

REPUBLIC OF THE PHILIPPINES Senate

Pasay City

Journal

SESSION NO. 80

Wednesday, June 4, 2014

SIXTEENTH CONGRESS FIRST REGULAR SESSION SESSION NO. 80 Wednesday, June 4, 2014

CALL TO ORDER

At 3:12 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

PRAYER

Sen. Jinggoy Estrada led the prayer, to wit:

Ama naming Makapangyarihan,

Maraming salamat at muli Mo kaming tinipon sa kapulungang ito. Sa tulong ng Inyong gabay, patuloy naming sinisikap na gampanan ang dakilang paglilingkod na iniatang mo sa aming mga balikat upang siguruhin na sa pamamagitan ng mga batas na aming gagawin ay lalong mapabuti ang kalagayan ng aming bayan tungo sa patuloy nitong pag-unlad.

Subalit tulad ng mga karaniwang manggagawa at naglilingkod, may mga pagkakataon na sinusubukan ang aming katatagan bilang mga tao at mga mambabatas, na minsan ay nagiging balakid sa aming maayos, mapayapa at mabilis na pagtupad sa mandato sa amin ng bayan. Minsan, ang aming mismong pagkatao, sampu ng aming kakayahan, kahit pamilya, ay nasasangkot sa mga isyu na nais gumambala sa aming gawain. Subalit sa tulong Mo at inspirasyon, kami ay hindi nababagabag at natitinag sa dapat naming gawin. Higit sa lahat ng panahon, ngayon namin kailangan, Panginoon, ang lakas at talino na nagmumula sa Inyo. Huwag po Ninyong pabayaan na maligaw ang aming mga isipan at manghina ang aming puso at espiritu sa kabila ng mga isyu at paninira.

Batid namin, Panginoon, na malalampasan namin ang lahat ng ito sa kabila ng aming pagkakaiba ng sitwasyon at paninindigan. Panatilihin po Ninyo ang aming pagkakaisa at mas pagyayamanin ang pagkakaintindihan.

Ang lahat ng ito ay aming hinihiling sa Ngalan ni Kristong aming Panginoon.

Amen.

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:

Angara, S.	Lapid, M. L. M.
Aquino, P. B. IV B.	Legarda, L.
Binay, M. L. N. S.	Pimentel III, A. K.
Drilon, F. M.	Poe, G.
Ejercito, J. V. G.	Revilla Jr., R. B.
Estrada, J.	Sotto III, V. C.
Honasan, G. B.	Villar, C. A.
	.

With 14 senators present, the Chair declared the presence of a quorum.

Senators Enrile, Escudero, Marcos, Osmeña and Trillanes arrived after the roll call.

Senator Cayetano (P), who was on official mission, arrived after the roll call.

Senator Cayetano (A) was on official mission abroad.

Senator Recto was on sick leave.

Senator Defensor Santiago was on indefinite qualified medical leave as indicated in her letter dated May 14, 2014.

Senator Guingona was absent.

APPROVAL OF THE JOURNAL

Upon motion of Senator Angara, there being no objection, the Body dispensed with the reading of Journal of Session No. 79 (June 3, 2014) and considered it approved.

REFERENCE OF BUSINESS

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

RESOLUTIONS

Proposed Senate Resolution No. 690, entitled

- RESOLUTION COMMENDING THE 2013 TEN OUTSTANDING POLICEWOMEN OF THE PHILIPPINES (TOPWP) AWARDEES
- Introduced by Senator Maria Lourdes Nancy S. Binay

To the Committee on Rules

Proposed Senate Resolution No. 691, entitled

RESOLUTION URGING THE PROPER SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGIS-LATION, REGARDING THE GRANT-ING OF HOSPITALIZATION PRIVI-LEGES AND OTHER BENEFITS TO ALL BARANGAY HEALTH WORKERS Introduced by Senator Maria Lourdes Nancy S. Binay

To the Committee on Health and Demography

COMMUNICATION

Letter from the Government Service Insurance System, submitting to the Senate the report on the **GSIS Investment Portfolio as of December 31, 2013**, in compliance with Section 36 of Republic Act No. 8291 or the GSIS Act of 1997.

To the Committee on Government Corporations and Public Enterprises

COMMITTEE REPORTS

- Committee Report No. 43, prepared and submitted jointly by the Committees on Public Information and Mass Media; Tourism; Ways and Means; and Finance, on Senate Bill No. 2271, with Senators Grace Poe and Sonny Angara as authors thereof, entitled
 - AN ACT ESTABLISHING A FRAME-WORK FOR FILM AND TELEVISION TOURISM IN THE PHILIPPINES, MARKETING THE INDUSTRY GLOBALLY AND PROVIDING EMPLOYMENT FOR THE SECTOR AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill Nos. 78 and 2160,

Sponsor: Senator Grace Poe

To the Calendar for Ordinary Business

- Committee Report No. 44, prepared and submitted jointly by the Committees on Education, Arts and Culture; and Finance, on Senate Bill No. 2272, with Senators Cynthia A. Villar, Recto, Sonny Angara and Cayetano (P.) as authors thereof, entitled
 - AN ACT STRENGTHENING THE LAD-DERIZED INTERFACE BETWEEN TECHNICAL-VOCATIONAL EDUCATION AND TRAINING AND HIGHER EDUCATION,

recommending its approval in substitution of Senate Bill Nos. 141 and 2154, taking into consideration House Bill No. 3575.

Sponsors: Senators Cayetano (P.), Cynthia A. Villar, Recto and Sonny Angara

To the Calendar for Ordinary Business

ADDITIONAL REFERENCE OF BUSINESS

COMMITTEE REPORT

- Committee Report No. 45, prepared and submitted by the Committee on Public Order and Dangerous Drugs, on Senate Bill No. 2273, with Senators Sotto III, Honasan II, Joseph Victor Ejercito, Ejercito Estrada and Grace Poe as authors thereof, 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,
 - recommending its approval in substitution of Senate Bill Nos. 2, 206, 213, 838, 1399 and 2213, taking into consideration House Bill No. 2285

Sponsor: Senator Grace Poe

To the Calendar for Ordinary Business

INQUIRY OF SENATOR ESTRADA

Senator Estrada reiterated the query which he made weeks ago as to when the investigation on the Malampaya Fund Scam would begin. Senator Angara replied that, as he was just the acting Majority Leader for the day's session, he was not in a position to answer the question.

The Chair likewise said that he has no information on the matter.

Since Senator Guingona has not been attending the session for sometime, Senator Estrada suggested that the acting Majority Leader call the office of the Blue Ribbon Committee Chairman so that his queries could be answered.

COAUTHOR

Senator Aquino manifested that Senator Pimentel is coauthor of Senate Bill No. 2211.

SPECIAL ORDER

Upon motion of Senator Angara, there being no objection, the Body approved the transfer of Committee Report No. 31 on Senate Bill No. 12 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 31 ON SENATE BILL NO. 12

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, Senate Bill No. 12 (Committee Report No. 31), entitled

AN ACT PROVIDING BARANGAY OFFICIALS, INCLUDING BARA-NGAY TANODS, MEMBERS OF THE LUPON NG TAGAPAMAYAPA, BARANGAY HEALTH WORKERS AND BARANGAY DAY CARE WORKERS A RETIREMENT BENEFIT.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

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

SPONSORSHIP SPEECH OF SENATOR MARCOS

Senator Marcos presented to the Body Committee Report No. 31 on Senate Bill No. 12, which took into consideration Senate Bill Nos. 124, 540, 1007, 1166, 1684, 1853 and 1956.

The full text of Senator Marcos' sponsorship speech follows:

The proposed measure seeks to provide a retirement benefit to qualified *punong barangay*, member of the *Sangguniang Barangay*, barangay treasurer and secretary, *barangay tanod*,

member of the Lupon ng Tagapamayapa, barangay health workers and barangay day care workers. This measure is a manifest acknowledgment of the invaluable contribution of the barangay officials and workers to public service for a certain period of time without monthly salaries but only with disproportionate honoraria, allowances or other forms of emoluments.

Our barangay officials and workers are the frontliners in the delivery of basic and other public services to our countrymen. As succinctly embodied and recognized by the Local Government Code of 1991, as amended, particularly Section 384 thereof, "the barangay serves as the primary planning and implementing unit of government policies, plans, programs, projects, and activities in the community, and as a forum wherein the collective views of the people may be expressed, crystallized and considered, and where disputes may be amicably settled." Yet, the dynamic officials and conscientious workers who are behind the active operation of the affairs of our barangays are left with measly benefits which is ironic, given the endless recognition by our government of their indispensable role in nation-building by way of their delivery of basic services to their communities.

Our painful experiences with typhoon *Yolanda* and our hard-earned lessons from other devastating natural and man-made calamities are mute testimonies of the prompt and unselfish response of our barangay officials and workers to the call of the multi-faceted response to public service. But behind their continued acts of heroism are the concomitant risks brought to their lives and limb that deserve to be looked into by us, who are members of Congress, not as a form of mere reward but more as an instrument to effectively translate the social justice proviso in our Constitution.

In times of normalcy, they provided indispensable assistance to government agencies in almost all government undertakings.

More often than not, these officials and workers are the breadwinners of their respective families. Rightfully, their time should have been entirely devoted to income-generating activities to support their families. However, driven by their ardent desire to serve their country and countrymen, they continue to spend time to respond to the demands of public service.

During my stint as governor of the province of Ilocos Norte, the barangay officials and workers were instrumental in the effective discharge of my duties and responsibilities. I established the Office of Barangay Affairs under the Office of the Governor as focal point for barangay activities, and this became the center, among many others, for information gathering and dissemination to and from the various communities of my province.

In our deliberations, our Committee took note of the enormous number of barangay officials and workers which, as of present computations. stands at 1,849,232, consequently creating the noted budgetary constraints. Thus, our Committee recommends the grant of a retirement benefit for *punong barangay* in the amount of one hundred thousand pesos (P100,000); a *Sangguniang Barangay* member in the amount of eighty thousand pesos (P80,000); a barangay treasurer and secretary, a *barangay tanod*, a member of the *Lupon ng Tagapamayapa*, a barangay health worker and a barangay day care worker in the amount of fifty thousand pesos (P50,000) each.

The covered retiring barangay official should be at least sixty (60) years of age with a minimum of nine (9) years in service at the time of retirement. However, any such official or worker who dies or becomes permanently incapacitated while in the performance of his or her duty shall be entitled to the benefit irrespective of their age and number of years in service.

As funding source for this monetary benefit, the Committee recommends the creation of the Barangay Retirement Fund (BRF), which shall be established through annual investment equivalent to one percent of the share of the national government from the internal revenue collection. It is proposed that this fund shall be administered by the Department of the Interior and Local Government (DILG).

Considering the noble objective of this measure, may I respectfully encourage my fellow members in this august Chamber to join this Representation in pushing for its enactment.

COAUTHORS

Senator Marcos manifested that Senators Enrile, Villar, Binay, Ejercito, Lapid, Revilla, Pimentel and Estrada and Cayetano (P) are coauthors of Senate Bill No. 12.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 12

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

SPECIAL ORDER

Upon motion of Senator Angara, there being no objection, the Body approved the transfer of Committee Report No. 43 on Senate Bill No. 2271 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 43 ON SENATE BILL NO. 2271

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2271 (Committee Report No. 43), entitled

AN ACT ESTABLISHING A FRAME-WORK FOR FILM AND TELEVISION TOURISM IN THE PHILIPPINES, MARKETING THE INDUSTRY GLOBALLY AND PROVIDING EMPLOYMENT FOR THE SECTOR AND FOR OTHER PURPOSES.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

Thereupon, the Chair recognized Senator Poe for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR POE

Senator Poe presented to the Body Senate Bill No. 2271, otherwise known as the "Philippine Film and Television Tourism Act of 2014" which aims to boost the country's tourism industry by nontraditional ways of country promotion.

Following is the full text of Senator Poe's sponsorship speech:

Over the decades, tourism has become one of the fastest growing economic sectors in the world and a key driver for socio-economic progress. It creates new areas of business that generate employment opportunities for Filipinos, thus, making it one of the main income sources for many developing countries like the Philippines. More than selling the Philippines as a prime tourist destination through films, the main objective of this bill is to generate more employment opportunities and jobs for our *kababayans* – not only as part of the technical production, like actors and crew members, but in the entire business services involving film production and tourism.

Film tourism describes the effects of the film and TV productions on destination marketing. Tourists become inspired to experience the scene locations captured on films. From there, marketing opportunities are generated when the film is premiered, and other business opportunities also open through film tourism. In this age of globalization, pop culture, films and TV productions are essential tools in shaping people's perceptions of what a country has to offer and an effective way to gain exposure for the country. Films provide tourists knowledge about certain aspects of a country in terms of destinations, culture and people. In other words, films serve as a virtual brochure of a country.

Film-induced tourism has been done successfully in other countries. For example, New Zealand is home to the locations from film adaptations of "*The Hobbit*" and "*The Lord of the Rings*." Tourism New Zealand took the opportunity to be involved in the production and made sure that everyone knew that the film was being shot in New Zealand. In addition to this, New Zealand even offered tax reduction incentives just to make sure that "*The Hobbit*" will be shot in their country. Following the successful film campaign, a record 2.718 million tourists visited New Zealand in 2013, up by 6% with 2.565 million in 2012.

Film tourism is not only limited to making the Philippines as a shooting location or filming area for various media activities. Let us also take the example of the Korean wave.

Koreanovelas have been so popular throughout Asia in recent years and they also play a significant role in boosting South Korea's film industry. Korean pop culture is positively affecting Korea's tourism industry, which has resulted in a significant rise in Asian tourist arrivals as film locations featured in Korean dramas have emerged as popular tourist destinations. In 2012 alone, tourist arrivals in Korea reached more than 11 million.

The Philippines is not a neophyte in this growing global phenomenon. The country had been a host to several films – from the BAFTA-nominated film "Metro Manila" in 2013, the fourth installment of "The Bourne Legacy" in 2012, "Amigo" in 2010, "I Come With The Rain" in 2009, starring Josh Hartnett, to the Oscar-

winning movies *Platoon* in 1986 starring Charlie Sheen and Johnny Depp, and "Born on the Fourth of July" in 1989 featuring Tom Cruise. The movies being shot here are too far and few in between.

Film tourism had been successful in boosting the tourism industry of other countries. If they can do it, I am certain that we can also do it if done properly. Our country is blessed with pristine white beaches and breathtaking landscapes and we have locations similar or even better than locations featured in A-list movies.

It would be such a waste if we do not take advantage of what we have and use it as a tool for national development. It would have been "More Fun in the Philippines" if we focus more on projecting a good image of the Philippines.

The creation of the Philippine Film and Television Tourism Authority or PFTTA under this bill facilitates a one-stop-shop system for foreign film or television program entities. Its functions are mainly to facilitate the promotion and marketing of the Philippines as a location site such as, but not limited to, creating and maintaining a website or manual of Philippine film and television tourism sites, providing easy access to information on how foreign productions can shoot in the Philippines, assisting them in the implementation of reward and incentive package for foreign production interested in shooting in the Philippines, and assisting production in processing documents and permits which can be so tedious and difficult especially at the local level.

Walt Disney once said that "times and conditions change so rapidly that we must keep or aim constantly focused on the future." This is fitting for Philippine tourism and film and TV industries today.

This is the reason why I would like to ask the assistance of this Chamber to enact the Film and Television Tourism Act of 2014 at the soonest.

COSPONSORSHIP SPEECH OF SENATOR ANGARA

At the outset, Senator Angara lauded the efforts of Senator Cayetano (P), chairperson of the Committee on Public Information and Mass Media, for shepherding the bill through the committee and for including in Committee Report No. 43, his bill, Senate Bill No. 2160, entitled "An Act Promoting Tourism and Fostering Investment Through Local and International Movies by Providing Incentives for Motion Picture Production, Otherwise Known as the Film Act." The full text of Senator Angara's cosponsorship speech follows:

Film Tourism

Let us consider the following: as mentioned earlier, New Zealand's tourism industry got an unprecedented boost when Peter Jackson filmed The Lord of the Rings trilogy and The Hobbit movies on location there. From attracting 1.7 million tourists in 2000, New Zealand saw arrivals jump to 2.4 million by 2006 on account of what industry analysts called "Tolkien Tourism"; the William Wallace monument in Scotland registered a 300% increase in visitors a year after Mel Gibson's Braveheart was released; all of the locations where the Harry Potter movies were filmed saw increases in visitors of at least 50%. In the United States, Hollywood was among the few industries that thrived during the last recession. In fact, every year it accounts for about 10% of the U.S.'s gross domestic product (GDP); in the U.K., their film industry contributes more than 300 billion pounds; in South Africa, the figure is around P23 billion; in Thailand, it is over P1.5 billion.

These figures translate to millions of jobs created, families being fed, and children going to school since film production supports other industries.

Obviously, a film shoot needs actors and a film crew but also caterers, carpenters, craftsmen, tailors, accountants, animal trainers, drivers and logistics experts, not to mention sound engineers, musicians, gaffers, grips, best boys, make-up artists and costume-makers.

When a film is finished, production outfits tie up with theaters, restaurants, video games, action figures, amusement parks and tourism. Think Disney World and Universal Studios. What if there were equivalent draws for local movies like *Enteng Kabisote*, *Darna*, *Dyesebel*, *Shake*, *Rattle N' Roll* and *Panday*? How about video games for all these movies?

No wonder, some countries like South Korea are protective of their film industry. Since 1966, the South Korean government has enforced strict laws that require theaters to play Korean movies. Their film industry grew so much that it has reached even our Philippine shores. Filipinos feast on Korean movies, *Koreanovelas* and K-pop. What we may not realize is that this also increases demand for Korean fashion, food and tourism and even markets Korean electronics and automobiles.

This is the underlying principle of film tourism – that film making, as an economic activity, can have any of the following far-reaching multiplier effects: 1) many jobs and industries are created and supported because of movies; 2) if successful enough, movies themselves become the draw for tourists; and 3) movies can become a vehicle for showcasing a country, its people, its culture and even its products. There is just no way we can measure or quantify the immense benefits from this.

We have an energetic and boisterous movie industry. Clearly, we have yet to reach the levels of Hollywood, Bollywood, Busan, Berlin, London, or any of the other film making hubs across the world.

But that is why we seek the swift passage of this bill. By assisting and even incentivizing the world's major film production outfits to shoot in the Philippines, we believe the country shall greatly benefit.

Philippine Film Industry

Our local film industry begs for any attention from government. Beset with problems of piracy and unfavorable conditions for film production, industry leaders are pressed to even make a profit, let alone focus on creating quality world-class movies. For instance, only 78 local films were made in 2011 and 73 in 2010. In contrast, 151 foreign films were released in 2011, up from 140 movies in 2010.

Let us just look around and count how many cinemas are showing *Maleficent* or *X-Men*: *Days of Future Past* and compare it to how many are showing *Maybe This Time* or other local productions.

This is unfortunate considering that the Philippine film industry is among the oldest in the world, with the first movie shown on January 1, 1897.

By the 1950s, Philippine cinema entered the golden age as the studio system reached its peak with the Big 3 – Sampaguita, Premier and LVN – running the show. It was during this time that the likes of Gloria Romero, Nida Blanca, Dolphy, Ramon Revilla Sr. and Rosa Rosal became household names. Films like Anak Dalita, Kandelerong Pilak and Genghis Khan were directed by realisatuers like Gerardo de Leon, Lamberto Avellana, Cesar Gallardo, Eddie Romero and Manuel Conde — and winning international festivals at that. The works of these pioneers snowballed and allowed more film directors to be more adventurous creatively.

The 1970s was known as the golden age of Hollywood and produced film masterpieces like *The Godfather* series, *Star Wars* and various other masterpieces. But it was also a golden age for Philippine cinema, and saw critical masterpieces like Lino Brocka's *Tinimbang Ka Ngunit Kulang*, Celso Ad Castillo's *Burlesk Queen* and Mike de Leon's *Itim*.

Unfortunately, the intervening years between then and now saw a general decline. In the 1980s, the Philippines was among the top ten film-producing countries in the world. By the 1990s, film studios were losing money and closing shop. From 1960 to 1999, the Philippines produced an average of 140 movies each year. However, from 2000 to 2009, local film output fell to an average of 73 annually.

The recent advent of "indie" cinema is providing some hope for the industry's revival. We just have to turn to the recent success of Brillante Mendoza with *Kinatay*, Pepe Diokno with *Engkwentro*, Jim Libiran with *Tribu*, and Erik Mati with *On The Job* in international festivals.

But even our mainstream movies are beginning to make waves again domestically – 2009's You Changed My Life with Sarah Geronimo and John Lloyd Cruz earned P230 million, making it the first Filipino movie to surpass the P200 million mark.

But each year since then, box-office records have been broken. In 2011, Vice Ganda's *Praybeyt Benjamin* earned P331.6 million, making it the highest grossing Filipino film of all time. But by 2013, Metro Manila Filmfest's *Girl*, *Boy*, *Bakla*, *Tomboy*, raked in P429 million.

Senate Bill No. 2271

Simply put, Philippine cinema is on the uptrend and is faced with a singular opportunity to expand and grow. We believe government should do what it can to support the industry. Hence, the measure we are supporting today.

Among other things, the measure seeks to establish the Philippine Film and Television Tourism Authority (PFTTA) under the Film Development Council of the Philippines. The PFTTA will actively promote and market the Philippines as a location site for international movie and television productions. The Authority will also stand as a formal conduit for the Philippine government to assist and support films under consideration, nominated or being exhibited in international competitions or festivals.

More importantly, the PFTTA will be the "go-to" agency for foreign film and television producers interested in shooting in the Philippines. As a one-stop-shop, the Authority will assist these foreign producers in the processing of documents, certifications and other requirements necessary for film and/or television production in the Philippines. They will serve as the link to local manpower services, local artists, bit players, technical crew, facilities and the like. The Authority will also help in the implementation of a reward and incentive package for foreign film or television producers.

Support for Film and TV Production in other Countries

In fact, many countries have already set up similar agencies and programs to promote and facilitate film and TV production within their borders. In 2000, the Labour Government in the UK formed the UK Film Council as a private company tasked with developing and promoting the UK film industry. In 2008, up to 160 million pounds of lottery funds helped finance some 900 British films. Some of the films supported by the council were *Man on Wire* which won the 2009 Academy Awards for Best Documentary Feature and *The King's Speech* which won four Academy Awards in 2011.

The Korean Film Council was first created in 1973 and then revived in 1999. To encourage foreign players, the Korean Film Council offered a cash rebate on production for any crew spending that exceeded U.S.\$930,000. In 2011, the rebate was equivalent to 25%. Last year, it was increased to 30%. The Korean Film Council also handles a Film Development Fund allotted for local films with initial funding worth U.S.\$430,000,000 in 2007.

Ten years ago, under its Film in Singapore Scheme (FSS), the Singapore Tourism Board offered to subsidize up to 50% of certain expenses of foreign film producers. Some of the expenses that qualified were the hiring of local talent and production staff; post-production services like editing; sound engineering, color grading, among others; rental for equipment and production facilities; even airfare and accommodations.

Malaysia offers a cash rebate of up to 30% of qualified movie expenditures. Thailand exempts foreign actors from personal income tax and has played host to 717 foreign film productions in 2013 alone, generating up to 2.17 billion Baht which is close to P3 billion.

Possible Incentive Scheme

Under the proposed measure, there is the PFTTA, and the IAC-ATT that can formulate and implement similar incentive schemes for foreign production outfits.

Some of these incentives could be a minimum tax credit of up to 20% for qualified expenses

such as salaries and wages of local talent and crew, lodging and catering, among others. Additional tax credits could be awarded based on certain conditions, say, the foreign film is "largely or completely set within the Philippines" or the traditional practices, customs and duly recognized heritage sites are prominently featured. In fact, some of these are considered industry practices. Adopting them merely puts us at par with other countries seeking to similarly entice foreign tourism.

Our proposed measure does not explicitly mention any such incentive scheme, but hopefully, in the course of the period of amendments, some of the fiscal and non-fiscal incentives contained in Senate Bill No. 2160 could be considered for inclusion in the final version that this Body approves on Second Reading.

Conclusion

In conclusion, our tourism industry is poised for take-off owing to the buzz created by the viral *More Fun in the Philippines* campaign. But by boosting the country's film tourism, the Philippines stands to increase the number of tourist arrivals and stimulate further its economy. A dollar spent by a tourist for accommodation is multiplied 2.1 times for the economy as it creates jobs and opportunities and spread its effect in other industries as well. What more if the tourist is a salaried Hollywood professional? By boosting ourselves as a prime destination for filmmaking, we raise the profile of our film industry.

Bumabalik po ang kumpiyansa ng mundo sa atin, kung kaya't marapat na itanghal natin na talagang umaangat na po ang Pilipinas. The entire world is watching us, we might as well let them witness and even participate in this rise even on the silver screen.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2271

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

ACKNOWLEDGMENT OF THE PRESENCE OF GUEST

Senator Angara acknowledged the presence in the gallery of Senator Poe's guest, Mr. Jose dela Rosa, the executive director of the Philippine Film Export Service Office.

Senate President Drilon welcomed the guest to the Senate.

SPECIAL ORDER

Upon motion of Senator Angara, there being no objection, the Body approved the transfer of Committee Report No. 44 on Senate Bill No. 2272 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 44 ON SENATE BILL NO. 2272

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2272 (Committee Report No. 44), entitled

AN ACT STRENGTHENING THE LADDERIZED INTERFACE BET-WEEN TECHNICAL-VOCATIONAL EDUCATION AND TRAINING AND HIGHER EDUCATION.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

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

SPONSORSHIP SPEECH OF SENATOR CAYETANO (P)

Senator Cayetano (P) delivered the following sponsorship speech:

Our fundamental law, in Article XIV, Section 1, states that, "The State shall protect and promote the right of all citizens to quality education at all levels, and shall take appropriate steps to make such education accessible to all."

It is thus my privilege to stand before you today to sponsor Committee Report No. 44, An Act Strengthening the Ladderized Interface Between Technical-Vocational Education and Training and Higher Education.

At present, tertiary education is getting too costly. For poor families, college education becomes an elusive dream that only a few enjoy. According to the Philippine Poverty and Education profile published by the UP School of Economics, from one hundred (100) children who enter grade one, only forty-five (45) graduate high school, and only thirteen (13) complete their college education. As such, many of our youth, and even adults, take technical-vocational (techvoc) courses because they cannot afford a college education. Technical vocational education and training (TVET) is by itself a viable career option because it is rapid, flexible, jobs-oriented, and competency based.

However, when the barriers to education have already been overcome, like when the techvoc graduate has obtained a national certificate that enables him to arrive at successively ascending job platforms, and the money he earns from his job/s will help to finance and complete his college education, the problem now lies in not crediting previous tech-voc courses that he has taken. The tech-voc graduates squander time and resources to repeat learnings they have already completed.

Ladderized education addresses the present compartmentalization of tech-voc and college degree programs that hinders the recognition and accreditation of tech-voc competencies in college degree programs, and vice-versa. Under this system, the tech-voc and college degree components are harmonized, thus allowing an individual to progress between and among techvoc courses, college degree programs, and progressively gainful employment.

Committee Report No. 44 institutionalizes the ladderized education program established by virtue of Executive Order No. 358, series of 2004, which provided for the mandate and legal framework for the wider-scale and accelerated implementation of ladderized education nationwide.

It is within our capacity as legislators to enact measures that will make education more accessible to the public, effectively providing them with more opportunities for economic empowerment and giving them a better chance at uplifting their lives. Thus, I earnestly ask for your support in the passage of this bill.

COSPONSORSHIP SPEECH OF SENATOR VILLAR

Pursuant to the manifestation of Senator Cayetano (P), the cosponsorship speech of Senator Villar on Senate Bill No. 2272 was deemed read and inserted into the Journal and Record of the Senate.

The full text of Senator Villar's speech follows:

I would like to provide my cosponsorship speech for the record. I rise to sponsor Senate Bill No. 2272 or the Ladderized Education Act of 2014.

I have been a legislator for a decade now — nine years of which as the representative of my home city of Las Piñas and presently as a first-termer senator. Ever since, I have always believed in channeling my efforts and energies on core advocacies, issues, programs or projects. I have always kept a focused and uncluttered stance in public service.

And in terms of key legislative priorities, education has always been a key priority. The others being: livelihood generation and job creation; women and family; entrepreneurship; agriculture; overseas Filipino workers, and environment protection. All of which are tied to an overriding goal: helping Filipinos overcome poverty. I firmly believe that education is a ticket out of poverty.

As chairperson of the House Committee on Higher and Technical Education from 2004 to 2010, I authored and led the passage of 28 bills on higher or technical education to improve the quality and accessibility of education nationwide, by putting in place advanced systems of education such as the ladderized approach, distance-learning and open-university system. Why? Because it will benefit poor people and help them attain higher or further education. The diploma is a ticket out of poverty.

I believe that advanced systems of education give poor and working students even better opportunities to continue their studies until they earn a college diploma. At the Lower House, I filed House Bill No. 2895 or the "Ladderized Education Act of 2013." It was re-filed by Representative Mark Villar in the 15th Congress (2010 to 2013) which was passed on Third Reading, and now forms part of the substitute bill, House Bill No. 3575, as transmitted to the Senate.

I continued to pursue that in the Senate when I filed Senate Bill 141 (An Act Strengthening the Ladderized Interface between Technical-Vocational Education and Training and Higher Education), one of the bills incorporated in the Ladderized Education Act of 2014.

Through the ladderized system, graduates of technical-vocational (tech-voc) courses will be given a chance to pursue higher educational courses offered in colleges and universities without having to start all over again as the system allows transfer of credits earned from the tech-voc courses to a degree program. In essence, ladderized education is an empowering tool because it provides options or choices to the students and workers on when to enter and to exit in the educational ladder. Significantly, it creates job platforms at every exit and provides the student an opportunity to get a job and earn income. We are all aware that massive unemployment is still a major problem in our country.

Our colleges and universities produce around half a million graduates every year. To be exact, based on data from Commission on Higher Education (CHED 553,706 college students graduated this school year. Most of these fresh college graduates experience difficulty in finding suitable jobs. Many of them do not possess the skills needed for the job vacancies, which results in "structural unemployment" or a situation where there is a mismatch between the actual qualifications and competencies of jobseekers.

The Ladderized Education Act of 2014 will, in fact, strengthen Executive Order (EO) 358 issued in September 15, 2004, to institutionalize a ladderized interface between Technical-Vocational Education and Training (TVET) and Higher Education (HE).

Under EO 358, the Technical Education and Skills Development Agency (TESDA) and the Commission on Higher Education (CHED) were mandated to develop and implement a unified national qualifications framework that establishes equivalency pathways and access ramps for a ladderized system allowing for easier transition and progression between TVET and HE.

The present compartmentalization of TVET and HE hinders the recognition and accreditation of competence in technical and vocational skills and HE or vice-versa. This realization is in contrast to the agenda of the government (at that time) to generate six to ten million jobs and the expansion of job opportunities for the youth.

We will be able to address many problems or issues when we finally put in place a seamless ladderized education system. This will help ease unemployment among graduates, correct the jobskills mismatch in various industries, and help vocational courses graduates as well as professionals to upgrade their qualifications.

With the ladderized system of education, technical vocational certificate courses can be credited for a college degree. For instance, in some courses, after two years of tech-voc training or courses, the graduate will receive a certificate which will allow them to get employment already. Then, if they want to resume or further their studies at some future time-they can still do so.

Moreover, a fully integrated ladderized education will decrease the number of dropouts and out-of-school youths. In a traditional education setup, if a student discontinues or stops schooling along the way, he or she will be treated as a dropout. But with ladderized system, even if he or she stops, she would acquire competency and even receive a certificate. He or she can opt to work first or study or do both at the same time.

Executive Order No. 83, signed by President Benigno S. Aquino on October 1, 2012, provides for the institutionalization of the Philippine Qualifications Framework (PQF). The PQF is a national policy which describes the levels of educational qualifications and sets the standards for qualification outcomes. It is a quality-assured national system for the development, recognition and award of qualifications based on standards of knowledge, skills and values acquired in different ways and methods by learners and workers of the country. It is a system in which "re-entry" is allowed from TVET to HE and vice versa. It establishes two pathways based on existing equivalency systems and proposed mechanisms for mobility within the entire system such as access ramp and equivalency pathway.

Another salient point of Senate Bill 2272 is that it offers a flexible mechanism allowing individuals to continuously improve themselves (through life-long learning, for instance) without being hampered of their initial choice in their education. Even my husband, former Senate President Manny Villar, and I encourage our three children to continue to pursue further studies because learning should be a neverending pursuit. In fact, my daughter Camille, recently completed her Master in Business Administration (MBA) from IESE Business School. She graduated last weekend.

The Ladderized Education Bill is among the priority legislative measures which the 16th Congress hopes to pass and I seek its immediate passage. Let me end my cosponsorship speech by citing one of the provisions of Executive Order No. 83 and I quote: "The national agenda for inclusive growth, creation of employment opportunities and poverty reduction can only be achieved through collaboration and unity of purpose of the education and training sectors with industry." The passage and eventual implementation of this legation is a crucial step towards achieving and fulfilling that national agenda.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2272

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

SPECIAL ORDER

Upon motion of Senator Angara, there being no objection, the Body approved the transfer of Committee Report No. 45 on Senate Bill No. 2273 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 45 ON SENATE BILL NO. 2273

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2273 (Committee Report No. 45), 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.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

Thereupon, the Chair recognized Senator Poe for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR POE

Senator Poe submitted for the consideration of the Body Senate Bill No. 2273 under Committee Report No. 45, a consolidation of seven (7) Senate bills authored by Senators Vicente Sotto III, Gringo Honasan, Joseph Victor Ejercito Estrada, Jinggoy Estrada and herself, which also took cognizance of the approved House version by Representative Vicente Belmonte. The full text of Senator Poe's sponsorship speech follows:

This legislation is purely an amendment to Section 21 of the present Comprehensive Dangerous Drugs Act of 2002. The proposed amendments can be summarized by stating the existing practice as provided in Section 21 and the proposed improvements, as follows:

1. *Current Law:* Inventory must take place in the police station.

Proposal: Inventory must take place in the police station but it can also take place in the nearest office of the apprehending officer or team of the PDEA.

2. *Current Law:* A media representative, a DOJ representative, and an elected public official must be present during the inventory as witnesses.

Proposal: Only two witnesses are required — an elected public official and either a media representative or a DOJ/National Prosecution Service representative.

3. *Current Law:* Noncompliance with Section 21 renders the evidence inadmissible.

Proposal: Improper compliance or noncompliance under justifiable grounds will not render the seizure void.

The Committee deemed it fit to recommend the amendment of the existing provision because while Section 21 was enshrined in the Comprehensive Dangerous Drugs Act to safeguard the integrity of the evidence acquired and prevent planting of evidence, the application of said section resulted in the ineffectiveness of the government's campaign to stop increasing drug addiction and also, in the conflicting decisions of the courts.

To illustrate by citing just three of the most recent decisions involving Section 21:

a. A case pertaining to Section 21 where noncompliance led to acquittal of the accused:

In *People vs. Magat* (2008) – Failure to observe chain of custody was fatal to the prosecution's case. The police marked the two sachets at the police station, instead of the place of apprehension and not immediately after arrest at the presence of the accused. None of the three required representatives for inventory was present.

In *People vs Frondozo* (2009) – The accused was acquitted when it was proven that police

failed to comply with Section 21, which raised doubts as to the origin of the evidence. Accordingly, the acquittal was anchored on the arguments that there were no photographs taken or inventory of confiscated materials; and that there was no mention of the presence of any of the representatives required.

b. In a case where the accused was convicted despite the lack of strict compliance with Section 21:

People vs Pringas (2007)—In this case, the court said that noncompliance with Section 21 will not render an accused's arrest illegal or the items seized or confiscated from him inadmissible.

Based on the public hearing that the Senate Committee on Public Order and Dangerous Drugs had conducted, compliance with the rule on witnesses during the physical inventory is difficult. For one, media representatives are not always available in all corners of the Philippines, especially in more remote areas. For another, there were instances where elected barangay officials themselves were involved in the punishable acts apprehended and thus, it is difficult to get the most grassroot elected public official to be a witness as required by law.

The requirement that inventory is required to be done in police station is also very limiting. Most police stations appeared to be far from locations where accused persons were apprehended. In the Alabang Boys case, for example, the prosecution failed to show that the drug was brought to the police investigator, because the drugs were instead brought to the media. And the entire case was affected by breaching Section 21.

In the meantime, drug addiction has soared to a new height endangering the youth and destroying society. Citing the explanatory note of Senate Bill No. 67, the statistics of the Dangerous Drugs Board estimated that 1.7 million Filipinos are hooked on drugs, representing a 200,000-increase from the number of drug users two years ago.

Panahon na po para susugan ang ating batas para sa malawakang pagsugpo ng droga. Dahil ito ay sumisira ng buhay at ng pamilya. Dahil ito ay problema ng maraming kabataan. Dahil ito ay nagbabaon ng ating lipunan sa lalong kahirapan.

Hinihingi ko po ang pagsang-ayon ng Kapulungan para sa mabilis na pagpasa ng panukalang ito, para sa ating bayan at lipunan.

COSPONSORSHIP SPEECH OF SENATOR SOTTO

Senator Sotto likewise sought the approval of Senate Bill No. 2272 under Committee Report No. 45, 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 Drugs Act of 2002."

Hereunder is Senator Sotto's cosponsorship speech:

It has been more than 12 years now since we passed the Comprehensive Drugs Act of 2002, and our experience requires certain adjustments so that we can plug the loopholes in our existing law.

The statistics of the Philippine Drug Enforcement Agency show that there have been 1,538 drug-related cases that were either dismissed or resulted in acquittals. Pinpointed as the basis of these court actions is Section 21 of RA 9165; this is what the lawyers of the drug dealers saw as a loophole. It reads as follows:

Section 21. Custody and Disposition of Confiscated, Seized, and/or Surrendered Dangerous Drugs, Plant Sources of Dangerous Drugs, Controlled Precursors and Essential Chemicals, Instruments/ Paraphernalia and/or Laboratory Equipment. – The PDEA shall take charge and have custody of all dangerous drugs, plant sources of dangerous drugs, controlled precursors and essential chemicals, as well as instruments/paraphernalia and/or laboratory equipment so confiscated, seized and/or surrendered, for proper disposition in the following manner:

(1) The apprehending team having initial custody and control of the drugs shall, immediately after seizure and confiscation, physically inventory and photograph the same in the presence of the accused or the person/s from whom such items were confiscated and/or seized, or his/her representative or counsel, a representative from the media and the Department of Justice (DOJ), and any elected public official who shall be required to sign the copies of the inventory and be given a copy thereof; xxx

The failure to preserve the integrity of the seized illegal drugs is linked closely to the failure

to follow the procedure laid down in Section 21 of RA 9165 concerning the inventory, custody and control of seized illegal drugs.

My former vice chairman, the former Dangerous Drug Board (DDB) Undersecretary Clarence P. Oaminal has estimated, after a thorough research has been done, that approximately 70% to 80% of the drug-related cases filed in courts tend to be dismissed on account of the above provision. There are prosecutors and judges who interpret the law liberally and there are others who construe it very strictly. To avoid further confusion, it is better that the law be amended to ensure standard implementation of the law, specifically Section 21 (a) of RA 9165.

Numerous drug trafficking activities can be traced to operations of highly organized and powerful local and international syndicates. The presence of such syndicates that have the resources and the capability to mount a counterassault to apprehending law enforcers makes the requirement of Section 21(a) impracticable for law enforcers to comply with. It makes the place of seizure extremely unsafe for the proper inventory and photograph of seized illegal drugs.

Incidentally, just for the records, this was introduced as a safeguard when we were passing this in 2002. It was sponsored by Sen. Nene Pimentel and Sen. Joker P. Arroyo.

Section 21(a) of RA 9165 needs to be amended to address the foregoing situation. We did not realize this in 2002 where the safety of the law enforcers and other persons required to be present in the inventory and photography of seized illegal drugs and the preservation of the very existence of seized illegal drugs itself are threatened by an immediate retaliatory action of drug syndicates at the place of seizure. The place where the seized drugs may be inventoried and photographed has to include a location where the seized drugs as well as the persons who are required to be present during the inventory and photograph are safe and secure from extreme danger.

It is proposed that the physical inventory and taking of photographs of seized illegal drugs be allowed to be conducted either in the place of seizure or at the nearest police station or office of the apprehending law enforcers. The proposal will provide effective measures to ensure the integrity of seized illegal drugs since a safe location makes it more probable for an inventory and photograph of seized illegal drugs to be properly conducted, thereby reducing the incidents of dismissal of drug cases due to technicalities.

Non-observance of the prescribed procedures should not automatically mean that the seizure or confiscation is invalid or illegal, as long as the law enforcement officers could justify the same and could prove that the integrity and the evidentiary value of the seized items are not tainted. This is the effect of the inclusion in the proposal to amend the phrase "justifiable grounds." There are instances wherein there are no media people or representatives from the DOJ available and the absence of these witnesses should not automatically invalidate the drug operation conducted. Even the presence of a public local elected official also is sometimes impossible especially if the elected official is afraid or scared.

Our proposal to plug this loophole in our laws conveys our message to our society and to the world as we move towards a drug-free Philippines, a drug-resistant Philippines. This Representation does not agree with the new wave of tolerance and accommodation towards marijuana and other mind-blowing altering substances sweeping a few countries in Europe and a state or two in the United States.

We stand firm on this matter and this proposal will prove our resolve to stay in our course.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no interpellation, upon motion of Senator Angara, there being no objection, the Body closed the period of interpellations.

TERMINATION OF THE PERIOD OF AMENDMENTS

There being no committee or individual amendment, upon motion of Senator Angara, there being no objection, the Body closed the period of amendments.

MOTION OF SENATOR ANGARA

Senator Angara moved to approve Senate Bill No. 2273 on Second Reading.

Senator Osmeña, however, voiced his concern over the hasty approval of the bill. Thereupon, he moved that the bill's consideration be deferred to give the other senators the chance to interpellate and/or amend it.

MANIFESTATION OF SENATOR SOTTO

Senator Sotto appealed to Senator Osmeña to allow the passage on Second Reading of Senate Bill No. 2278, a measure sponsored by both the Majority and the Minority, considering that only a few days were left before Congress adjourns *sine die*. He said that the sooner the measure is passed, the better the chances of putting the drug dealers in jail.

SUSPENSION OF SESSION

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

It was 4:14 p.m.

RESUMPTION OF SESSION

At 4:17 p.m., the session was resumed.

MANIFESTATION OF SENATOR OSMEÑA

Senator Osmeña said that he was convinced by Senator Sotto to withdraw his objection given the three-day rule before the approval of the measure on Third Reading. However, he stressed that the approval of Senate Bill No. 2273 should be a very rare exception to the Chambers' consistent position that a bill should not be approved on the day of sponsorship so that senators not present may be given the chance to interpellate and/or introduce amendments. He emphasized that each of the 24 senators is important enough to state his/her views as well as to express his/her objections and/or concerns about any bill, the reason why there is a time allowance given to senators to consider the bill. Lastly, he expressed hope that this would not serve as a precedent in other instances.

MANIFESTATION OF SENATOR ENRILE

Senator Enrile stated that the Minority has been extending all cooperation to the Majority to enact legislation. Unfortunately, he noted, members of the Majority were the ones not in the hall most of the time, and that the Minority was the one giving the necessary quorum to enact legislative measures that are urgently needed by the country.

At this point, Senator Sotto thanked Senator Osmeña and assured him that the approval of the measure would not be a precedent case, noting that the remedies provided in the Rules would permit any senator to move for a motion for reconsideration if he/she who would like to take up the measure.

APPROVAL OF SENATE BILL NO. 2273 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 2273 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2273

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

RECONSIDERATION OF THE APPROVAL OF SENATE BILL NO. 2159 ON SECOND READING

Upon motion of Senator Angara, there being no objection, the Body reconsidered the approval, on Second Reading, of Senate Bill No. 2159, entitled

AN ACT AMENDING REPUBLIC ACT NO. 7721, OTHERWISE KNOWN AS AN ACT LIBERALIZING THE ENTRY OF FOREIGN BANKS IN THE PHILIPPINES AND FOR OTHER PURPOSES.

As a consequence, the Body reopened the period of amendments.

Thereupon, the Chair recognized Senator Osmeña for additional amendments.

COMMITTEE AMENDMENTS

Senator Osmeña stated that the amendments he would be introducing were requested by the *Bangko Sentral*, and composed of some editorial items which were overlooked during the period of committee amendments. He said that he would be using the Third Reading copy of the bill for purposes of the amendments.

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

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 On line 5, after the words "necessary to," delete the opening and closing brackets ([]) and the colon (:);

At this point, Senator Enrile requested Senator Osmeña to explain the reason for the amendment so that what the *Bangko Sentral* wanted could be put on record. Senator Osmeña explained that the purpose of the deletion was only to remove excessive punctuations in the provision.

- 2. On line 11, after the phrase "majority-owned by Filipinos," delete the entire sentence which reads: "THE MONETARY BOARD MAY ALSO SUSPEND FURTHER ENTRY OF FOREIGN BANKS UNDER ANY OR ALL OF THE MODES PROVIDED IN SECTION 2 OF THIS ACT AT ANY TIME AS NATIONAL INTEREST MAY REQUIRE. THE MONETARY BROAD SHALL";
- On line 18, delete the roman numeral in parentheses "(I)" and the opening and closing brackets ([]);

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 On line 3, delete the roman numeral "II" and the opening and closing brackets ([]) from "(iii)";

The session was suspended and was resumed shortly thereafter.

- 5. On lines 3 to 6, delete the phrase "secure the listing in the Philippine Stock Exchange of the shares of stocks of banking corporations established under Section 2(i) and (ii) of this Act: Provided, That said";
- 6. On line 6, before the word "banking," insert the words REQUIRE THAT;
- 7. On line 7, after the word "corporations," delete the word "shall";
- Still on line 7, before the word "establish," insert the phrase ESTABLISHED UNDER SECTION 2(I) AND 2(II) OF THIS ACT;

Lines 3 to 12 shall read as follows:

(iii) REQUIRE THAT BANKING CORPO-RATIONS ESTABLISHED UNDER SECTION 2(I) AND 2(II) OF THIS ACT ESTABLISH STOCK OPTION PLANS FOR THEIR OFFICERS AND EMPLOYEES AS THE RESOURCES OR ASSETS OF THESE CORPORATIONS MAY ALLOW IN THE BEST BUSINESS JUDGMENT OF THEIR RESPECTIVE BOARDS OF DIRECTORS, PURSUANT TO THE CORPORATION CODE OF THE PHILIPPINES.

- On page 5, line 12, after the phrase "Code of the Philippines", add the following sentence: THE MONETARY BOARD MAY ALSO SUSPEND FURTHER ENTRY OF FOREIGN BANKS UNDER ANY OR ALL OF THE MODES PROVIDED IN SECTION 2 OF THIS ACT AT ANY TIME AS THE NATIONAL INTEREST MAY REQUIRE;
- 10. On page 10, reword the sentence on lines 13 to 16 to read as:

THE SINGLE BORROWER'S LIMIT OF A FOREIGN BANK BRANCH SHALL BE ALIGNED WITH THAT OF A DOMESTIC BANK.

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

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

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

There being no individual amendment, upon motion of Senator Angara, there being no objection, the Body closed the period of individual amendments.

APPROVAL OF SENATE BILL NO. 2159 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 2159 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2159

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

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 4:33 p.m.

RESUMPTION OF SESSION

At 4:43 p.m., the session was resumed.

SECOND ADDITIONAL REFERENCE OF BUSINESS

The Secretary of the Senate read the following committee reports which the Chair assigned to the Calendar for Ordinary Business:

- Committee Report No. 46, prepared and submitted jointly by the Committees on Education, Arts and Culture; Finance; and Ways and Means, on Senate Bill No. 2274, with Senators Cynthia A. Villar, Recto, Trillanes IV, Defensor Santiago, Ejercito Estrada, Sonny Angara and Cayetano (P) as authors thereof, entitlted
 - AN ACT TO EXPAND ACCESS TO EDUCATION THROUGH OPEN LEARNING AND DISTANCE EDUCATION IN TERTIARY LEVELS OF EDUCATION, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill Nos. 140, 639, 1340, 1414 and 2155.

- Sponsors: Senators Cayetano (P), Cynthia A. Villar, Recto, Trillanes IV, Defensor Santiago, Ejercito Estrada and Sonny Angara
- Committee Report No. 47, prepared and submitted jointly by the Committees on Education, Arts and Culture; and Finance, on Senate Bill No. 2275, with Senators Cayetano (A) and Cayetano (P) as authors thereof, entitled
 - AN ACT MANDATING ALL STATE COLLEGES AND UNIVERSITIES TO ANNUALLY CONFER AUTOMATIC ADMISSION AND PROVIDE SCHOLARSHIP GRANTS TO THE TOP TEN (10) PUBLIC HIGH SCHOOL STUDENTS OF THEIR GRADUAT-ING CLASS, AND ALLOCATE FUNDS THEREFOR,

recommending its approval in substitution of Senate Bill No. 93.

Sponsor: Senator Cayetano (P)

- Committee Report No. 48, submitted by the Committee on Education, Arts and Culture, on House Joint Resolution No. 12, introduced by Representative Belmonte, *et al.*, entitled
 - JOINT RESOLUTION DECLARING 27 JULY 2014 AS A SPECIAL NON-WORKING HOLIDAY TO COMME-MORATE THE FOUNDING ANNIVER-SARY OF THE IGLESIA NI CRISTO,

recommending its approval without amendment, taking into consideration Senate Bill Nos. 868, 1016, 2221, 2224 and Senate Joint Resolution Nos. 7 and 8.

Sponsor: Senator Cayetano (P)

- Committee Report No. 49, submitted by the Committee on Education, Arts and Culture, on Senate Bill No. 1281, introduced by Senator Guingona III, entitled
 - AN ACT DECLARING AUGUST 18 OF EVERY YEAR AS "JESSE ROBREDO" DAY, A SPECIAL WORKING HOLIDAY, AND FOR OTHER PURPOSES,

recommending its approval without amendment.

Sponsor: Senator Cayetano (P)

- Committee Report No. 50, submitted by the Committee on Education, Arts and Culture, on Senate Bill No. 510, introduced by Senator Cynthia A. Villar, entitled
 - AN ACT DECLARING THE FIFTH DAY OF OCTOBER OF EVERY YEAR AS THE NATIONAL TEACHER'S DAY,

recommending its approval with amendments.

Sponsor: Senator Cayetano (P)

SPECIAL ORDER

Upon of Senator Angara, there being no objection, the Body approved the transfer of Committee Report No. 46 on Senate Bill No. 2274 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 46 ON SENATE BILL NO. 2274

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2274 (Committee Report No. 46), entitled

AN ACT TO EXPAND ACCESS TO EDUCATION THROUGH OPEN LEARNING AND DISTANCE EDUCATION IN TERTIARY LEVELS OF EDUCATION, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

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

SPONSORSHIP SPEECH OF SENATOR CAYETANO (P)

Senator Cayetano (P) delivered her sponsorship speech as follows:

I rise today once again to sponsor a measure that aims to widen access to quality higher education.

Committee Report No. 46 seeks to democratize access to quality education at tertiary levels through the appropriate and efficient implementation of distance education. Distance education pertains to a mode of delivering education and instruction often on an individual basis to students who are not physically present in a traditional setting such as a classroom. Teacher and learner are separated in time and space and instruction is delivered through special designed materials and methods using appropriate technologies and supported by organizational and administrative structures and arrangement. Students can take their classes by virtue of the Internet and with the use of information and communications technology and other approaches such as, but not limited to, the following: print

formats, audio visual approaches, electronic or computer technology and virtual classrooms or face-to-face sessions.

Under this measure, education can be accessed from everywhere. Thus, students will be able to advance their studies, earn graduate and post-graduate degree and post-secondary certificates in non-degree programs, despite teacher and learner being separated by distance and/or time. This program may be utilized by working students and overseas Filipino workers seeking to further their education.

The UP Open University pioneers the study and practice of open learning and distance program in the country. They will collaborate and provide support for this program for both higher education degree programs and technical/ vocational programs.

Under this measure, distance education at the tertiary level will be institutionalized such that it can be at par with the existing standards and comparable to formal education systems. As such, more Filipinos will have access to quality education and employment.

Thus, I humbly ask for the Body's support and earnestly seek for the swift passage of this bill.

COSPONSORSHIP SPEECH OF SENATOR VILLAR

Senator Cayetano (P) stated that Senator Villar has requested to be cosponsor of Senate Bill No. 2274 and that she would submit her cosponsorship speech to be inserted into the Journal and Record of the Senate.

The full text of Senator Villar's speech follows:

Promoting advanced systems of education has always been part of my priorities as a legislator, as Las Piñas Representative for nine years (2001-2010) and now as a senator.

Back then, as chairperson of the House Committee on Higher and Technical Education from 2004 to 2010, I authored and led the passage of 28 bills on higher or technical educations to improve the quality and accessibility of education nationwide by putting in place advanced systems of education such as the ladderized approach, distance-learning and open-university system.

I continued to pursue that in the Senate when I filed Senate Bill No. 140, one of the bills incorporated in the "Open Learning and Distance Education Act of 2014." I believe that those flexible systems of schooling will benefit the poor. Those will give poor and working students better opportunities to continue and finish their studies.

Section 1, Article XIV of the 1987 Constitution mandates that the State shall "protect and promote the right of all citizens to quality education at all levels, and shall take appropriate steps to make such education accessible to all." The Constitution further provides that the State shall establish, maintain and support a complete, adequate, and integrated system of education relevant to the needs of the people and society and that the State shall encourage non-formal, informal and indigenous learning systems, as well as self-learning, independent, and out-ofschool study programs particularly those that respond to the community levels (Sec. 2, Art. XIV, 1987 Constitution).

While the government labors in upholding these constitutional mandates, it is a sad reality that it encounters difficulty in providing quality and accessible education to all due to budgetary constraints and other relevant factors. In the preceding years, we have witnessed the decline in the quality of education and the significant increase in the number of students not pursuing and/or finishing higher education.

Somehow, that trend came about because a large number of Filipino families, with their meager resources, could not afford the everyday expenses involved (e.g. daily allowances for transportation, meals and other school-related incidental expenses) in sending their children to college the traditional way. Besides, many of our young people necessarily had to leave school and shelve their dream of acquiring higher education for them to immediately work in low-paying jobs to help in the upkeep of their families.

Open learning and distance education will decrease the number of dropouts and out-ofschool youths. Moreover, it will also address the issue of unemployment, which is still a major problem in our country. Our colleges and universities produce around half a million graduates every year. To be exact, based on data from Commission on Higher Education (CHED), 553,706 college students graduated this school year. Most of these college graduates experience difficulty in finding suitable jobs.

The open learning and distance education could be a suitable response to this reality. Unlike traditional education in which one goes to school regularly to meet teachers and classmates, a student availing himself of herself of distance learning can attend classes while at home or in the workplace with the use of modules, e-mail, chat and video conference, to name a few. Like the traditional learning experience, distance education follows a curriculum, but studying can be done at one's pace. To ensure efficiency and quality, mechanisms are employed to monitor and ensure the academic progress of the students.

Open learning and distance education in the country as a modern delivery of education to learners could make higher education accessible to a great number of our people pursuant to the constitutional mandate. As long as the necessary support for the efficient implementation of the system as enunciated in the bill are followed, open learning and distance education could serve as effective engines to develop our people and nation.

On that note, I seek the immediate passage of this important bill.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2274

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

SPECIAL ORDER

Upon of Senator Angara, there being no objection, the Body approved the transfer of Committee Report No. 47 on Senate Bill No. 2275 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 47 ON SENATE BILL NO. 2275

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2275 (Committee Report No. 47), entitled

AN ACT MANDATING ALL STATE COLLEGES AND UNIVERSITIES TO ANNUALLY CONFER AUTO-MATIC ADMISSION AND PROVIDE SCHOLARSHIP GRANTS TO THE TOP TEN (10) PUBLIC HIGH SCHOOL STUDENTS OF THEIR GRADUAT-ING CLASS, AND ALLOCATE FUNDS THEREFOR. Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

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

SPONSORSHIP SPEECH OF SENATOR CAYETANO (P)

In sponsoring Senate Bill No. 2275, Senator Cayetano (P) delivered the following speech:

While our nation experiences rapid economic growth, our standard of education must be able to keep up and provide a proficient and well-educated workforce. Higher education opens up numerous opportunities for individuals to uplift their lives and become productive members of society. However, the unfortunate fact is that a college education is out of reach of majority of Filipinos.

According to the Department of Education, our public high school system produces close to two million graduates each year. But out of forty-five (45) students who graduate from high school, only twenty-six (26) will enter college. Further, the 2010 Annual Poverty Indicators Survey shows that sixteen percent (16%) of the estimated thirty-nine million Filipinos, aged six (6) to twenty-four (24) years old, are Out-of-School-Youth (OSY). The survey reveals that the primary reasons for this are the high cost of education and because the youth are employed or would rather search for employ-ment. It is this evident that quality higher education must be made more accessible to the students.

In response to this need, I rise to sponsor Senate Bill No. 2275 under Committee Report No. 47 or the Iskolar ng Bayan Act of 2014, which aims to increase access to quality education to alleviate poverty and promote the intellectual well-being of the youth. Under this bill, the top ten (10) public high school students of their graduating class shall be accorded automatic admission to state universities and colleges (SUCs) of their choice within their province or nearby provinces, depending on the size of the SUCs and their course offerings. In addition, these students will also be given scholarship grants. This will cover all the SUCs, with the exception of the University of the Philippines, due to its institutional autonomy as the national university.

The Iskolar ng Bayan Program provides a big incentive for high school students to work hard and excel in their academics in order to rank within the top ten of their graduating class and be afforded the benefits of this measure. Deserving but underprivileged youth will then be able to complete their college education. It ensures that meager resources will not hinder the crème de la crème of our public high school system from pursuing higher education. The top ten graduates of our 7,917 public high schools will be rewarded with a guaranteed college education in our 112 SUCs' education. These gifted and hardworking youth are meaningful investments for the nation.

The State is given the constitutional mandate to protect and uphold the right of all citizens to quality education at all levels. This bill, aimed at reducing social and economic inequalities, is one such measure that makes higher education more accessible to deserving youth.

COSPONSORS

Senator Cayetano (P) manifested that Senators Villar and Angara are cosponsors of Senate Bill No. 2275.

MANIFESTATION OF SENATOR CAYETANO (P)

Senator Cayetano (P) manifested that Senator Sotto had expressed his intention to interpellate on the bill.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 4:53 p.m.

RESUMPTION OF SESSION

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

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2275

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

SPECIAL ORDER

Upon motion of Senator Angara, there being no

objection, the Body approved the transfer of Committee Report No. 48 on House Joint Resolution No. 12 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 48 ON HOUSE JOINT RESOLUTION NO. 12

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, House Joint Resolution No. 12 (Committee Report No. 48), entitled

JOINT RESOLUTION DECLARING 27 JULY 2014 AS A SPECIAL NON-WORKING HOLIDAY TO COMME-MORATE THE FOUNDING ANNIVER-SARY OF THE IGLESIA NI CRISTO.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the resolution was read without prejudice to the insertion of its full text into the record of the Senate.

The Chair recognized Senator Cayetano (P) for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR CAYETANO (P)

Senator Cayetano (P) stated that since the time Felix Manalo founded Iglesia ni Cristo in the Philippines in 1914, it has expanded a century hence to become the third largest religious denomination in the country. She said that INC responds to the needs of the less fortunate, especially those afflicted by calamities and disasters, citing, for instance, its outreach program, Lingap Mamamayan, which was awarded three Guinness world records for holding the world's largest dental health check, biggest number of blood pressure readings and most numerous blood glucose level tests. She said that recently, the INC's Walk for Yolanda, the proceeds of which were used for housing and livelihood projects for the survivors of Yolanda, also got two Guinness world records. She added that INC also runs the New Era University, an educational institution that has been granted university status by the Commission on Higher Education, for both INC members and non-members alike.

Owing to the prominent role of INC in the lives of many Filipinos, Senator Cayetano (P) sought to declare July 27, 2014, as a special non-working holiday to commemorate the founding anniversary of INC as they celebrate their historic centennial year.

COSPONSORSHIP SPEECH OF SENATOR OSMEÑA

At the outset, Senator Osmeña said that he would prefer to deliver a personal rather than a more formal and official endorsement of the resolution.

Senator Osmeña recalled that he met Bishop Felix Manalo 60 years ago when he tagged along with his father who was as one of the principal sponsors in the wedding of Ka Erdy and Ka Tenny, along with President Ramon Magsaysay and Mrs. Concordia, the wife of the late Manoling Concordia, a congressman of Laguna. He stated that at that time, Bishop Manalo already had developed a very fine institution in the Iglesia ni Cristo as he was already building beautiful churches all over the country. He said that when he was in exile in the United States, he saw Bishop Manalo establish churches in Los Angeles, San Diego, San Francisco and New York, which, he said, was an impressive growth for a church born in the Philippines a hundred years ago. He added that whenever he returned to the Philippines during holidays, he would be asked by Bishop Manalo to visit him at his house at Riverdale Drive, and once at his house, he would bypass all the waiting senators, congressmen, governors and mayors in the living room and he would be asked to go directly to the bishop's bedroom to chat.

Senator Osmeña expressed pleasure in being a part of a Chamber that would pay homage to a great man who has built such a great institution as INC, as he wished the church all success and wealth.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no interpellation, upon motion of Senator Angara, there being no objection, the Body closed the period of interpellations and proceeded to the period of amendments.

TERMINATION OF THE PERIOD OF AMENDMENTS

There being no individual or committee amendment, upon motion of Senator Angara, there being no objection, the Body closed the period of amendments.

APPROVAL OF HOUSE JOINT RESOLUTION NO. 12 ON SECOND READING

Submitted to a vote, there being no objection, House Joint Resolution No. 12 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 12

Upon motion of Senator Angara, there being no objection, the Body suspended consideration of the resolution.

SPECIAL ORDER

Upon motion of Senator Angara, there being no objection, the Body approved the transfer of Committee Report No. 49 on Senate Bill No. 1281 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 49 ON SENATE BILL NO. 1281

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1281 (Committee Report No. 49), entitled

AN ACT DECLARING AUGUST 18 OF EVERY YEAR AS "JESSE ROBREDO" DAY, A SPECIAL WORKING HOLIDAY, AND FOR OTHER PURPOSES.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Cayetano (P) for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR CAYETANO (P)

Senator Cayetano (P) presented to the Body Committee Report No. 49 on Senate Bill No. 1281, which recognizes the dignified life and exceptional public service offered by the late Secretary of Interior and Local Government, the Hon. Jesse M. Robredo. Senator Cayetano (P) said that as mayor of Naga City and the youngest person in the Philippines to be elected city mayor, Secretary Robredo revitalized Naga City from a once stagnant and dispirited provincial town to a first-class city; and under his mayorship, Naga City was named one of the "Most Improved Cities in Asia" by *Asiaweek Magazine*.

Senator Cayetano (P) also praised the late Jesse Robredo as a multi-awarded public servant, notably receiving the Ramon Magsaysay Award for Government Service, among other major awards recognizing not only his work and leadership, but his character. She said that until his untimely death on August 18, 2012, Secretary Robredo exhibited strong political will, worked towards progress for his constituents, and exemplified effective, merit-based, and transparent public service.

She said these are among the reasons behind Committee Report No. 49 which seeks to declare August 18 of every year as Jesse Robredo Day, to be celebrated in all elementary and secondary schools in the country, and to honor his legacy of good governance and leadership, and to encourage students to do the same for the benefit of the nation.

INQUIRY OF THE CHAIR

Asked by Senate President Drilon to explain what "special working holiday" meant — whether it concerns additional compensation or additional premium pay for the worker who reports for work on that day, Senator Cayetano (P) explained that as clarified with the Department of Labor and Employment during the committee hearing, a special working holiday does not entail additional compensation for the workforce and would not be an extra burden to the employers.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no interpellation, upon motion of Senator Angara, there being no objection, the Body closed the period of interpellations and proceeded to the period of amendments.

TERMINATION OF THE PERIOD OF AMENDMENTS

There being no individual or committee amendment, upon motion of Senator Angara, there being no objection, the Body closed the period of amendments.

APPROVAL OF SENATE BILL NO. 1281 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 1281 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1281

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

SPECIAL ORDER

Upon motion of Senator Angara, there being no objection, the Body approved the transfer of Committee Report No. 50 on Senate Bill No. 510 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 50 ON SENATE BILL NO. 510

Upon motion of Senator Angara, there being no objection, the Body considered, on Second Reading, Senate Bill No. 510 (Committee Report No. 50), entitled

AN ACT DECLARING THE FIFTH DAY OF OCTOBER OF EVERY YEAR AS THE NATIONAL TEACHERS' DAY.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Angara, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Cayetano (P) for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR CAYETANO (P)

Senator Cayetano (P) stated that Senate Bill No. 510 recognizes teachers who dedicate their lives to shaping the mind and honing the character of the youth. She stated that while the UNESCO has declared October 5 as World Teacher's Day back in 1984, or 30 years ago, the Philippines has yet to officially celebrate its own National Teacher's Day. Senator Cayetano (P) said that Committee Report No. 50 seeks to make October 5 as National Teacher's Day to celebrate the pivotal role of teachers in nation building, and to honor their commitment to mould the youth into capable, upstanding and conscientious individuals. She added that the celebration acknowledges the teachers' noble profession as a primary contributor to the well-being of the students and the nation.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 510

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

ADJOURNMENT OF SESSION

Upon motion of Senator Angara, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, June 9, 2014.

It was 5:07 p.m.

I hereby certify to the correctness of the foregoing.

OSCAR G. YABES Secretary of the Senate

Approved on June 9, 2014