



REPUBLIC OF THE PHILIPPINES
Senate
Pasay City

Journal

SESSION NO. 69

Monday, May 12, 2014

**SIXTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 69
Monday, May 12, 2014

CALL TO ORDER

At 3:13 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

PRAYER

The Body observed a minute of silent prayer.

NATIONAL ANTHEM

The Jose Abad Santos Memorial School (JASMS)-Manila Rondalla, a national finalist in the 2014 National Music Competition for Young Artists, rendered the instrumental version of the national anthem, after which they played a medley of Philippine folk songs.

SUSPENSION OF SESSION

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

It was 3:20 p.m.

RESUMPTION OF SESSION

At 3:21 p.m., the session was resumed.

ROLL CALL

Upon direction of the Chair, the Secretary of the Senate, Atty. Oscar G. Yabes, called the roll, to which the following senators responded:

Aquino, P. B. IV B.	Lapid, M. L. M.
Binay, M. L. N. S.	Legarda, L.
Cayetano, A. P. C. S.	Osmeña III, S. R.
Cayetano, P. S.	Pimentel III, A. K.
Drilon, F. M.	Poe, G.
Enrile, J. P.	Recto, R. G.
Escudero, F. J. G.	Revilla Jr., R. B.
Estrada, J.	Sotto III, V. C.
Guingona III, T. L.	Villar, C. A.
Honasan, G. B.	

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

Senator Angara arrived after the roll call.

Senators Marcos and Trillanes were on official mission, the latter abroad.

Senator Defensor Santiago was on sick leave.

Senator Ejercito was absent.

APPROVAL OF THE JOURNAL

Upon motion of Senator Cayetano (A), there being no objection, the Body dispensed with the reading of the Journal of Session No. 68 (May 7, 2014) and considered it approved.

**MANIFESTATION
OF SENATOR CAYETANO (A)**

Senator Cayetano (A) greeted all nurses, acknowl-

edged by the World Health Organization as the backbone of any health service, on the occasion of the International Day for Nurses. He stated that he would deliver a speech about the Filipino nurses worldwide in a succeeding session.

BIRTHDAY GREETINGS

On behalf of the Body, the Senate President wished Senator Binay a happy birthday.

SUSPENSION OF SESSION

Upon motion of Senator Cayetano (A), the session was suspended to allow the senators to personally greet Senator Binay.

It was 3:22 p.m.

RESUMPTION OF SESSION

At 3:23 p.m., the session was resumed.

REFERENCE OF BUSINESS

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

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Letter from the Secretary General of the House of Representatives, informing the Senate that on 5 May 2014, the House of Representatives passed the following House Bills, in which it requested the concurrence of the Senate:

House Bill No. 1979, entitled

AN ACT TO STRENGTHEN NATION-BUILDING THROUGH THE INSTITUTIONALIZATION OF A STRATEGIC VOLUNTEERISM-BASED MULTISECTORAL PUBLIC-PRIVATE PARTNERSHIP FRAMEWORK IN ALL LOCAL GOVERNMENT UNITS AND CONGRESSIONAL DISTRICTS IN THE COUNTRY, AND FOR OTHER PURPOSES

To the Committees on Social Justice, Welfare and Rural Development; Local Government; Ways and Means; and Finance

House Bill No. 4032, entitled

AN ACT INSTITUTIONALIZING INDUSTRY CLUSTER-BASED PROGRAMS AND PROJECTS THROUGH INTER-LOCAL COOPERATION AND PEOPLE'S PARTICIPATION

To the Committees on Trade, Commerce and Entrepreneurship; Local Government; and Ways and Means

House Bill No. 4042, entitled

AN ACT STRENGTHENING THE RULES ON THE PROPER USE AND DISPLAY OF OUR NATIONAL SYMBOLS AND THE RENDITION OF THE NATIONAL ANTHEM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8491, OTHERWISE KNOWN AS THE "FLAG AND HERALDIC CODE OF THE PHILIPPINES," AND FOR OTHER PURPOSES

To the Committee on Education, Arts and Culture

House Bill No. 4082, entitled

AN ACT STRENGTHENING CONSUMER PROTECTION IN THE PURCHASE OF BRAND NEW MOTOR VEHICLES

To the Committee on Trade, Commerce and Entrepreneurship

House Bill No. 4085, entitled

AN ACT ESTABLISHING THE OPEN HIGH SCHOOL SYSTEM IN THE PHILIPPINES AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 4089, entitled

AN ACT EXTENDING THE CORPORATE LIFE OF THE PHILIPPINE NATIONAL RAILWAYS FOR

ANOTHER FIFTY (50) YEARS, FURTHER AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4156, AS AMENDED, ENTITLED AN ACT CREATING THE PHILIPPINE NATIONAL RAILWAYS, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND PROVIDING FOR THE NECESSARY FUNDS FOR ITS OPERATION

To the Committees on Government Corporations and Public Enterprises; and Public Services

House Bill No. 4093, entitled

AN ACT RECOGNIZING THE ANNUAL OBSERVANCE OF THE INTERNATIONAL STUDENTS' DAY, DECLARING FOR THE PURPOSE THE SEVENTEENTH DAY OF NOVEMBER OF EVERY YEAR AS NATIONAL STUDENTS' DAY IN THE PHILIPPINES

To the Committee on Education, Arts and Culture

House Bill No. 4111, entitled

AN ACT IDENTIFYING OTHER PERSONS CRIMINALLY LIABLE FOR ELECTION OFFENSES AND INCREASING THE PENALTIES FOR ELECTION-RELATED OFFENSES, AMENDING SECTIONS 263 AND 264 OF BATAS PAMBANSA BILANG 881, AS AMENDED, OR THE "OMNIBUS ELECTION CODE OF THE PHILIPPINES", AND SECTION 46 OF REPUBLIC ACT NO. 8189 OR THE VOTER'S REGISTRATION ACT OF 1996

To the Committee on Electoral Reforms and People's Participation

House Bill No. 4112, entitled

AN ACT DECLARING THE TUESDAY IMMEDIATELY AFTER THE SECOND MONDAY OF MAY 2016 AND EVERY

THREE (3) YEARS THEREAFTER A NONWORKING HOLIDAY

To the Committee on Electoral Reforms and People's Participation

House Bill No. 4116, entitled

AN ACT STRENGTHENING THE BALANCED HOUSING DEVELOPMENT PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7279, ENTITLED "AN ACT TO PROVIDE FOR A COMPREHENSIVE AND CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM, ESTABLISH THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES"

To the Committee on Urban Planning, Housing and Resettlement

House Bill No. 4123, entitled

AN ACT PROMOTING THE DEVELOPMENT OF ENTREPRENEURSHIP SKILLS AMONG GOVERNMENT EMPLOYEES TO INSPIRE INNOVATIVENESS AND TO ENSURE THEIR PRODUCTIVITY EVEN BEYOND GOVERNMENT SERVICE

To the Committees on Civil Service and Government Reorganization; and Trade, Commerce and Entrepreneurship

House Bill No. 4128, entitled

AN ACT DECLARING NOVEMBER TWENTY-THREE OF EVERY YEAR AS PHILIPPINE PRESS FREEDOM DAY

To the Committee on Public Information and Mass Media

House Bill No. 4133, entitled

AN ACT REDUCING THE RETIREMENT AGE OF RACE HORSE JOCKEYS FROM SIXTY (60) TO FIFTY-FIVE

(55), AMENDING FOR THE PURPOSE ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

To the Committees on Labor, Employment and Human Resources Development; and Games, Amusement and Sports

House Bill No. 67, entitled

AN ACT CONVERTING THE DAVAO REGIONAL HOSPITAL INTO DAVAO REGIONAL MEDICAL CENTER, INCREASING ITS BED CAPACITY AND APPROPRIATING FUNDS THEREFOR, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 5702, AS AMENDED

To the Committees on Health and Demography; and Finance

BILLS ON FIRST READING

Senate Bill No. 2213, entitled

AN ACT TO FURTHER STRENGTHEN THE ANTI-DRUG CAMPAIGN OF THE GOVERNMENT, AMENDING FOR THE PURPOSE SECTION 21 OF REPUBLIC ACT NO. 9165, OTHERWISE KNOWN AS THE COMPREHENSIVE DANGEROUS DRUGS ACT OF 2002

Introduced by Senator Grace Poe

To the Committee on Public Order and Dangerous Drugs

Senate Bill No. 2214, entitled

AN ACT INSTITUTIONALIZING THE ESTABLISHMENT OF THE PHILIPPINE BIG DATA CENTER

Introduced by Senator Paolo Benigno "Bam" Aquino IV

To the Committees on Science and Technology; and Finance

Senate Bill No. 2215, entitled

AN ACT PROVIDING EMERGENCY WAREHOUSES IN AREAS DEVASTATED BY CALAMITIES TO ENSURE AFFECTED CONSUMERS ACCESS TO BASIC NECESSITIES AND PRIME COMMODITIES AT DISCOUNTED AND TAX FREE PRICES

Introduced by Senator Paolo Benigno "Bam" Aquino IV

To the Committees on Trade, Commerce and Entrepreneurship; Ways and Means; and Finance

Senate Bill No. 2216, entitled

AN ACT PROVIDING FOR THE MANDATORY APPOINTMENT OF A COOPERATIVES OFFICER IN EVERY LOCAL GOVERNMENT UNIT, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

Introduced by Senator Paolo Benigno "Bam" Aquino IV

To the Committee on Local Government

Senate Bill No. 2217, entitled

AN ACT EXEMPTING START-UP ENTERPRISES FROM TAXES ARISING FROM THE FIRST TWO YEARS OF OPERATION

Introduced by Senator Paolo Benigno "Bam" Aquino IV

To the Committees on Ways and Means; and Trade, Commerce and Entrepreneurship

Senate Bill No. 2218, entitled

AN ACT TO INSTITUTIONALIZE THE CREDIT SURETY FUND TO ENHANCE THE ACCESSIBILITY OF MICRO, SMALL AND MEDIUM

13

**ENTREPRENEURS TO THE CREDIT
FACILITY OF BANKS AND FOR
OTHER PURPOSES**

Introduced by Senator Paolo Benigno "Bam"
Aquino IV

**To the Committees on Trade, Commerce
and Entrepreneurship; Banks, Financial Insti-
tutions and Currencies; and Ways and Means**

**COMMITTEE REPORT NO. 22
ON SENATE BILL NO. 1831
(Continuation)**

Upon motion of Senator Cayetano (A), there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1831 (Committee Report No. 22), entitled

**AN ACT EXTENDING THE CORPORATE
LIFE OF THE PHILIPPINE NATIONAL
RAILWAYS FOR ANOTHER FIFTY
(50) YEARS, FURTHER AMENDING
FOR THIS PURPOSE REPUBLIC
ACT NO. 4156, ENTITLED "AN ACT
CREATING THE PHILIPPINE
NATIONAL RAILWAYS, PRESCRIB-
ING ITS POWERS, FUNCTIONS AND
DUTIES, AND PROVIDING FOR
THE NECESSARY FUNDS FOR ITS
OPERATIONS," AS AMENDED.**

Senator Cayetano (A) stated that the parliamentary status was still the period of interpellations.

Thereupon, the Chair recognized Senator Villar, sponsor of the measure.

**TERMINATION OF THE PERIOD
OF INTERPELLATIONS**

Upon motion of Senator Cayetano (A), there being no objection, the Body closed the period of interpellations and proceeded to the period of committee amendments.

MANIFESTATION OF SENATOR VILLAR

Senator Villar informed the Body that she was no longer submitting the proposed amendments introduced by the Committee on Government

Corporations and Public Enterprises and that instead, she would introduce a new set of amendments.

COMMITTEE AMENDMENTS

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

1. On Section 1, lines 6 and 7, delete the phrase "WITH AN EXTENSION OF ANOTHER FIFTY (50) YEARS from the date of approval of this Act," and in lieu thereof, insert the phrase FROM THE DATE OF APPROVAL OF THIS ACT AND SHALL BE EXTENDED FOR ANOTHER FIFTY (50) YEARS COMMENCING ON JUNE 20, 2014;
2. On the same Section, line 10, replace the phrase "Office of the President" with the phrase DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS;

Senator Villar proposed to reword Section 2 as follows:

**SEC 2. THIS ACT SHALL TAKE
EFFECT FIFTEEN (15) DAYS FOLLOWING
ITS PUBLICATION IN THE OFFICIAL
GAZETTE OR IN A NEWSPAPER OF
GENERAL CIRCULATION.**

Senate President Drilon, however, explained the need for the measure to take effect immediately considering the urgency of extending the corporate life of the PNR which is due to expire on June 20, 2014, and in anticipation of a possible delay in its signing by the President.

Senator Sotto concurred with and adopted the proposal of the Chair. Senate President Drilon stated that the records should reflect that Senator Sotto was the author of the proposed amendment.

Accepted by the Sponsor, there being no objection, the Body approved the rewording of Section 2, as follows:

**SEC. 2. THIS ACT SHALL TAKE
EFFECT IMMEDIATELY FOLLOWING
ITS PUBLICATION IN THE OFFICIAL
GAZETTE OR IN A NEWSPAPER OF
GENERAL CIRCULATION;**

As proposed by Senator Villar, there being no

objection, the Body approved the following committee amendments:

1. Delete the entire Section 3; and
2. Amend the title of the bill to read as follows:

AN ACT EXTENDING THE CORPORATE LIFE OF THE PHILIPPINE NATIONAL RAILWAYS FOR ANOTHER FIFTY (50) YEARS, FURTHER AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4156, ENTITLED "AN ACT CREATING THE PHILIPPINE NATIONAL RAILWAYS, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND PROVIDING FOR THE NECESSARY FUNDS FOR ITS OPERATIONS."

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

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

INQUIRY OF SENATOR ESCUDERO

Senator Escudero placed on record his concerns that he previously raised regarding the corporate acts of PNR, particularly on the Tutuban contract. He informed the Body that he was in receipt of a letter signed by General Manager Engr. Joseph Allan Dilay, stating that they are adopting the joint assessment and recommendation of the OSG and the PNR legal team to seek the rescission of the contract and to file appropriate criminal, civil and administrative charges against those involved.

Senator Escudero explained that the contract of lease of the Tutuban properties of PNR, which would lapse on September 2014, was extended for another 25 years in 2009, five years before the end of the corporate life of PNR which is a violation of the Corporation Code and would constitute an *ultra vires* act.

Senator Villar confirmed the statement of the PNR as contained in the letter, adding that its present management is not the same management that extended the contract in 2009.

Senator Escudero expressed support for the

recommendation to file cases against those involved in the 2009 contract.

As regards his proposed amendment, Senator Escudero noted that what used to be 1,000 kilometers of railway has been reduced to a mere 50 kilometers as it is ending its corporate life, and he feared that extending the corporate life of PNR might further decrease the railway. In reply, Senator Villar assured that the PNR has plans to establish a commuter railway from Malolos, Bulacan to Manila and from Manila to Calamba, Laguna by 2022, and that the Manila to Bicol operation would resume by September 2014. Senator Escudero remarked that the PNR should indeed implement its plan as he lamented that it has been promising the reopening of the "Bicol Express" since his first term in Congress. He underscored the need to include a provision on the capitalization of PNR to enable it to accomplish the tasks as stated in its charter. Senator Villar disclosed that the PNR plans to borrow P271 billion from the ODA for the financing of its proposed projects which it aims to accomplish by 2022. However, she said that the authorized capital should not be preempted because the DOF should be given enough time to negotiate and determine the capital. Since the Senate has an oversight function over GOCCs, she promised that the concerns raised by Senator Escudero would be addressed and that PNR and DOTC would accomplish their plans.

Senator Escudero confirmed that in a letter dated May 6, 2014 to Senator Villar, DOF Undersecretary Gil Beltran requested for more time to determine how much additional capitalization should be given to PNR, and to study the absorptive capacity of the PNR. However, he expressed concern about the financial capability of the PNR to borrow an amount in excess of its authorized capital stock. He hoped that at some point in time, the increase of capitalization could be addressed so that the PNR could perform its mandate.

Senator Escudero stated that he would not belabor his point since the speedy passage of the bill is necessary, but he urged Senator Villar to immediately work with the DOF to create a compatible bill increasing the authorized capital stock of the PNR so that it could be made as an amendment to the charter. He explained that he had initially intended to propose an amendment on the capitalization, but since the DOF has no data yet, he would simply ask for a compatible bill to be filed to enable the PNR to perform its mandate.

INQUIRY OF SENATOR OSMEÑA

Asked by Senator Osmeña regarding the authorized capital stock and paid-up capital of the PNR, Senator Villar stated that the authorized capital stock of PNR is P1.5 billion while the paid-up capital is P50 million. Senator Osmeña remarked that the PNR has a lot of upside, amounting to about P1.450 billion.

Asked on the total amount required for the expansion and rehabilitation of PNR, Senator Villar said that it is P271 billion, as estimated by the Japan International Cooperation Agency (JICA).

Senator Osmeña remarked that with an authorized capital stock of P1.5 billion, an amendment would not be necessary, especially if the paid-up capital would only be increased to P500 million or P1 billion. Senator Villar pointed out that the estimate would only cover the commuter railway from Malolos, Bulacan to Manila to Calamba, Laguna. Since the PNR has another plan to extend to the north, she said that additional funds would be needed and that it should be undertaken through a public-private partnership agreement.

Regarding the railway to Bicol, Senator Villar explained that the only damage to the Bicol line was the bridge which was destroyed by a typhoon in 2012 but has since been repaired. She reiterated that operations would resume in September, and that a test run would be done in June.

MANIFESTATION OF SENATOR CAYETANO (A)

At the outset, Senator Cayetano (A) mentioned that it was Senator Recto who, on his initiative, studied the law and found out that the PNR charter was expiring. He lamented that the DOTC has been doing a lousy job not only with respect to the PNR but also to MRT and even the x-ray machines in Iloilo that the Senate President had wanted the department to immediately install. He asserted that it is the department's role to move and propose a more dynamic charter and a realistic plan.

Senator Cayetano (A) said that railways are being developed first in Europe, and eventually in Asia, and that in Hong Kong, new lines are being constructed every year without any inconvenience, a fact that is the complete opposite in the Philippines.

As regards the amendments to the PNR bill, he said that he and Senator Recto wanted to put certain provisions that would articulate the mandate to revitalize, modernize and make the PNR proactive, but that upon consultation with Senator Villar, and with her assurance that the oversight committee would make sure that a revitalized and modernized railway system would be in place in the next few years, they decided not to complicate the bill. However, he believed that completing the railways in 2022, or in eight years, would be quite a long period of time.

Senator Cayetano (A) also recalled the big role that the railway used to play in the City of Taguig, particularly in the FTI Food terminal. He pointed out that it was quite expensive to transport food or agricultural goods by trucking from Bicol to Baguio, for instance, since vehicles would have to pass through eight or nine toll roads, not counting the issuance of stickers for a fee of up to P300 by some local governments, as authorized under the Local Government Code, to allow passage in times of heavy traffic.

Senator Cayetano (A) disclosed that a year and a half ago, 70 hectares of the FTI were sold for P36,500 per square meter, compared to the current price of P220,000 per square meter, three years to pay, with the first phase being sold from P150,000 to P160,000. He said that a multi-modal transportation hub is being developed in the area so that buses from southern Luzon could park there. He said that he has no idea if in its plan, the PNR would integrate its station into the multi-modal transport hub of the FTI. He also pointed out that hundreds of millions of pesos would be spent to connect FTI to C5 and Skyway while, on the other hand, the railways are there already existing.

Senator Cayetano (A) also mentioned that during the Arroyo administration, the PNR property in Taguig was cleared of encroachers and that there had been movements to protect the rails and to reclaim the right of way. He hoped that said efforts would continue in the present administration.

Senator Villar assured the Body that she fully supports the PNR's endeavors and that, in fact, she did not agree to submit the bill to plenary without DOTC submitting a long-term plan for the PNR.

Regarding the FTI line, Senator Villar stated that connecting the railway has already been funded, and

since it was not implemented in the previous administration, the fund has become a liability. She assured the Body that the PNR would become more efficient in implementing its plans and programs.

INQUIRY OF SENATOR OSMEÑA

Senator Osmeña noted that based on some facts and figures on the PNR that were provided to him, the PNR has a retained earnings deficit of P15.4 billion, meaning, a negative capital.

Senator Villar said that the PNR, just like the LRT, is operating at a loss because it has not increased its transportation fare for the last 10 years, therefore, it was more of a subsidy to the poor who commute through the railway.

Asked to whom the PNR was indebted, Senator Villar replied that PNR owed money from the Treasury in the amount of P22 billion as of last year from advances made, on top of an existing loan with a remaining balance of P2.7 billion.

At this point, Senator Osmeña requested a copy of PNR's balance sheet.

Noting that the subsidy from the Treasury does not appear in the PNR's book of accounts, Senator Osmeña asked how the PNR's treasurer recorded the subsidy. Senator Villar replied that the subsidy on operation, which is given every year, is treated as a subsidy from the national government. She explained the cash infusion from the Treasury is booked as a subsidy that does not go to the capital account but to operation. She said that what went into the liability side were the advances for the payment of the loan or an IOU which she believed the Treasury would eventually convert into capital.

Senator Villar promised Senator Osmeña that he would be furnished with a copy of the PNR's balance sheet and income statement for the last five years.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

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

APPROVAL OF SENATE BILL NO. 1831 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 1831 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1831

Upon motion of Senator Cayetano (A), there being no objection, the Body suspended consideration of the bill.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Senator Cayetano (A) acknowledged the presence in the gallery of the following guests:

- Mayor Cindy Carolino and members of the Sangguniang Bayan of the Municipality of Sta. Maria, Laguna;
- Members and officers of the Aurora Integrated Multipurpose Cooperative (AIMCOOP);
- Head Coach Chot Reyes, Assistant Coach Aboy Castro and Star Point Guard LA Tenorio of Gilas Pilipinas;
- Sandiganbayan Presiding Justice Amparo Tang, Justice Alex Quiroz, Justice Efren Dela Cruz, Atty. Jean Valderama, Atty. Renato Bocar and Atty. Ruth Ferrer; and
- Members of the World Association of Soil and Water Conservation (WASWAC), namely, Prof. Li Rui, president, Institute of Soil and Water Conservation; Dr. Samram Sombatpanit, past president and adviser and coordinator from Bangkok, Thailand; Dr. Sumon Nakchalerm; Mrs. Manasanan Chairnurat from the Land Development Department, BKK, Thailand; Dr. Nongnuch Sungayuth from Mahidol University, Thailand; Ms. Pancheewan Ponphang-nga from the Natural Resources and Agro-Industry, Kasetsart University, Thailand; Ms. Ngamnet Aektasaeng from Stockholm Environment Institute (SEI), Bangkok, Thailand; Dr. Choochad Santasup, faculty of Agriculture in Chiang Mai University, Chiang Mai, Thailand; Mr. Kamol Khuen-

chindawong; Dr. Boonsong Krisornpornsan, Science and Technology faculty, Prince of Songkhla University-Pattani Campus; Mr. Mongkol Tongjib, Land Development Department, Thailand; Prof. Nathaniel Alibuyog, Mariano Marcos State University, Batac City, Ilocos Norte, Philippines; and Engr. Dolores Mae G. Reonal, Bureau of Soils and Water Management (BSWM), Philippines.

**COMMITTEE REPORT NO. 27
ON HOUSE BILL NO. 4084**

(Continuation)

Upon motion of Senator Cayetano (A), there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4084 (*Committee Report No. 27*), entitled

**AN ACT GRANTING PHILIPPINE
CITIZENSHIP TO ANDRAY BLATCHE.**

Senator Cayetano (A) stated that the parliamentary status was the period of interpellations.

Thereupon, the Chair recognized Senator Angara, sponsor of the measure, and Senator Cayetano (P) for her interpellations.

**INTERPELLATION
OF SENATOR CAYETANO (P)**

At the outset, Senator Cayetano (P) clarified that her reservations on the committee report of the bill were not meant as an objection to the grant of Philippine citizenship to Andray Blatche. She said that she wanted to place on record her concerns on the support given to sports in general. She nonetheless expressed appreciation to Senator Angara and most members of the Body who are such ardent fans of Philippine basketball and acknowledged the great progress so far achieved. She said that she is a supporter of the game herself but that she would like to draw the Body's attention to other sports even as it was not the time and the venue for her to air her concerns. Inasmuch as the Body has poured much of its passion into basketball, she hoped that it would also spend as much time in other important dimensions to promote sports in the Philippines.

Senator Angara expressed agreement with Senator Cayetano (P), adding that one of the first

resolutions taken up by the committee during its initial hearing last year was Senator (P) Cayetano's resolution calling for an investigation into the preparedness of the Philippine team for the Southeast Asian Games. He stated that the committee has always treated Senator (P) Cayetano's concern regarding sports with utmost importance in recognition of her first-hand knowledge and passion for sports.

Senator Cayetano (P) thanked Senator Angara for his support of her initiatives to resolve the very complex problem of Philippine sports which, to her, boils down to the incompetence of the Philippine Sports Commission and its inability to make decisions without the help of the Philippine Olympic Committee which does not have an agenda aligned with what she believes should be the agenda for Philippine sports.

Senator Cayetano (P) stated that she was grateful that Philippine basketball has its share of supporters that has allowed it to progress despite the limitations in the institution. She informed the Body that she has been working on a student athlete's rights bill which would be filed any day and that one of her resource persons, Fr. Tito Calauag, a former president of the Ateneo High School who was very much involved in sports development in Ateneo, had shared his experiences in recruiting and developing student athletes, most of whom moved on not only to college sports but also to the professional league and even represented the country.

Senator Cayetano (P) said that the dilemma in the field of amateur sports, particularly in college sports, is that many of the athletes are treated as commodities or as commercial products, as they are basically bartered or sold for a price to the school that could afford them instead of being students first and foremost, especially with the presence of foreigners in the athletic associations for schools. She reiterated that she was not against the practice being herself an international sports person who competes in foreign events, not in any professional capacity but out of interest, and that she knew that many countries invite foreign athletes to play in another country and eventually become their citizens. She stated for the record that she wanted to make sure that hiring or granting citizenship to athletes is not done in place of a genuine program for sports development, an issue that was brought to her attention during the hearings on the student athlete's rights bill. She expressed hope that her support for the measure

at hand would not be misconstrued as being oblivious or insensitive to the lack of support for sports and the lack of developmental plan that is being solved simply by getting the services of foreign athletes.

Senator Angara agreed with Senator Cayetano (P) that *commercialization sometimes ruins certain activities or human endeavors*. He said that the entry of commerce usually distracts from the purity of the exercise which is a factor that draws people to like such things in the first place. He also shared Senator (P) Cayetano's concern for sports, as he informed her of a pending investigation on the state of Philippine sports which she was very much welcome to contribute. He agreed with Senator Cayetano (P) that some sports officials put their interests above the interests of the national athletes and that something should be done about it.

Senator Cayetano (P) stated that most of the athletes have become icons and models of the youth, but she expressed her concern that if Philippine sports is not fixed at the developmental stage, many of the youth would not have the chance to reach their models' level of success, and if ever they achieve some success, they might only have a few years in the spotlight without earning a decent education. She said that what she wanted to emphasize in her interpellation was that as the Chamber takes isolated steps in strengthening the Philippine team, it should not lose sight of the need to have strong grassroots development and college programs in place to ensure that young talented people are given the opportunity to use sports as track to further themselves, whether it is from a scholarship that would end with a college career but would bring them to other opportunities, or from being an athlete in college to professional athletes.

Finally, Senator Cayetano (P) expressed her support for the bill as she reiterated her plea to the Body to give equal interest in other sports which will help Philippine sports in general grow.

INTERPELLATION OF SENATOR ESTRADA

Preliminarily, Senator Estrada asked whether Andray Blatche has ever been to the Philippines. Senator Angara answered in the negative, saying that Mr. Blatche is currently playing in the NBA playoffs against the Miami Heat.

Asked whether Mr. Blatche would be willing to reside in the Philippines permanently and renounce

his American citizenship to become a naturalized Filipino, Senator Angara said that Mr. Blatche has expressed willingness to reside in the country during offseason, and that he would be enjoying dual citizenship which is allowed in the country. He added that Mr. Blatche would instead be renouncing his capacity to play for the U.S. Olympic team by agreeing to play for the Philippine basketball team.

Asked about Marcus Douthit, Senator Angara said that he is the current center of the Gilas basketball team, growing up with Blatche in the neighborhood of Syracuse in New York. He said that it was from Douthit that Blatche acquired a lot of knowledge about the Philippines. He added that Douthit has been a very good player for the Philippine team from the time he was naturalized by legislation in 2010.

Clarifying that he had nothing against the proposed naturalization of Blatche and that he would want the Philippine team to become a champion again, Senator Estrada, however, questioned the propriety of granting Filipino citizenship to Blatche when he has not even set foot in the country, much less know how to sing the country's national anthem. He opined that granting citizenship for the sole purpose of allowing to play for the Philippine team is such a flimsy excuse which would place the Senate in an embarrassing situation because it gives the impression that anyone who desires to play may simply go the Senate and acquire Philippine citizenship through legislation. He added that the naturalized citizens would eventually go back to their native land and forget about the Philippines.

Senator Angara agreed with Senator Estrada that citizenship is not an ordinary privilege that could be bestowed upon any ordinary individual. He stressed, however, that Mr. Blatche is not an ordinary individual, as he quoted the coach of the Gilas team, who was in the gallery, as saying that Mr. Blatche is probably the best NBA player who could be made to play for the Philippine team. He disclosed that the likes of DeAndre Jordan of the LA Clippers, Roy Hibbert of the Indiana Pacers, JaVale McGee, who once played with the Washington Wizards, were all considered together with Blatche who is a player of Brooklyn Nets. He pointed out that Blatche is at the peak of his powers at 28 years old, standing 6'11" tall, and averaging 12 points and six rebounds per game in the NBA of which he is a *bonafide* player.

Senator Angara believed that with Blatche's talents, the citizenship grant would be advantageous

to the Philippines in the same way that the Gilas basketball team has enormously benefitted from the naturalization of Marcus Douthit. He recalled the moral boost experienced by the country when the team placed second in the FIBA Asia championship held in August of last year, and expressed hope that it would be the same for the upcoming FIBA world championship to be held in Spain this year.

Senator Estrada said that while he understood the point of Senator Angara, he would still pose the same questions even if the grantee were LeBron James or Kobe Bryant. He expressed doubt on the wisdom of granting citizenship to a foreigner, who would most likely leave the country immediately after playing with the Philippine team. He said that it is only the renouncement of American citizenship and willingness to reside in the country permanently that would convince him of their genuine desire to play for the Philippines.

In reply, Senator Angara stressed that no one could predict the future as he mulled the possibility of Mr. Blatche eventually wanting to stay and seeking permanent residency, or otherwise marrying a Filipina. He pointed out that a reasonable compromise was sought in the case of Mr. Blatche because it would be unlikely for an NBA player who earns millions of dollars to expect him to give up his career and reside permanently in the Philippines.

Senator Estrada pointed out that although Mr. Blatche is good at what he does and might be able to help the Philippine team, he has not yet contributed anything for the country that could justify the grant of citizenship through legislation. He opined that there were other foreign nationals who have lived for many years in the country but were never given the same privilege despite their similar desire to be granted Philippine citizenship.

In response, Senator Angara pointed out that Mr. Douthit has likewise not done anything for the country yet prior to his naturalization through legislation in 2010, but Congress took a leap of faith that eventually paid dividends for the country, and he expressed hope that it would be the same in the case of Mr. Blatche.

Acknowledging that there are many individuals who deserve naturalization for their contribution to the country, Senator Angara appealed to Senator Estrada's sense of patriotism, hope and faith in the

basketball authorities who believe that the opportunity to acquire the services of an esteemed player such as Mr. Blatche rarely comes. He assured that it is within the rules of FIBA to have one naturalized citizen in a team. He pointed out that the Philippine basketball team, which ranks No. 34 in the world, was able to make it to the FIBA world championships which boasts of the top 24 teams in the world. He expressed hope that the team would be able to surpass its performance.

Asked on the number of players who have been naturalized in the past through legislation, Senator Angara said that it was only Mr. Douthit who was granted such privilege since the 8th Congress, although a presidential decree in the 1980s had granted naturalization to Dennis Still, Jeff Moore, and Arthur "Chip" Engelland that enabled them to play for the Northern Consolidated Cement team which represented the country in several international basketball tournaments.

Asked whether Mr. Blatche has ever been charged of any criminal offense in the United States, Senator Angara answered in the negative, disclosing that he has executed an affidavit where he stated that he has never been convicted of any crime and that he wanted to play for the country.

On account of the FIBA rule that allows only one naturalized player to play in a team, Senator Estrada asked the necessity of naturalizing Mr. Blatche when the Philippine team already has Mr. Douthit. Senator Angara quoted Coach Chot Reyes as saying that the goal was to give Gilas basketball team a pool of 24 best players. He said that the submission of nominees was set on June 30 and the number of nominees would be narrowed down to 12 players by August 15 of which only one naturalized citizen would be chosen.

On the presumption that Mr. Blatche's naturalization would be granted, Senator Estrada asked whether the coaching staff of the Gilas Team would then choose between him and Mr. Douthit. Senator Angara answered in the affirmative.

Asked whether the recruitment of Mr. Blatche meant that he is a better player than Mr. Douthit, Senator Angara stressed that both are excellent players with similar abilities except that the former is younger than the latter. He added that they knew each other way back in college, but Douthit was first drafted to play in the NBA with the LA Lakers

ahead of Blatche who subsequently played with the Washington Wizards.

Again on the presumption that the coaching staff of Gilas basketball team would choose Mr. Blatche over Mr. Douthit, Senator Estrada asked where Mr. Douthit would go. In reply, Senator Angara said that he would still be part of the pool of Philippine players and would continue to practice with the team. Quoting Coach Reyes anew, Senator Angara said that the mere presence of Mr. Douthit in the practices has resulted in the improvement in the performance of the local team's players like Marc Pingris, Junmar Fajardo and Japeth Aguilar. He said that Mr. Douthit not only played with or against them but also gave them advice with his vast experience in the NBA. He expressed hope that Mr. Blatche could possibly double such positive effect.

Senator Angara concurred with Senator Estrada that the Gilas basketball team would have no choice but to use the services of Mr. Douthit in the event that the proposed naturalization of Mr. Blatche would not be granted by the Senate.

Asked by Senator Estrada what would happen after the tournament, Senator Angara replied that when the tournament is over, Mr. Blatche and Mr. Douthit could not be denied the opportunity to look for the best possible professional options that may come their way in the same way that the local team players could not be denied to seek better opportunities in other countries, in the same profession or in other pursuits. In the case of Mr. Douthit, he said that he would be playing with the Gilas which will be playing as a guest team in the next conference of the PBA. He clarified that it was Mr. Douthit who made the choice and that he has integrated very well with the Filipino people. He added that LA Tenorio and his other teammates were all full of praises for Mr. Douthit especially on how he has tutored and mentored many of the younger basketball players like Japeth Aguilar who is only in his early 20s. He added that American players have not only showed their actual playing skills but have also shared their experiences and knowledge in the profession.

Asked on the possibility of winning the FIBA championship, Senator Angara said that the Philippine team has better chances in the Asian Games. He noted that Mr. Blatche has committed to play in other tournaments aside from the FIBA World Championship in September, such as the Asian Games and the Olympics in 2016.

Senator Estrada said that he was more concerned about the long-term benefit that the country could get out of the naturalization of Mr. Blatche. Senator Angara replied that it would be difficult to predict where Mr. Blatche would go after FIBA, whether he would opt to work or reside in the country, or otherwise go back to his homeland. He said that it would depend on his individual liberty but he hoped that Mr. Blatche would enjoy himself in the same way that Mr. Douthit did.

Asked about the amount of salary that Mr. Douthit enjoys as a player in the Philippine team as well as the amount promised to Mr. Blatche, Senator Angara said that the information could not be disclosed.

As to the maximum amount of salary being paid to local players of Gilas, Senator Angara said that they are merely given living allowances at the rate of P1,000 per practice because they each receive salaries from their respective teams.

Senator Estrada believed that the P1,000 daily transportation and food allowance being given to Filipino players was not enough but Senator Angara pointed that it is in addition to the large salaries from their respective teams.

Asked if the salary being given to Mr. Douthit is higher than that of a Filipino basketball superstar in the PBA, Senator Angara replied that Mr. Douthit, at the very least, was receiving the maximum allowable salary of P500,000 a month.

As to the lowest monthly salary of a player in the PBA, Senator Angara replied that it is P50,000. He affirmed that the P500,000 maximum monthly salary did not include allowances and bonuses for every game won by a team. He said that the bonuses would depend on the generosity of management.

As to when Mr. Blatche was expected to arrive in the Philippines, Senator Angara said that Mr. Blatche will arrive in the country by the third week of June 2014 at the latest, on the assumption that his team, the Brooklyn Nets, would win its playoff series with the Miami Heat and even if it would win the 2014 NBA Championship. But if the team would lose the playoff games, he said that Mr. Blatche could come to the Philippines much earlier.

Asked if Mr. Chot Reyes, the coach of Gilas Pilipinas, has gone to the United States and has

└

actually watched Mr. Blatche play, Senator Angara replied that Coach Reyes has already spoken to him and has watched him play in the practice facility of the Brooklyn Nets.

Senator Estrada said Coach Reyes, who was his teammate in Ateneo University, has an eagle eye in scouting players who can reinforce his basketball team.

At this juncture, Senator Estrada deferred his interpellation until the next day's session.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4084

Upon motion of Senator Cayetano (A), there being no objection, the Body suspended consideration of the bill.

COMMITTEE REPORT NO. 15 ON SENATE BILL NO. 2138

(Continuation)

Upon motion of Senator Cayetano (A), there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2138 (Committee Report No. 15), entitled

AN ACT FURTHER AMENDING
PRESIDENTIAL DECREE NO. 1606,
AS AMENDED.

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

Thereupon, the Chair recognized Senator Pimentel, sponsor of the measure, and Senator Sotto for his manifestation.

SUSPENSION OF SESSION

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

It was 4:41 p.m.

RESUMPTION OF SESSION

At 4:42 p.m., the session was resumed.

MANIFESTATION OF SENATOR SOTTO

Senator Sotto manifested that he was terminating

his interpellation and that Senator Enrile was also withdrawing his reservation to interpellate on the bill lest he be misinterpreted.

MANIFESTATION OF SENATOR ESTRADA

Senator Estrada said that it was not his wish to interpellate but since it was inevitable that the Ombudsman would file the information against the three senators before the Sandiganbayan, he asked the justices of the court, especially the presiding justice who were present in the gallery, for fairness and justice in the PDAF case trial.

INTERPELLATION OF SENATOR OSMEÑA

Referring to the proposed proviso on line 20 to line 26 on page 3 on the exclusive original jurisdiction of the RTC, Senator Osmeña pointed out that there are serious crimes like malfeasance and misfeasance, negligence, direct and indirect bribery which do not incur damages. He asked if Senator Pimentel would object if he proposed the deletion of items (A) and (B) of the said proviso.

Senator Pimentel welcomed the suggestion of Senator Osmeña as he requested for time to study and compute based on the scientific approach the number of cases that will fall under (A) and (B) and if these would be deleted, whether the bill would still achieve the purpose to lessen the caseload of the Sandiganbayan. He added that the deletion would mean that cases with damages or bribes not exceeding P1 million would be under the jurisdiction of the RTCs and would further declog the court dockets for disputes on whether or not a case has been properly referred to the RTC if it falls under (A) and (B) which are not as clear as the mathematical threshold of P1 million.

Senator Osmeña said that he has some notes which he would share with Senator Pimentel that would further elucidate on the reasons behind the proposed amendment.

INTERPELLATION OF SENATOR CAYETANO (A)

Senator Cayetano (A) said that the proposed bill is a good bill that must be supported because it would speed up the disposition of cases in the court by allowing one justice to try a case instead of three justices. He asked if there was anything else that the

Sandiganbayan justices would like to include in the bill or in future measures which would provide them with more powers. For instance, he said that the justices could submit a position paper on how the Senate could further increase the benefits of its personnel and improve or modernize its equipment to make it a more independent powerhouse in the justice system.

Senator Pimentel said that there would be additional manifestations on how the Senate could help in the speedy and quality dispensation of justice by the court.

Senator Cayetano (A) said that he was just giving them the opportunity since the justices are often blamed for the slow disposition of cases but are seldom asked on their needs. He believed that the Senate wanted to extend such courtesy to the justices by providing the court with additional funds from the budget to implement the necessary reforms.

Senator Pimentel recalled that during a committee hearing, the justices asked for staff support to which Senate President Drilon replied that it should not be a problem.

Senate President Drilon said that it need not be included in the bill because the hiring of additional personnel could be funded under the Miscellaneous Personnel Benefits Fund in the General Appropriations Act but the Sandiganbayan should first get the approval of its plantilla of personnel from the Department of Budget and Management.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

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

REQUEST OF SENATOR PIMENTEL

At this juncture, Senator Pimentel requested that the committee amendments be considered at some other time to allow him to study the new concept that Senator Enrile introduced during his interpellation.

SUSPENSION OF SESSION

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

It was 4:54 p.m.

RESUMPTION OF SESSION

At 5:01 p.m., the session was resumed.

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

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

OSMEÑA AMENDMENT

On page 3, after the word "INFORMATION" on line 3, as proposed by Senator Osmeña and accepted by the Sponsor, delete the phrase "(A) DOES NOT ALLEGE ANY DAMAGE OR BRIBE; (B) ALLEGES DAMAGE OR BRIBE THAT ARE UNQUANTIFIABLE; OR (C)."

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

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

APPROVAL OF SENATE BILL NO. 2138 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 2138 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2138

Upon motion of Senator Cayetano (A), there being no objection, consideration of the bill was suspended.

SUSPENSION OF SESSION

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

It was 5:03 p.m.

P

RESUMPTION OF SESSION

At 5:04 p.m., the session was resumed.

COAUTHORS

Senator Cayetano (A) manifested that Senators Cayetano (P), Escudero, Honasan, Trillanes and himself are coauthors of Senate Bill No. 1831 (*Extension of the Corporate Life of the PNR*).

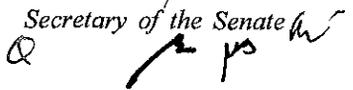
ADJOURNMENT OF SESSION

Upon motion of Senator Cayetano (A), there being no objection, the Chair declared the session

adjourned until three o'clock in the afternoon of the following day.

It was 5:05 p.m.

I hereby certify to the correctness of the foregoing.


OSCAR G. YABES
Secretary of the Senate


Approved on May 13, 2014