IN AID OF LEGISLATION

REP. MERCADO. Mme. Speaker, in accordance with our Rules Governing Inquiries in aid of Legislation, I move that we refer the following House Resolutions to the appropriate Committees:

1. House Resolution No. 1118 re the proliferation of falsified documents used to fulfill employment requirements for overseas Filipino workers, to the Committee on Overseas Workers Affairs;

2. House Resolution No. 1120 re the possible relocation of national government centers to General Nakar, Quezon, and construction of national circumferential road, to the Committee on Public Works and Highways;

3. House Resolution No. 1121 re the contracting and sub-contracting practice of SM Malls and on the working conditions of SM retail workers, to the Committee on Labor and Employment;

4. House Resolution No. 1122 re the human rights violations allegedly perpetrated by elements of the CIDG, and ISAFP, on Lilia Bucatcat, which include illegal arrest and filing of trumped up charges, to the Committee on Human Rights;

5. House Resolution No. 1125 re the suspension of issuance of permits to transport network vehicle services by the Land Transportation Franchising and Regulatory Board, to the Committee on Transportation;

6. House Resolution No. 1126 re the utilization of the tobacco excise tax and the determination of the tangible benefits acquired by tobacco farmers of Ilocos Norte, to the Committee on Good Government and Public Accountability;

7. House Resolution No. 1127 re the impact of aerial bombings, executed by the Armed Forces of the Philippines, as part of their counter-insurgency operations, on the farmer communities, prior and under the declaration of martial law in Mindanao, to the Committees on National Defense and Security and Public Order and Safety;

8. House Resolution No. 1128 re the arbitrary arrest and detention of ANAKPAWIS Party-List Regional Coordinator Pedro Arnado and his three activist companions by elements of the Armed Forces of the Philippines under Task Force Davao at a checkpoint in Brgy. Lasang, Bunawan District, Davao City, as part of the implementation of martial law in Mindanao, to the Committees on National Defense and Security and Public Order and Safety;

9. House Resolution No. 1129 re the illegal arrest and filing of trumped up charges against members of

the Compostela Farmers Association (CFA) in Brgy. Mangayon, Compostela Town, Compostela Valley by elements of the 66th Infantry Battalion Philippine Army (IBPA), to the Committees on National Defense and Security and Public Order and Safety;

10. House Resolution No. 1130 re the state of landlessness among Filipino farmers, perpetuation of former and present haciendas and the urgent necessity for land distribution, as step towards the attainment of genuine agrarian reform in the country, to the Committee on Agrarian Reform;

11. House Resolution No. 1131 re the plight of Hacienda Roxas farmers struggling for their rights to land being opposed by Roxas and Co., Inc. in Nasugbu, Batangas, to the Committee on Agrarian Reform;

12. House Resolution No. 1132 re the displacement of sixty-two (62) agrarian reform beneficiaries (ARBs) belonging to the Samahang Magbubukid ng Kapdula (SAMAKA) from their farms on a 155.7-hectare land in Brgy. Bucal, Dasmariñas, Cavite through unscrupulous means leading to the Joint Venture Agreement (JVA) and taking over of the lands by Jaka Investment Corporation, South Cavite Land Company Inc. and Sta. Lucia Realty Development Inc., to the Committee on Agrarian Reform;

13. House Resolution No. 1133 re the threats, harassment, and vilification against students and teachers of the Salugpongan Ta' Tanu Igkanogon Community Learning Center in Sitio Nasilaban, Brgy. Palma Gil, Talaingod, Davao del Norte, by the Armed Forces of the Philippines and the paramilitary group Alamara, to the Committees on National Defense and Security and Public Order and Safety;

14. House Resolution No. 1134 re the indiscriminate firing against children and a Lumad school supporter and the extrajudicial killing of anti-mining activists in Compostela Valley by the Philippine Army, to the Committee on Human Rights;

15. House Resolution No. 1135 re cases of abuse and maltreatment of OFWs/domestic workers, to the Committee on Overseas Workers Affairs;

16. House Resolution No. 1137 re the inclusion of the Provincial Governor and 13 Mayors of Sulu in the list of local chief executives whose deputation as NAPOLCOM representatives were revoked on highly serious grounds of involvement in illegal drugs trade, connivance with local terrorists particularly the Abu Sayyaf Group on kidnap for ransom activities and provision in one way or another of material support to terrorists, to the Committee on Local Government;

17. House Resolution No. 1138 re the process and guidelines implemented by LTFRB regarding public ride sharing and recommend remedial measures for the safety of the riding public, to the Committee on Transportation;

18. House Resolution No. 1140 re the process being followed by the Land Transportation Franchising and Regulatory Board (LTFRB) in granting franchises to transport network vehicle services (TNVS) providers, to the Committee on Transportation;

19. House Resolution No. 1141 re the basis of the National Police Commission (NAPOLCOM) to withdraw the deputation of seven (7) governors and one hundred thirty-two (132) mayors in Mindanao, to the Committee on Local Government;

20. House Resolution No. 1143 re the Php 900-million internal fraud case allegedly committed by a bank executive of Metropolitan Bank and Trust Co. (METROBANK), to the Committee on Banks and Financial Intermediaries;

21. House Resolution No. 1144 re the positive effects of agricultural biotechnology on the lives of the rural folks and its potential as an alternative tool for rural development and agricultural competitiveness, to the Committee on Rural Development;

22. House Resolution No. 1146 re the settlement offer of the Mighty Corporation for the tax evasion cases filed by the Department of Justice, to the Committee on Ways and Means;

23. House Resolution No. 1147 re the positive effects of agricultural biotechnology on the lives of the rural folks and its potential as an alternative tool for rural development and agricultural competitiveness, to the Committee on Rural Development;

24. House Resolution No. 1149 re the positive effects of agricultural biotechnology on the lives of the rural folks and its potential as an alternative tool for rural development and agricultural competitiveness, to the Committee on Rural Development;

25. House Resolution No. 1151 re the appropriate regulatory framework for transport network companies and transport network vehicle services, to the Committee on Transportation;

26. House Resolution No. 1152 re the current safeguards on the contracting of loans by local government units and into the performance of the Bureau of Local Government Finance in ensuring responsible loan management, to the Committee on Banks and Financial Intermediaries;

27. House Resolution No. 1154 re the attacks against Lumad schools, students, teachers, and advocates in Southern Mindanao from July 2016 to July 2017, to the Committees on National Defense and Security and Public Order and Safety; and

28. House Resolution No. 1155 re the dumping of 25,000 metric tons of garbage from South Korea in Cebu in February 2017, to the Committee on Ecology.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano) Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The referral of the aforementioned Resolutions to their respective committees is hereby approved.

CONSIDERATION OF H.B. NO. 6024 ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. BONDOC. Mme. Speaker, I move that we consider House Bill No. 6024, contained in Committee Report No. 326, as reported out by the Committee on Higher and Technical Education.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.*

The Secretary General is directed to read only the title of the measure.

With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.

THE SECRETARY GENERAL. House Bill No. 6024, entitled: AN ACT RECOGNIZING THE OBSERVANCE OF JULY 25 OF EVERY YEAR AS THE NATIONAL CAMPUS PRESS FREEDOM DAY.

REP. BONDOC. Mme. Speaker, I move for the recognition of our lovely Chair of the Committee of Higher and Technical Education, the Hon. Ann K. Hofer.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano) Is there any objection? (*Silence*) The Chair hears none; the Hon. Ann K. Hofer is hereby recognized.

REP. BONDOC. Mme. Speaker, the honorable Sponsor has indicated the desire to have the Explanatory Note of the measure entered as its sponsorship speech.

I move for that, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano) Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mme. Speaker, there being no colleagues of ours who wishes to interpellate, I move

that we close the period of sponsorship and debate on House Bill No. 6024.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano) Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mme. Speaker, I move that we open the period of amendments. However, there being no Committee or individual amendments, I move that we close the same.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mme. Speaker, I move for the approval on Second Reading of House Bill 6024.

I so move, Mme. Speaker.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garcia-Albano). As many as are in favor of approving House Bill No. 6024 on Second Reading, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). As many as are against, please say *nay*.

FEW MEMBERS. *Nay*.

APPROVAL OF H.B. NO. 6024 ON SECOND READING

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The *ayes* have it; the motion is approved.

House Bill No. 6024 is hereby approved on Second Reading.

OMNIBUS CONSIDERATION OF LOCAL BILLS ON SECOND READING

REP. BONDOC. Mme. Speaker, with leave of the House, I move for the omnibus consideration of the following local bills:

House Bill No. 3986, contained in Committee Report No. 310, entitled: AN ACT CONVERTING THE LAND TRANSPORTATION OFFICE (LTO) LOCATED IN THE MUNICIPALITY OF BALAYAN, PROVINCE OF BATANGAS, INTO A REGULAR LTO DISTRICT OFFICE TO BE KNOWN AS THE LTO DISTRICT OFFICE OF BALAYAN, BATANGAS, APPROPRIATING FUNDS THEREFORE AND FOR OTHER PURPOSES;

House Bill No. 5953, contained in Committee Report No. 311, entitled: AN ACT ESTABLISHING A LAND TRANSPORTATION OFFICE (LTO) DISTRICT OFFICE IN THE CITY OF SIPALAY, PROVINCE OF NEGROS OCCIDENTAL AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 6030, contained in Committee Report No. 327, entitled: AN ACT INTEGRATING THE CEBU CITY MOUNTAIN EXTENSION CAMPUS AS A SATELLITE CAMPUS OF THE CEBU TECHNOLOGICAL UNIVERSITY, AND APPROPRIATING FUNDS THEREFOR, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9744, OTHERWISE KNOWN AS "AN ACT CONVERTING THE CEBU STATE COLLEGE OF SCIENCE AND TECHNOLOGY SYSTEM IN THE CITY OF CEBU AND ALL ITS SATELLITE CAMPUSES LOCATED IN THE PROVINCE OF CEBU INTO A STATE UNIVERSITY TO BE KNOWN AS THE CEBU TECHNOLOGICAL UNIVERSITY (CTU), AND APPROPRIATING FUNDS THEREFOR";

House Bill No. 6031, contained in Committee Report No. 328, entitled: AN ACT MANDATING THE INTEGRATION OF THE MAASIN CITY COLLEGE INTO THE SOUTHERN LEYTE STATE UNIVERSITY (SLSU);

House Bill No. 6065, contained in Committee Report No. 329 entitled: AN ACT RENAMING THE NAVAL STATE UNIVERSITY (NSU) IN THE MUNICIPALITY OF NAVAL, PROVINCE OF BILIRAN, AS THE BILIRAN PROVINCE STATE UNIVERSITY (BILSU) AND REMOVING THE PROHIBITION ON THE APPOINTMENT OF THE UNIVERSITY PRESIDENT AND PRIVATE SECTOR REPRESENTATIVES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9718, ENTITLED: "AN ACT CONVERTING THE NAVAL INSTITUTE OF TECHNOLOGY IN THE MUNICIPALITY OF NAVAL, PROVINCE OF BILIRAN INTO A STATE UNIVERSITY TO BE KNOWN AS THE NAVAL STATE UNIVERSITY, INTEGRATING THEREWITH THE BILIRAN NATIONAL AGRICULTURAL COLLEGE IN THE MUNICIPALITY OF BILIRAN AND APPROPRIATING FUNDS THEREFOR";

House Bill No. 6073, contained in Committee Report No. 330, entitled: AN ACT ESTABLISHING THE FINAL FORESTLAND BOUNDARY OF THE PROVINCE OF AGUSAN DEL SUR;

House Bill No. 6081, contained in Committee Report No. 331, entitled: AN ACT CHANGING THE NAME OF MANLABANG NATIONAL HIGH SCHOOL IN BARANGAY MANLABANG, MUNICIPALITY OF CAIBIRAN, PROVINCE OF BILIRAN, TO CAIBIRAN NATIONAL HIGH SCHOOL;

House Bill No. 6084, contained in Committee Report No. 332, entitled: AN ACT DECLARING

JANUARY 16 OF EVERY YEAR A SPECIAL NONWORKING HOLIDAY IN THE CITY OF NAVOTAS IN COMMEMORATION OF ITS FOUNDING ANNIVERSARY;

House Bill No. 5550, contained in Committee Report No. 333, entitled: AN ACT SEPARATING CAMALOG NATIONAL HIGH SCHOOL – MALAGNAT EXTENSION IN BARANGAY MALAGNAT, MUNICIPALITY OF PINUKPUK, PROVINCE OF KALINGA FROM THE CAMALOG NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS MALAGNAT NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 6099, contained in Committee Report No. 334, entitled: AN ACT SEPARATING THE MAYOR BARTOLOME SERUT NATIONAL AGRICULTURAL AND TRADE HIGH SCHOOL – MUSIMUT ANNEX IN BARANGAY MUSIMUT, MUNICIPALITY OF KABUGAO, PROVINCE OF APAYAO FROM THE MAYOR BARTOLOME SERUT NATIONAL AGRICULTURAL AND TRADE HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS MUSIMUT NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 6100, contained in Committee Report No. 335, entitled: AN ACT SEPARATING THE GOVERNOR BENJAMIN LEGUIAB, SR. MEMORIAL NATIONAL HIGH SCHOOL – SACPIL ANNEX IN BARANGAY SACPIL, MUNICIPALITY OF CONNER, PROVINCE OF APAYAO FROM THE GOVERNOR BENJAMIN LEGUIAB, SR. MEMORIAL NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS SACPIL NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 6101, contained in Committee Report No. 336 entitled: AN ACT SEPARATING THE MATAGUISI COMPREHENSIVE NATIONAL HIGH SCHOOL – CACALAGGAN ANNEX IN BARANGAY CACALAGGAN, MUNICIPALITY OF PUDTOL, PROVINCE OF APAYAO FROM THE MATAGUISI COMPREHENSIVE NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS TAWIT NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR; and

House Bill No. 6103, contained in Committee Report No. 338, entitled: AN ACT SEPARATING THE CONNER CENTRAL NATIONAL HIGH SCHOOL – GUINA-ANG ANNEX IN BARANGAY GUINA-ANG, MUNICIPALITY OF CONNER, PROVINCE OF APAYAO FROM THE CONNER CENTRAL NATIONAL HIGH SCHOOL, CONVERTING IT

INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS GUINA-ANG NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR.

THE DEPUTY SPEAKER (Rep. Garcia-Albano) Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mme. Speaker, I move that the Explanatory Notes of the said House Bills be considered as the sponsorship speech thereon.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mme. Speaker, there being no Member who wishes to interpellate on the said local bills, I move that we terminate the period of sponsorship and debate on said measures.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mme. Speaker, I move that we open the period of amendments, and approve the Committee amendments, if any, as contained in the respective committee reports of the aforementioned Bills.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mme. Speaker, there being no individual amendments, I move that we terminate the period of amendments.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the period of amendments is hereby terminated.

REP. BONDOC. Mme. Speaker, I move for the omnibus approval on Second Reading of the mentioned local House Bills.

I so move, Mme. Speaker.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garcia-Albano). As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). As many as are against, please say *nay*.

FEW MEMBERS. *Nay*.

OMNIBUS APPROVAL OF LOCAL BILLS
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Garcia-Albano). The *ayes* have it; the motion is approved.

The bills enumerated in the omnibus motion are hereby approved on Second Reading.*

ADJOURNMENT OF SESSION

REP. BONDOC. Mme. Speaker. I move that we adjourn until tomorrow, August 9, at four o'clock in the afternoon.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia-Albano). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

It was 7:56 p.m.

* See MEASURES CONSIDERED (printed separately)