

## RECORD OF THE SENATE

MONDAY, APRIL 29, 2002

### OPENING OF THE SESSION

*At 3:36 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.*

**The President.** The 75th session of the First Regular Session of the Twelfth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Rodolfo G. Biazon.

### PRAYER

*Everybody rose for the prayer.*

**Senator Biazon.**

Our Father, hear us from Thy heavenly realm as we proclaim Psalm 67.

May God be gracious to us and bless us; Make Your face shine upon us that Your ways may be known on this land and Your salvation among all people;

May the people praise You, O God; May all the people extol Your Holy Name; May the nation be glad and sing for joy for Thou ruleth justly;

May the people seek Your face and obey Your commands that this land will yield its harvest.

And God, our God, will bless us; and all the ends of the earth will fear Him for Thou, O God, art great and holy;

May this acclamation add to our blessings and the prosperity of our land.

Amen.

**The President.** The Angels Choir of Our Lady of Grace Parish Church will lead the Chamber in the singing of the national anthem. The choir will also render another song, entitled *Isang Dugo, Isang Lahi, Isang Musika*.

### NATIONAL ANTHEM

*Everybody remained standing for the singing of the national anthem.*

### ROLL CALL

**The President.** We thank very much, the Angels Choir of Our Lady of Grace Parish Church.

The Secretary will please call the roll.

**The Secretary, reading:**

Senator Edgardo J. Angara .....	Present
Senator Teresa Aquino-Oreta .....	Present
Senator Joker P. Arroyo .....	Present
Senator Robert Z. Barbers .....	Present
Senator Rodolfo G. Biazon .....	Present
Senator Renato L. Compañero Cayetano .....	Present
Senator Noli "Kabayan" De Castro .....	Present
Senator Luisa "Loi" P. Ejercito Estrada .....	Present
Senator Juan M. Flavies .....	Present
Senator Gregorio B. Honasan .....	Present
Senator Robert S. "JAWO" Jaworski .....	**
Senator Panfilo M. Lacson .....	Present
Senator Loren B. Legarda Leviste .....	Present
Senator Ramon B. Magsaysay Jr. ....	Present
Senator Blas F. Ople .....	Present
Senator John Henry R. Osmeña .....	Present
Senator Sergio R. Osmeña III .....	Present
Senator Francis N. Pangilinan .....	Present
Senator Aquilino Q. Pimentel Jr. ....	Present
Senator Ralph G. Recto .....	Present*
Senator Ramon B. Revilla .....	Absent***
Senator Vicente C. Sotto III .....	Present
Senator Manuel B. Villar Jr. ....	Present
The President .....	Present

**The President.** With 21 senators present, there is a quorum.

The Majority Leader is recognized.

### THE JOURNAL

**Senator Legarda Leviste.** Mr. President, I move that we dispense with the reading of the *Journal* of the previous session and consider it approved.

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

**Senator Legarda Leviste.** Mr. President, I move that we proceed to the Reference of Business.

\* Arrived after the roll call

\*\* On official mission

\*\*\* On account of illness

which will serve as guidelines for parliamentarians and policymakers. These recommendations are the following:

- \* The international community shall strongly support Afghanistan's efforts to combat illicit drugs through assistance in the development of alternative crops;
- \* The establishment of effective law enforcement agencies to combat drug trafficking and the prevention of drug abuse;
- \* The drug issue should be incorporated into all bilateral and multilateral development projects conducted;
- \* Each country should strengthen comprehensive strategies encompassing law enforcement and education in order to deal with the new global threat of synthetic drugs;
- \* The mechanism for monitoring and controlling precursor chemicals and the operating procedures to prevent the diversion should be improved;
- \* The establishment of an international network of laboratories;
- \* Conducting drug profiling and signature analysis is encouraged;
- \* Efforts should also be made to promote international joint law enforcement operations against drug trafficking as well as exchange of information among relevant authorities.
- \* And finally, Mr. President, the last recommendation is for effective demand reduction, school drug education programs targeting younger generation, as well as treatment and rehabilitation of drug abusers should be emphasized.

This, Mr. President, is the summary of what we discussed in Tokyo, Japan. I learned much from the participants and I am very confident also that they learned much from the Philippine delegation.

Thank you very much, Mr. President.

**The President.** Thank you, Senator Barbers. The Majority Leader is recognized.

**Senator Legarda Leviste.** We would like to thank Senator Barbers for that.

#### SPECIAL ORDERS

At this point, Mr. President, I move that we transfer from the Calendar for Ordinary Business to the Calendar for Special Orders Committee Report No. 38 on Senate Bill No. 2101, entitled

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A *BALIKBAYAN* PROGRAM," BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO *BALIKBAYAN* AND FOR OTHER PURPOSES

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

Is the Majority Leader moving that we consider this measure for sponsorship?

**Senator Legarda Leviste.** Yes, Mr. President.

#### BILL ON SECOND READING

**S. No. 2101 — Instituting a *Balikbayan* Program**

Mr. President, I move that we consider Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

Consideration of Senate Bill No. 2101 is now in order. With the permission of the Body, the Secretary will read only the title of the bill, without prejudice to inserting in the *Record* the whole text thereof.

**The Secretary.** Senate Bill No. 2101, entitled

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A *BALIKBAYAN* PROGRAM," BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO *BALIKBAYAN* AND FOR OTHER PURPOSES

*The following is the whole text of the bill:*

Senate Bill No. 2101

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A *BALIKBAYAN* PROGRAM," BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO *BALIKBAYAN* AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

**SECTION 1.** Section 1 of Republic Act Numbered 6768 is hereby amended to read as follows:

"SEC. *Balikbayan Program*. - A *Balikbayan Program* is hereby instituted under the administration of the Department of Tourism to attract and encourage overseas Filipinos to come and visit their motherland. This is in recognition of their contribution to the economy of the country through the foreign exchange inflow AND REVENUES that they generate.

THE PROGRAM SHALL INCLUDE A *KABUHAYAN SHOPPING PRIVILEGE* ALLOWING TAX-FREE PURCHASE OF LIVELIHOOD TOOLS AND PROVIDING THE OPPORTUNITY TO AVAIL OF THE NECESSARY TRAINING TO ENABLE THE *BALIKBAYAN* TO BECOME ECONOMICALLY SELF-RELIANT MEMBERS OF SOCIETY UPON THEIR RETURN TO THE COUNTRY.

SEC. 2. Section 2(a) of the same Republic Act is hereby amended to read as follows:

"SEC. 2. *Definition of Terms*. - For purposes of this Act:

(a) The term "*balikbayan*" shall mean a Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year, [a Filipino overseas worker] AN OVERSEAS FILIPINO WORKER, or a former Filipino citizen and his family, as this term is defined hereunder, who had been naturalized in a foreign country and comes or returns to the Philippines; and

(b) The term "family" shall mean the spouse and the children of the *balikbayan* who are not *balikbayan* in their own right traveling with the latter to the Philippines."

SEC. 3. *Benefits and Privileges of the Balikbayan*. - The *balikbayan* and his family shall be entitled to the following:

(a) Tax-free maximum purchase in the amount of One Thousand United States dollars (US \$1,000.00) or its equivalent IN PHILIPPINE PESO AND in other acceptable foreign currencies at [Philippine duty free shops] THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS subject to the limitations contained in Section 4 hereof;

(b) The national carrier shall establish a special promotional/incentive program for the *balikbayan*;

(c) For foreign passport holders with the exception of restricted nationals, visa free entry to the Philippines for a period of one (1) year;

(d) Travel tax exemptions provided under Presidential Decree No. 1183, Executive Order No. 283, and other allied laws; [and]

(e) Especially designated reception areas at the authorized port of entry for the expeditious processing of documents; AND

(F) *KABUHAYAN SHOPPING PRIVILEGE* THROUGH AN ADDITIONAL TAX-FREE PURCHASE IN THE MAXIMUM AMOUNT OF ONE THOUSAND UNITED STATES DOLLARS (US\$1,000.00) OR ITS EQUIVALENT IN PHILIPPINE PESO AND OTHER ACCEPTABLE FOREIGN CURRENCIES FOR THE PURCHASE OF LIVELIHOOD TOOLS AT THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS.

THE TOTAL AMOUNT OF TAX-FREE MAXIMUM PURCHASE AS MENTIONED IN SUB-PARAGRAPHS (A) AND (F) OF THIS SECTION MAY BE USED FOR THE *KABUHAYAN PROGRAM*, SUBJECT TO THE LIMITATIONS CONTAINED IN SEC. 4 HEREOF.

The privileges granted under this Act shall be in addition to the benefits enjoyed by the *balikbayan* under existing laws, rules and regulations."

SEC. 4. *Limitations on Tax-Free Purchases AT THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS*. - The tax-free purchase privilege shall be subject to the following limitations:

(a) Purchase shall [only] be made in United States dollars or IN PHILIPPINE PESO AND IN other acceptable foreign currencies;

(b) Purchases shall be made within [forty-eight (48) hours] SEVEN (7) CALENDAR DAYS from date of arrival, EXCEPT DURING CHRISTMAS SEASON, RECKONED FROM NOVEMBER 15 TO JANUARY 15, THE PRIVILEGE IS EXTENDED TO FIFTEEN (15) CALENDAR DAYS: PROVIDED, THAT SAID PRIVILEGES SHALL BE AVAILED OF ON A ONE-TIME SHOPPING BASIS;

(C) The privilege is non-transferable; purchases shall be made personally by the *balikbayan* for himself; EXCEPT, THAT AN OVERSEAS FILIPINO WORKER (OFW), DULY CERTIFIED AS SUCH BY THE PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA), OVERSEAS WORKERS WELFARE ADMINISTRATION (OWWA), PHILIPPINE OVERSEAS LABOR OFFICER OR BY THE EMBASSY/CONSULATE OF THE PHILIPPINES, TAKING INTO CONSIDERATION THE EVIDENCE OF REMITTANCE, MAY OPT TO ENDORSE IN WRITING THE *KABUHAYAN* SHOPPING PRIVILEGE TO HIS IMMEDIATE FAMILY MEMBERS RESIDING IN THE PHILIPPINES: PROVIDED, THAT THE ENDORSEMENT OF THE PRIVILEGES SHALL BE AVAILABLE ONLY ONCE WITHIN TWO (2) YEARS FROM THE DATE OF EFFECTIVITY OF HIS CONTRACT AND ONLY DURING THE DURATION OF THE SAME.

FOR PURPOSES OF THIS PROVISION, THE IMMEDIATE FAMILY SHALL INCLUDE THOSE RELATED CONSANGUINITY OR AFFINITY UP TO THE SECOND DEGREE.

(d) The privilege can be availed of by the *balikbayan* only once a year;

(e) Only a *balikbayan* of majority age under Philippine laws can enjoy the privilege: *Provided, however,* That minors shall continue to be entitled to purchase privilege not exceeding Two hundred fifty US dollars (US\$250.00); and

(f) In addition to existing limitations on the number of consumables purchased, a *balikbayan* shall be entitled to buy only one (1) item of every product category of non-consumables whose selling price exceeds Two hundred United States dollars (US\$200.00).

SEC. 5. A new section is hereby added after Section 4 of the same Republic Act to be denominated as Section 5 to read as follows:

SEC. 5. *TRAINING PROGRAMS.* - THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE), THROUGH THE OWWA, IN COORDINATION WITH THE TECHNOLOGY AND LIVELIHOOD RESOURCE CENTER (TLRC), TECHNICAL

EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA), LIVELIHOOD CORPORATION AND OTHER CONCERNED GOVERNMENT AGENCIES, MAY PROVIDE THE NECESSARY ENTREPRENEURIAL TRAININGS AND LIVELIHOOD SKILLS PROGRAMS AND MARKETING ASSISTANCE TO *BALIKBAYAN* WHO WILL AVAIL OF THE *KABUHAYAN* PROGRAM IN ACCORDANCE WITH THE EXISTING RULES ON THE GOVERNMENT'S REINTEGRATION PROGRAM.

IN THE CASE OF NON-OFW *BALIKBAYAN*, THE DEPARTMENT OF TOURISM SHALL MAKE THE NECESSARY ARRANGEMENTS WITH THE TLRC AND OTHER TRAINING INSTITUTIONS FOR POSSIBLE LIVELIHOOD TRAINING.

SEC. 6. Section 5 of the same Republic Act and the succeeding sections are hereby renumbered accordingly.

SEC. 7. The Department of Tourism, in coordination with other government agencies concerned, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 8. All laws, executive orders, presidential decrees, rules and regulations and other issuances pertinent thereto inconsistent with the provisions of this Act are hereby amended, repealed, or modified accordingly.

SEC. 9. This Act shall take effect fifteen (15) days after publication in the *Official Gazette* or in two newspapers of general circulation.

Approved,

Senator Legarda Leviste. Mr. President, I ask that the sponsor of the measure, Sen. Noli de Castro, be recognized.

The President. Sen. Noli de Castro is recognized to sponsor the measure.

#### SPONSORSHIP SPEECH OF SENATOR DE CASTRO

Senator De Castro. Ginoong Pangulo, mga kagalanggalang na kapwa ko senador, malugod pong ini-sponsor ng inyong Komite ng Turismo, na pinamumunuan ng inyong lingkod, ang



Committee Report No. 38 na naglalayong dagdagan ang mga benepisyo at pribilehiyong ibinibigay sa ating mga balikbayan ayon sa kasalukuyang batas, ang Republic Act No. 6768.

Ang Committee Report No. 38 ay produkto ng pag-aaral ng Senate Bill Nos. 640, 1007 at 1156 na isinumite nina Senador Loren Legarda Leviste, Manuel Villar at Ramon Magsaysay Jr. Nakatulong ko rin po sa mga pagdinig ang Senate Committee on Ways and Means na pinamumunuan ni Sen. Ralph G. Recto.

Bago po ang lahat, Ginoong Pangulo, hayaan ninyong pasalamat na ang lahat ng tumulong sa inyong lingkod sa pagsuri at pagdinig ng panukalang ito sa ilang mga *committee hearings*, lalo na kina Sen. Juan Flavio Velasco at Sen. Ramon B. Magsaysay na, *as usual*, ay laging nagbibigay ng *quorum*. Lubos din po akong nagpapasalamat sa lahat ng *resource persons* na nagbibigay ng kanilang oras at suporta sa panukalang-batas na ito. At tulad nila, marami tayong mga kababayang naghihintay, sa loob at labas ng ating bansa, na maisabatas ang panukalang ito upang sila at ang kanilang mga pamilya ay makatamasa naman ng mga karagdagang benepisyo.

Ginoong Pangulo, ang ating mga kababayang nasa ibang bansa sa kasalukuyan, lalo na ang ating mga Overseas Filipino Workers (OFW) na tinaguriang mga buhay na bayani, ay isa sa mga pinakamalaking namumuhunan sa ating bansa. Ang kanilang kontribusyon sa ating ekonomiya ay hindi matatawaran. Makailang beses nang isinalba ng ating Overseas Filipino Workers ang ating bansa sa tuluyang pagkasadlak sa *deficit* sa pamamagitan ng kanilang *remittances*. Ito ang kapalit ng kanilang sakripisyo habang malayo sa kanilang mga minamahal na pamilya.

Indeed, Mr. President, overseas employment, despite the promise of big salary, has its costs. Working in a foreign society affects social and family structures and the individual worker's value system. This is the painful price OFWs have to endure to earn a decent living.

Bilang pagkilala sa kanilang kabayanihan, karapat-dapat lamang na maragdagan ang mga benepisyo ng ibinibigay ng kasalukuyang batas.

Ayon sa datos ng Philippine Overseas Employment Administration (POEA), humigit-kumulang sa 7.3 milyong Filipino ang nasa ibang bansa. Sa kabuuang bilang na ito, 6.2 milyon ay Overseas Filipino Workers. This would translate to roughly about several million families in the country being supported, one way or the other, by the Overseas Filipino Workers. A comparative study of the figures corresponding to the number of overseas Filipinos in 1989 when RA No. 6768 was enacted into law and the most recent figures reveal a surprising increase of Filipinos working abroad.

Since 1989, an estimated four million transferred to foreign lands in the hope of finding greener pastures. That amounts to at least 350,000 deployments each year for the past decade. In 2001, for example, Mr. President, a total of 866,590 Filipinos were deployed for overseas employment.

One benefit of overseas employment to our country is that it is a source of foreign exchange. Dollar remittances increased from US\$4.9 billion in 1986 to US\$6.2 billion in 2001. As a percentage of gross national product (GNP), this increased to 8.2% in 2001 from 7.2% in 1998. During the Asian crisis in 1997-1998, the Philippine economy escaped a negative growth in 1998 as dollar inflows from overseas workers propped up domestic economy. This translates to about US\$6.05 billion remittances in 2000 and US\$6.2 billion in 2001 or about 8.2% of our Gross National Product (GNP).

Ginoong Pangulo, patuloy po ang paglaki ng bilang ng ating mga kababayang lumilipad palabas ng ating bansa upang makapagtrabaho. Marami sa ating mga *skilled workers* at propesyonal ay walang trabaho o kung mayroon man, ang kanilang kinikita ay hindi sapat na panustos sa kanilang pamilya. Sa kadahilanang ito, kinakailangan pa nilang pangibang-bansa. Hence, the generation of domestic employment should remain a major priority. Kung kaya isinusulong ng kasalukuyang panukala ang pagbibigay ng *additional privilege* sa ating mga balikbayan upang makapamilya ng mga kagamitang pangkabuhayang *tax and duty-free* at makapagsimula ng pagkakakitaan pagbalik sa ating bansa.

Makailang beses po, Ginoong Pangulo, na nating narinig na marami sa ating mga OFWs ang umalis na mahirap at bumalik na mahirap pa rin. Kumbaga, napupunta lamang sa wala ang ilang taon nilang pinaghirapan sa ibang bansa at malayo pa sila sa kanilang mga mahal sa buhay. Ang ilan ay nagwawaldas ng pinag-ipunan o nalulugi sa mga negosyong matatawag nating "highly risky."

Kung kaya isang magandang balita para sa ating mga OFWs ang Kabuhayan Program, kung saan sila ay malayang makakapamilya ng mura at dekalidad na kagamitang pangkabuhayan. This will pave the way for the development of small-scale business industry.

In this regard, Mr. President, we, the members of this august Body, should provide an atmosphere of hope and a climate of opportunity for our *balikbayan*, especially the OFWs who are our living heroes, by providing them the domestic sources of livelihood. This is also expected to facilitate generation of foreign exchange and government revenues. This will also empower our *balikbayan* and their families to be active participants in the effort of the government to develop the tourism industry.

Mr. President, under Republic Act No. 6768, the shopping privilege granted to our *balikbayan*, including our Overseas

Filipino Workers, is pegged at US\$1,000. Subsequently, Executive Order No. 250 provided an additional US\$1,000 shopping privilege for frequent travelers. And for both enactments, the shopping privilege must be availed of within 48 hours from date of arrival.

This proposed bill seeks to provide reasonable adjustments or the availment of these privileges taking into account the additional thrust of providing Kabuhayan Shopping Privileges to OFWs. There are two other consequential benefits from the amendment proposed under this bill. One is the expected increase of foreign exchange earnings and other revenues that can fund the tourism program of the government. The other relates to domestic employment which, expectedly, will be generated by the livelihood projects under the proposed Kabuhayan Program.

At this point, Mr. President, may I be allowed to present to the Body specifically the proposed amendments of Committee Report No. 38 to Republic Act No. 6768.

First, Mr. President, the Balikbayan Program seeks to include a Kabuhayan Shopping Privilege which allows a tax-exempt purchase of livelihood tools and provides an opportunity for the *balikbayan* to avail himself of the necessary livelihood and entrepreneurial training. Thus, a *balikbayan*, including an OFW, shall be entitled to an additional US\$1,000 or its equivalent in Philippine pesos and other acceptable foreign currencies, for the purchase of livelihood tools at government-owned and -controlled duty-free shops.

Ginoong Pangulo, marami sa ating mga kababayang nasa *abroad* ang matagal nang humihiling ng ganitong insentibo. Ito ay magbibigay rin sa kanila ng alternatibo na panggagalingan ng kanilang kinikita sa oras na sila ay magdesisyong manatili nang permanente sa ating bansa.

Second, Mr. President, the period to avail of the shopping privilege is proposed to be extended from 48 hours to seven calendar days upon date of arrival, except during Christmas season, or from November 15 to January 15, when the period shall be extended to 15 days. Sa kasalukuyang sitwasyon po, maliit na porsiyento lamang ng mga balikbayan ang nagsasadya sa mga duty-free shops. For 2001, for example, out of 1.77 million *balikbayan* arrivals, only 241,285, or a meager 13.6% visited the duty-free shops. The small number of balikbayan-shopper-turnout is primarily due to the very limited period given to avail themselves of the duty-free shopping privilege. Marami sa ating mga balikbayan ay nakakaranas pa ng pagod at jet lag pagdating sa Pilipinas. Kinakailangan nilang makapagpahinga upang maka-adjust sa bagong oras at panahon ang kanilang pangangatawan dito sa ating bansa. Thus, more often than not, a balikbayan will waive the privilege rather than suffer the stress of shopping immediately within 48 hours from date of arrival.

In addition, Mr. President, para po sa ating mga kababayang matagal nang nawala sa ating bansa, nangingibabaw pa ang pananabik na makita at mayakap ang kanilang mga mahal sa buhay na karamihan ay nasa malalayong probinsiya. Naturally, the last thing on their minds ay iyong mag-shopping.

Lastly, Mr. President, because of the new Kabuhayan Program, our balikbayan will need time to consult with their loved ones as to which business to enter into and what livelihood tools to buy. Thus, extension of the period to avail themselves of the duty-free shopping privilege is imperative.

Third, Mr. President, the privilege can only be availed of in government-owned and controlled duty-free shops. This amendment is intended to assure us that the increase in revenue generated by the increase in privilege will go to the coffers of the government.

Finally, Ginoong Pangulo, ang panukalang-batas na ito ay nagbibigay ng karapatan sa immediate family members ng ating mga OFWs na makinabang sa Kabuhayan Program at makapamilya ng mura at dekalidad na livelihood tools sa mga government duty-free shops kahit wala pa sa Pilipinas ang kapamilyang OFW sa pamamagitan naman ng tinatawag nating "absentee-buying privilege."

Under this scheme, the OFW may endorse to any of his immediate family members his privilege to avail themselves of the Kabuhayan Program. The endorsee may then buy livelihood tools from any of the government duty-free shops even while the OFW is abroad. The absentee-buying privilege is expected to benefit the families of our OFWs by allowing them to enter into worthwhile livelihood pursuits. These business ventures will also generate employment in the countryside and help many of our poor constituents who do not enjoy the privilege of having a family member working abroad.

Dahil sa mga nabanggit na probisyon ng panukalang-batas, Ginoong Pangulo, hinihikayat ko ang ating mga kasamahan na ating lalong pagbutihin ang kalagayan ng ating mga balikbayan, lalo na ang mga OFWs, sa bawat pagbalik nila sa ating bansa sa paraan ng pagsuporta sa panukalang-batas na ito.

Ginoong Pangulo, ang panukalang-batas na ito ay magbibigay ng karagdagang benipisyo sa ating mga kababayang nasa labas ng bansa, kung inyong mamarapatin na maging batas ito. Marami sa ating mga kababayan ang daragsa sa ating bansa. Malaking tulong ang maidudulot nito sa lokal na turismo at lalung-lalo na sa ekonomiya ng ating bansa.

Maraming salamat po, Ginoong Pangulo.

**The President.** The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF S. NO. 2101

**Senator Legarda Leviste.** Mr. President, I thank the good sponsor for that. I move that we suspend consideration of the measure to allow our colleagues to study the bill. Senator Angara has reserved to interpellate Senator De Castro.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

BILL ON SECOND READING  
S. No. 2095 — Securitization Act of 2002  
*(Continuation)*

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2095 under Committee Report No. 37.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2095 is now in order.

SUSPENSION OF SESSION

**Senator Magsaysay.** Mr. President, I move that we suspend the session for one minute.

**The President.** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 4:25 p.m.*

RESUMPTION OF SESSION

*At 4:27 p.m., the session was resumed.*

**The President.** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, I ask that we recognize Sen. Ramon B. Magsaysay Jr. to sponsor Senate Bill No. 2095.

**The President.** Sen. Ramon B. Magsaysay Jr. is recognized.

SPONSORSHIP SPEECH OF SENATOR MAGSAYSAY

**Senator Magsaysay.** Thank you, Mr. President.

The title of my sponsorship speech is "Leave No One Behind" Reaping the Benefits of Securitization.

Mr. President, my distinguished colleagues, I stand today to sponsor Senate Bill No. 2095 under Committee Report No. 37, the legislation on securitization. The bill is a consolidation of three policy measures on the administration and rationalization of the legal, fiscal and regulatory framework of securitization. The substitute bill, which came from those other measures filed by Senate President Franklin M. Drilon, Majority Leader Loren Legarda Leviste, Senators John H. Osmeña and Ralph G. Recto, is the end result of the discussions participated by banking institutions and investment houses, members of Congress, government agencies and government funding institutions.

I have chosen to title this sponsorship speech on securitization "Leave No One Behind" on the basis of a sacred trust among soldiers in combat, which was mentioned several times in recent war pictures as "Black Hawk Down," "Behind Enemy Lines" and "We Were Soldiers." It is a pact synonymous with duty, honor and tradition held by every military man or woman in crucial, life-threatening times as war. "Leave no one behind"—a phrase connoting brotherhood, unity and commitment.

As public servants, so must we adopt the same three philosophies to effectively institute reforms for economic growth.

Mr. President, distinguished colleagues, may I interest you with this story.

Two weeks ago, a friend of mine threw a party to celebrate his son's graduation from college. We had a nice talk with this young fellow. He is intelligent and full of bright prospects like many of our graduates today. He informed me of his future plans, including a comfortable home for his future wife and children.

I could only be hopeful for this young man who was sketching a piece of his own vision because at the back of my mind, I am aware of the realities of the times—that without collateral or credit track record, it is very unlikely that he could afford that starter home, that dream car and the good life which he aspires for.

This is true for a large number of Filipinos whose dream of decent housing seems remote. Unless one belongs to the upper 10% of our social strata, has the liquid cash and the property to mortgage, he is doomed to toiling for years before that concrete, wood and steel dream will ever materialize.

It is for this purpose that I strongly recommend for Senate approval the legislation on securitization. Through the bill, we will leave no one behind as we anchor our people to fully experience the right to a decent living condition that will lead to a better life, a brighter future for himself and his family. As we envision, the modern Filipino who is armed with sufficient education, determined, honest and hard working, will definitely not be left behind.

## RECORD OF THE SENATE

MONDAY, MAY 6, 2002

### OPENING OF THE SESSION

*At 3:43 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.*

**The President.** The 77th session of the First Regular Session of the Twelfth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Renato L. Compañero Cayetano.

After the prayer, the chorale from the National Power Corporation will lead us in the singing of the national anthem. The chorale will also render another song, entitled *Hilumin*.

*Everybody rose for the prayer.*

### PRAYER

**Senator Cayetano.** Let us pray.

Lord, You have given us everything, You gave us  
Your only Son, Jesus Christ, to redeem us from our sins.

You have given us life to live and to raise children.

You have given us Mother Earth to build our houses  
and plant trees.

You have given us bodies of water to quench our  
thirst and to water our plants.

But what have we given You in return?

We have forgotten what Your Son, Jesus Christ, had  
done for us.

Instead, we keep doing our wicked ways.

We have forgotten to protect Mother Earth and  
the environment.

We have forgotten our children, leaving them  
begging in the streets and living in shanties.

We have forgotten to preserve our water.

Instead, we infected it with garbage. We have  
forgotten our nation's need, just to cater to our desires.

But we also know, Lord, that You have a forgiving  
heart.

That if we repent, we shall be forgiven.

We then pray for forgiveness for our trespasses, our  
sins, our neglect.

We pray, too, for wisdom to avoid these pitfalls,  
courage to fight all evils and peace to unite us under one  
flag and one nation.

Amen.

### NATIONAL ANTHEM

*Everybody remained standing for the singing of the  
national anthem.*

**The President.** We thank very much the choir of the National  
Power Corporation.

The Secretary will please call the roll.

### ROLL CALL

**The Secretary.** *reading:*

Senator Edgardo J. Angara .....	Present
Senator Teresa Aquino-Oreta .....	Present
Senator Joker P. Arroyo .....	Present
Senator Robert Z. Barbers .....	Present
Senator Rodolfo G. Biazon .....	Present
Senator Renato L. Compañero Cayetano ....	Present
Senator Noli "Kabayan" De Castro .....	Present
Senator Luisa "Loi" P. Ejercito Estrada .....	Present
Senator Juan M. Flavio .....	Present
Senator Gregorio B. Honasan .....	Present
Senator Robert S. "JAWO" Jaworski .....	*
Senator Panfilo M. Lacson .....	Present
Senator Loren B. Legarda Leviste .....	Present
Senator Ramon B. Magsaysay Jr. ....	Present
Senator Blas F. Ople .....	Present
Senator John Henry R. Osmena .....	Present
Senator Sergio R. Osmena III .....	Present
Senator Francis N. Pangilinan .....	Present
Senator Aquilino Q. Pimentel Jr. ....	Present
Senator Ralph G. Recto .....	Present
Senator Ramon B. Revilla .....	Absent**
Senator Vicente C. Sotto III .....	Present
Senator Manuel B. Villar Jr. ....	Present
The President .....	Present

**The President.** With 22 senators present, the Chair declares  
the presence of a quorum.

\* On official mission

\*\* On account of illness

Now, who will determine if the financial condition of the national government is stable enough to go on with the staggered phasing of salary increases, Mr. President?

**Senator Magsaysay.** Is the gentleman referring to line 24 of Section 4?

**Senator Lacson.** Yes, Mr. President.

**Senator Magsaysay.** It says: "The implementation of this Act shall be undertaken in staggered phases, but not to exceed twenty-four months taking into consideration the financial condition of the national government."

We have been assured by the head of the Department of Budget and Management as early as March that this can be done, but of course there is always a qualification. But with the full support of the Senate and the Congress—and this is being certified by the President herself among the LEDAC measures that are prioritized—this will be implemented, Mr. President.

**Senator Lacson.** I am only concerned, Mr. President, because during the Eleventh Congress when we enacted the salary adjustments for the PNP, we were accused of congressional estafa because we were not able to implement it. So, I do not want it to be repeated in the Twelfth Congress. I am just trying to be assured that the 24-month implementation period will be complied with.

**Senator Magsaysay.** We would like to assure the gentleman that we are all one in this. If he wants to strengthen this statement, he will be having a sponsor who is open to strengthening and ensuring that this law will be implemented within the time frame.

**Senator Lacson.** Thank you very much, Mr. President.

**Senator Magsaysay.** Thank you, Mr. President.

**The Presiding Officer [Sen. Flavier].** The Majority Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2086

**Senator Legarda Leviste.** Mr. President, our other colleagues have reserved to interpellate Senator Magsaysay on this issue but they are not present in the hall today. I therefore move that we suspend consideration of Senate Bill No. 2086 under Committee Report No. 36.

**The Presiding Officer [Sen. Flavier].** Is there any objection? *[Silence]* There being none, the motion is approved.

#### SUSPENSION OF SESSION

**Senator Legarda Leviste.** Mr. President, I move that we suspend the session for one minute.

**The Presiding Officer [Sen. Flavier].** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 5:29 p.m.*

#### RESUMPTION OF SESSION

*At 5:29 p.m., the session was resumed.*

**The Presiding Officer [Sen. Flavier].** The session is resumed. The Majority Leader is recognized.

#### BILL ON SECOND READING

##### S. No. 2101 — Instituting a Balikbayan Program (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2101 under Committee Report No. 38.

**The Presiding Officer [Sen. Flavier].** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**Senator Legarda Leviste.** May I ask that the sponsor of the measure, Sen. Noli de Castro, be recognized?

**The Presiding Officer [Sen. Flavier].** Sen. Noli de Castro is recognized.

**Senator Legarda Leviste.** We are in the period of interpellations. To interpellate, I ask that Sen. Luisa Ejercito Estrada be recognized.

**The Presiding Officer [Sen. Flavier].** Sen. Luisa Ejercito Estrada is recognized for the interpellation.

**Senator De Castro.** I am ready, Mr. President.

**The Presiding Officer [Sen. Flavier].** Sen. Luisa Ejercito Estrada may now proceed.

**Senator Ejercito Estrada.** Will the gentleman from Mindoro yield for some questions, Mr. President?

**Senator De Castro.** Yes, Mr. President. It is an honor, to the former First Lady.

**Senator Ejercito Estrada.** Thank you, Mr. President.

I would like to congratulate the honorable sponsor on his commitment in trying to uplift the lives of our overseas Filipino workers by introducing certain amendments to Republic Act No. 6768, otherwise known as "An Act Instituting a Balikbayan Program."

Mr. President, please allow me at the onset to express my appreciation to our balikbayans and their families for the help, directly or indirectly, they have given to our country in general and to our economy in particular.

As a member of the sponsor's Committee on Tourism, allow me to make it clear that I am committed to support any and all legislation that will redound to the benefit of these modern-day heroes. However, Mr. President, as I was studying the committee report vis-a-vis the materials on the subject, I noticed some inconsistencies and disagreements which I believe will have to be properly addressed and clarified by the sponsor's committee.

For example, Mr. President, the honorable sponsor said on page 3, second to the last sentence of the last paragraph of his sponsorship speech, which reads: "There are two other consequential benefits from the amendment proposed under this bill. One is the expected increase in foreign exchange earnings and other revenues that can fund the tourism program of the government." Allow me to read it again: One of the benefits is "the increase in foreign earnings and other revenues."

Now, on page 5, Section 3(a), line 6 of the committee report, it says that the balikbayan and his family shall be entitled to a tax-free maximum purchase in the amount of US\$1,000 or its equivalent in Philippine peso. In line 19, it says that the balikbayan and his family shall also be entitled to the Kabuhayan shopping privilege through an additional tax-free purchase in the maximum amount of US\$1,000 or its equivalent in Philippine peso.

My question, Mr. President, is: How could we realize the expected increase in foreign earnings and other revenues if we allow tax-free purchases in Philippine peso? Tax-free na nga in Philippine pesos pa.

**Senator De Castro.** *Ginoong Pangulo, ang isa po sa pangunahing layunin ng batas na ito ay mabigyan ng karagdagang pribilehiyo ang ating mga kababayan, especially the overseas Filipino workers, bilang pagkilala sa kanilang kontribusyon sa ating economy through the foreign exchange inflow and revenues na puwede nilang ma-generate.*

*Ang tanong po ay ito: Paano makikinabang dito ang ating pamahalaan? Because we will accept also in peso. Tatanggap tayo ng peso.*

**Senator Ejercito Estrada.** Yes, Mr. President. *Tamapo iyon.*

**Senator De Castro.** Allright. *Kung dumarating po, Ginoong Pangulo, ang ating mga balikbayan, karaniwan ay may dala silang U.S. dollars or other kind of currencies.*

**Senator Ejercito Estrada.** Yes, Mr. President.

**Senator De Castro.** Karaniwan din po iyan na pagkatapos na dumating sa ating bansa ay magpapalit ng dolyar o ang ipinamimigay nila ay dolyar din sa kanilang kamag-anak. Pero inilagay po sa ating batas na maaaring gamitin din ang piso other than US dollars and other currencies. Dahil tayo lamang po sa buong mundo ang hindi tumatanggap ng sarili nating pera, which is in peso.

Ang ating layunin po rito ay makuha natin iyong mga pera na normally ay naiiwan sa bansang pinanggalingan ng isang overseas Filipino worker or a balikbayan. So with this kind of privilege, lalo na iyong kabuhayang nadagdag dito, iyong pera na dapat maiwan doon ay gagamitin na nila sa Pilipinas sa pamimili ng mga duty-free products sa ating mga duty-free shops. Kaya kahit in pesos ay nakukuha pa rin natin iyong pera na karaniwang naiiwan sa ibang bansang pinanggalingan ng isang balikbayan o ng isang overseas Filipino worker.

**Senator Ejercito Estrada.** Ginoong Pangulo, kasi po, pag nagbayad sila in pesos, iko-convert uli ng duty-free shop iyong pesos into dollars para ibili ulit ng gamit o paninda nito.

**Senator De Castro.** From peso to dollar, Mr. President.

**Senator Ejercito Estrada.** Peso to dollar. Kasi iyong dolyar sa ating revenues ay kulang pa nga. Ito bang situwasyon na ito ay maganda sa ating ekonomiya, Ginoong Pangulo?

**Senator De Castro.** I think so, Mr. President. Unang-una, may natanggap akong reklamo dito sa OWWA at sa duty-free shops. Kung minsan ay peso na ang hawak-hawak ng isang overseas Filipino worker—I am talking about overseas Filipino workers—ngunit pagpasok nila sa mga duty-free shops, kung required ng mga duty-free shops na magbayad sila in dollars or other foreign currencies, magpapalit na naman sila ng hawak nilang peso in dollar. Kung minsan naman ay dolyar ang hawak nila, magpapalit 3 peso, ngunit pagpunta na naman nila sa duty-free shops, palit sila in dollars. Kaya nagrereklamo ang mga overseas workers.

Pero hindi lamang po iyon ang isa sa mga kadahilanan kung bakit pinahihintulutan natin ang piso. Sapagkat ang layunin ng pribilehiyong ibinibigay sa mga balikbayan o overseas Filipino workers ay para hindi nga makalabas iyong pera na karaniwang

naiiwan sa bansang pinanggalingan ng isang balikbayan o ng isang overseas Filipino worker.

So, instead of buying those products from the country na kanilang pinanggalingan, dito na lamang sa Pilipinas sila bibili through the duty-free shops. Kaya ang pera ay hindi naiiwan sa labas ng bansa kundi ito ay naipapasok sa loob ng ating bansa, either in the form of dollars or other foreign currencies.

**Senator Ejercito Estrada.** Ginoong Pangulo, kung i-insist po natin na dolyar na lamang ang babayaran natin and then the objective is to increase the foreign exchange earnings, paano kung hindi iwan ng balikbayan ang dolyar? Mas maganda kung dolyar na rin at sigurado pa tayong

**Senator De Castro.** Kasi, Ginoong Pangulo, liberalized narin ang ating foreign exchange. Hindi na masyadong istrikto dito. At ang isa ngang ibinigay kong dahilan, the only duty-free shop in the whole world na hindi tumatanggap ng sariling pera ay itong atin. So they adopted itong paggamit ng ating Philippine peso. Kaya iyong reklamo nga ng mga overseas Filipino workers, iyong dolyar na dala-dala nila at papapalitan nila ng peso, ngunit pagpunta nila sa duty-free shop ay magpapapalit uli sila in dollars dahil hindi nga tatanggapin ng mga duty-free shops iyong dollar.

**Senator Ejercito Estrada.** Thank you very much for that answer, Mr. President.

During the first committee hearing held last October 23, 2001, the representatives of various government agencies registered the following objections: From the Department of Finance and the Philippine International Trade Incorporation, which is under the Department of Trade and Industry, increasing the shopping privilege will tend to favor imported products and might be deemed as being insensitive to the current plight of Philippine manufacturers and retailers.

Mr. President, how do we explain this to local manufacturers and retailers? *Paano ninyo maipapaliwanag ito sa mga manufacturer and retailer?*

**Senator De Castro.** For example, electronics, Mr. President. *Ang laman po ng duty-free shops ay mga locally manufactured televisions, stereos and other electronic products. Isa po iyon sa nakakatulong sa ating ekonomiya.* Sapagkat nadadala iyon ng mga manggagawa sa ating bansa, lalo na sa mga pabrika ng television sets and stereos.

Pangalawa, itong bill na ito ay may kaugnayan lamang sa kabuhayang idinadagdag natin sa halagang US\$1,000. Tama po kayo na sa committee hearing ay napansin natin ang oposisyon ng local retailers dahil ang iniisip nila ay ang inaasahan o expected

losses kung saka-sakali. Pero kung isasaalang-alang natin ang experience sa ilalim ng R.A. 6768, walang epekto ito, in the same manner na wala itong epekto sa livelihood tools or equipment na bibilhin ng mga kababayan nating OFWs at balikbayan sa mga duty-free shop natin. Maliban diyan, ang ating government duty-free shops—*nais lamang bigyang diin dito, Ginoong Pangulo*, na ang pinag-uusapan natin ay owned-and-controlled duty-free shops ng ating pamahalaan—ay may limited market lang. Ang ating mga duty-free shops deal only with balikbayan. Ang halaga ng tools na puwedeng bilhin is limited only to US\$1,000, at the most is US\$2,000, dahil iyong shopping privilege na nasa R.A. 6768 ay puwedeng idagdag. Kung kulang ang US\$1,000 para sa tools or equipment, puwedeng kumuha ang isang balikbayan o isang OFW doon sa kaniyang shopping privilege.

**Senator Ejercito Estrada.** *Ito ba ang sinasabi ninyong Kabuhayan Program, Mr. President?*

**Senator De Castro.** *Opo, Ginoong Pangulo.*

**Senator Ejercito Estrada.** *Itong Kabuhayan Program, successful po ba ito o hindi?*

**Senator De Castro.** Well, there are government agencies na may sariling programa tungkol sa kabuhayan ng ating mga manggagawa, lalo na ang mga overseas Filipino workers natin. Kaya makikita natin kung paano magiging successful o tagumpay ito. At sa nakikita ko, magiging successful ito sapagkat, according to the report of OWWA, ito po ang kahilingan ng mga overseas Filipino workers. Nais nilang makabili ng murang equipment o tools na magagamit nila, lalong-lalo na kung babalik na sila sa Pilipinas. Alam naman natin na kapag bumalik na sila sa Pilipinas, at wala na silang tsansang makapagtrabaho pang muli sa ibang bansa, tiyak na maghahanap na sila ng trabaho. So their number one problem ay ang makakuha ng trabaho dito sa Pilipinas. Kaya sila nag-abroad ay dahil sa walang magandang trabahong naghihintay sa kanila rito. Kaya sa pag-uwi nila rito ay may nakahanda nang programa ang ating pamahalaan, hindi lamang iyong Kabuhayan Shopping Privilege na nagpapahintulot ng tax-free purchase ng livelihood tools, kundi may opportunity pa na puwede silang mag-avail ng mga kinakailangang training para sila ay maging economically self-reliant na miyembro ng ating lipunan upon their return to our country.

Kaya hindi lamang pribilehiyo para makabili ng tax-free na tools or equipment para magamit nila sa gusto nilang kabuhayan, kundi mayroon pang training na ipo-provide, for example, ang TESDA kung ano mang hanapbuhay ang gusto nilang pasukin kapag sila ay bumalik na sa Pilipinas.

**Senator Ejercito Estrada.** Ginoong Pangulo, since 1996 pa po ba itong Kabuhayan Program? Ano ba ang naging benepisyo

ng programang ito para sa mga balikbayan? Ito ay noong 1996 pa nag-umpisa. Ano ba ang mga benepisyong natanggap ng mga balikbayan?

**Senator De Castro.** Mr. President, are we talking about the programs of the duty-free shops?

**Senator Ejercito Estrada.** Iyong pong Kabuhayan Program.

**Senator De Castro.** Mr. President, after the economic crisis in 1997, *walang gaanong bumili ng mga equipment or tools sa Kabuhayan section ng duty-free shops.* I believe na nag-sale ito para lamang maubos ang mga paninda nito. And up to now, *may ilan pang mga tools, pero maliliit na tools na lamang ang natitira sa duty-free shop.* So, after the economic crisis in 1997, *talagang wala pong bumili.* At before, *wala ring support* from TESDA for training para sa mga overseas Filipino workers *na gustong pumasok sa anumang kabuhayan.*

So, this time, Mr. President, *kapag natuloy na ito, magkakaroon ng training para sa mga balikbayan upang sila ay maging economically self-reliant members of our society.*

**Senator Ejercito Estrada.** *Bumalik tayo, Ginoong Pangulo, doon sa objections ng Department of Finance sa inyong ginanap na committee hearing.*

The Department of Finance believes that it is too liberal if we increase the privilege from US\$1,000 to US\$2,000 as compared to the international standard which is only US\$250. Mr. President, may we know the reason for such a wide discrepancy?

**Senator De Castro.** Ginoong Pangulo, hindi po natin dinadagdagan ang shopping privilege ng mga overseas Filipino worker sapagkat ito ay nilalaman na ng ating batas. Ang panukalang-batas na ito ay nagdadagdag lamang ng US\$1,000 exclusive para sa Kabuhayan Program ng ating pamahalaan. Sapagkat naniniwala tayo na mas kinakailangan ng ating mga overseas Filipino worker at balikbayan ang hanapbuhay kapag sila ay bumalik na sa Pilipinas. Sapagkat walang naghihintay sa kanilang mga trabaho rito, walang naghihintay sa kanilang mga negosyo, at kailangang mabuhay ang kanilang pamilya.

So, instead of just buying other products like chocolate, alcohol or cigarettes sa duty-free shops, *itong kabuhayan ang ating idinagdag sa pribilehiyo para matulungan at maibalik muli ang ating mga kababayan re-integration program na nasa ilalim ng OWWA.* Sapagkat may re-integration program ang ating pamahalaan through OWWA. So consistent ito sa ating government reintegration program para sa mga overseas Filipino worker.

**Senator Ejercito Estrada.** *Nais ko lamang itanong uli ang tungkol sa mandate ng duty-free shops. Iyong net income nila ay inire-remitsa Department of Tourism for tourism development projects. Ano po ang masasabi ninyo roon? Ito ba ay tama, Ginoong Pangulo?*

**Senator De Castro.** *Ginoong Pangulo, sailalim ng Executive Order No. 46—this was the time of former President Corazon Aquino—inilagay niya ang mga duty-free shop sa ilalim ng Department of... Well, hinawakan, in other words, ng ating pamahalaan ang mga duty-free shops dahil dati itong hawak ng private—the Tantocos before. Kaya noong maging Presidente si Corazon C. Aquino ay nagpalabas ito ng EO No. 46. The duty-free shop or Duty Free Philippines was mandated to remit to the national government, sa pamamagitan ng Department of Tourism, all net profits magmula sa kanilang merchandising operation.*

Whereas under Executive Order No. 140, the Duty-Free Philippines was mandated to remit to the national government 1.5% of its net sales. *Iyong halagang inire-remitsa national government ay ginagamit naman ng Department of Tourism to finance tourism projects being undertaken o isinasagawa ng Philippine Tourism Authority, the implementing arm of the DOT on infraprojects related to tourism.*

**Senator Ejercito Estrada.** *Ginoong Pangulo, paano kung totoo na itong Duty-Free Philippines' money, which runs to billions of pesos, is not subjected to the budgetary overview of Congress?*

#### SUSPENSION OF SESSION

**Senator De Castro.** Mr. President, I move that we suspend the session for one minute.

**The Presiding Officer [Sen. Flavio].** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 5:52 p.m.*

#### RESUMPTION OF SESSION

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

**The Presiding Officer [Sen. Flavio].** The session is resumed. Senator De Castro may proceed.

**Senator De Castro.** Mr. President, the question of the lady senator is: *Kung ito pong budget ng Duty Free Philippines ay...*



**Senator Ejercito Estrada.** No, *ganito po iyon, Ginoong Pangulo. Iyong pera ng Duty Free Philippines*—which is worth billions of pesos—*ay hindi* subject to budgetary overview ng Congress. *Parang walang audit.*

**Senator De Castro.** All right. First, Mr. President, *hindi nangagaling sa national government itong pera ng duty-free shops, ng Duty Free Philippines. At ang Duty Free Philippines na binuo under Executive Order No. 46 ay covered ng COA rules. It is covered by COA rules and regulations.*

So it is also my understanding, Mr. President, *na sa ilalim ng ating Constitution, Article IX-D, Section 3, ipinagbabawal ang pagpapasa ng ano mang batas na mag-i-exempt sa any entity ng ating pamahalaan from the jurisdiction of the Commission on Audit. Kaya malinaw din na covered ito ng COA rules and regulations. And during the budget hearings ipini-present din ng Department of Tourism officials ang kanilang mga gastusin at nandoon kasama iyong kinukuha nila from the Duty Free Philippines para sa DOT. So pine-present rin ito sa budget hearing yearly.*

**Senator Ejercito Estrada.** *Ginoong Pangulo, ilang percentage kaya ang napupunta sa Department of Tourism iyong galing sa Duty Free Philippines?*

**Senator De Castro.** *Ginoong Pangulo, dapat po ay 100% ang ire-remit ng Duty Free Philippines sa Department of Tourism. Of course, may allowances doon sa future losses or expansion ng Duty Free Philippines. Pero kung walang kita ang Duty Free Philippines, walarin pong maire-remit sa Department of Tourism.*

For example, Mr. President, for the year 2001, according to Duty Free Philippines, *hindi sila nakapag-remit sa Department of Tourism sapagkat bagsak ang sales ng Duty Free Philippines during the year 2001. Ngayon pong 2002, according to them ay medyo umaangat na ang sales ng Duty Free Philippines.*

**Senator Ejercito Estrada.** *Maraming salamat, Ginoong Pangulo. Siguro at this time, we should maybe have time-honored concepts on transparency and check and balance. Siguro ganoon po ang puwede nating gawin.*

**Senator De Castro.** *Opo. Mr. President, may I read the Summary of Remittances ng Duty Free Philippines from the year 1987 to 2001:*

1987, *nag-remit sila ng P10 million; 1988, more than P76 million;*

1989, *more than P225 million;*

1990, *more than P171 million;*

1991, *more than P370 million;*

1992, *more than P334 million;*

1993, *more than P550 million;*

then 1994, *P555 million;*

1995, *P455 million;*

1996, *more than P961 million, almost P1 billion;*

then 1997, *more than P731 million;*

1998, *P160.560 million;*

1999, *P99 million;*

then 2000, *P36.500 million;*

2001, *iyon po walang nai-remit ang Duty Free Philippines sa Department of Tourism.*

So from 1987 to 2001, a total of P4,736,127,238.51, Mr. President.

**Senator Ejercito Estrada.** *Ginoong Pangulo, mayroon po bang ibang exporting countries na mayroon ding ganitong programa katulad ng India o kaya ibang ASEAN countries? Mayroon po basilang programa katulad ng Kabuhayan Program natin?*

**Senator De Castro.** *Ang alam ko po, Ginoong Pangulo, ay wala. Tayo lamang po. Unique ito sa Pilipinas dahil ganoon nating kamahal ang mga overseas Filipino workers natin na umaabot ng pitong milyong indibiduwal at nagpapasok sa ating bansa ng more or less US\$7 billion.*

**Senator Ejercito Estrada.** Finally, Mr. President, if we are really to strengthen the commitment and thrust of the government in appreciating the efforts and contributions of the *balikbayan*, why was the proposal to create the Balikbayan Program Council, which was supported by the BFP, not included in this committee report?

**Senator De Castro.** Mukhang hindi na po kailangan, Ginoong Pangulo, sapagkat stated na sa Republic Act No. 6768 na every two years ay i-a-amend ng Kongreso o ire-review ang nilalaman ng ating batas.

**Senator Ejercito Estrada.** Again, Mr. President, I would like to thank the gentleman for clarifying certain contentious issues contained in the committee report. We hope that the points that

we have raised would be properly addressed and acted upon by the committee.

*Maraming salamat po, Ginoong Pangulo.*

**Senator De Castro.** *Maraming, maraming salamat din po, Ginocng Pangulo, at maraming salamat din po to the good senator.*

**The Presiding Officer [Sen. Flavie].** The Majority Leader is recognized.

**SUSPENSION OF CONSIDERATION OF S. NO. 2101**

**Senator Legarda Leviste.** Mr. President, our other colleagues have also signified their intention to interpellate. The others are not present today. I therefore move that we suspend consideration of the measure.

**The Presiding Officer [Sen. Flavie].** Is there any objection? *[Silence]* There being none, the motion is approved.

**ACKNOWLEDGMENT OF THE OFFICIAL VISIT OF THE  
STUDENTS FROM THE MINDANAO STATE  
UNIVERSITY, MARAWI CITY CAMPUS**

**Senator Legarda Leviste.** Mr. President, before we adjourn, I would like to acknowledge the presence of students from the Mindanao State University, Marawi City Campus, accompanied by Prof. Mustapha Lumala Dimaro and Prof. Fatima Amirva Rujumsar.

**ADJOURNMENT OF SESSION**

I move that we adjourn today's session until three o'clock sharp tomorrow afternoon, Tuesday, May 7, 2002.

**The Presiding Officer [Sen. Flavie].** Is there any objection? *[Silence]* There being none, the session is adjourned until three o'clock sharp tomorrow afternoon, Tuesday, May 7, 2002.

*It was 6:02 p.m.*

## RECORD OF THE SENATE

**THURSDAY, MAY 9, 2002**

### RESUMPTION OF THE SESSION

*At 10:22 a.m., the session was resumed with the Senate President, Hon. Franklin M. Drilon, presiding.*

**The President.** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** I move that we proceed to the Second Additional Reference of Business.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

The Secretary will please read the Second Additional Reference of Business.

### SECOND ADDITIONAL REFERENCE OF BUSINESS

#### COMMITTEE REPORTS

**The Secretary.** Committee Report No. 42, prepared and submitted by the Committee on Foreign Relations on Proposed Senate Resolution No. 295, entitled

RESOLUTION CONCURRING IN THE RATIFICATION OF THE AGREEMENT ON SCIENTIFIC AND TECHNICAL COOPERATION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE REPUBLIC OF PANAMA,

recommending its approval without amendments.

Sponsor: Senator Ople

**The President.** To the Calendar for Ordinary Business

**The Secretary.** Committee Report No. 43, prepared and submitted by the Committee on Foreign Relations on Proposed Senate Resolution No. 296, entitled

RESOLUTION CONCURRING IN THE RATIFICATION OF THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE REPUBLIC OF PERU ON SCIENTIFIC AND TECHNICAL COOPERATION

recommending its approval without amendments.

Sponsor: Senator Ople

**The President.** To the Calendar for Ordinary Business

**The Secretary.** Committee Report No. 44, prepared and submitted by the Committee on Foreign Relations on Proposed Senate Resolution No. 297, entitled

RESOLUTION CONCURRING IN THE ACCEPTANCE OF THE WORLD HEALTH ASSEMBLY RESOLUTION NO. 51.23 AMENDING ARTICLES 24 AND 25 OF THE WORLD HEALTH ORGANIZATION (WHO) CONSTITUTION,

recommending its approval without amendments.

Sponsor: Senator Ople

**The President.** To the Calendar for Ordinary Business.

The Majority Leader is recognized.

#### SPECIAL ORDERS

**Senator Legarda Leviste.** Mr. President, I move that we transfer from the Calendar for Ordinary Business to the Calendar for Special Orders Committee Report No. 39 on Senate Bill No. 2104, entitled

AN ACT PROVIDING FOR A SYSTEM OF ABSENTEE VOTING BY QUALIFIED FILIPINOS ABROAD, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING

**S. No. 2104 — The Absentee Voting Act of 2002**

**Senator Legarda Leviste.** Mr. President, I move that we consider Senate Bill No. 2104 as reported out under Committee Report No. 39.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

Consideration of Senate Bill No. 2104 is now in order. With the permission of the Body, the Secretary will read only the title of the bill without prejudice to inserting in the *Record* the whole text thereof.

**The Secretary.** Senate Bill No. 2104, entitled

AN ACT PROVIDING FOR A SYSTEM OF ABSENTEE VOTING BY QUALIFIED

Right now, our PNP rank profile, as the gentleman said, there is one authorized director general but there are three deputy director generals. I think there should only be one.

**Senator Sotto.** No. We just want the gentleman's reaction because we are looking at a possible alternative to lower the financial requirement of the proposed increase. We are only looking at that.

**Senator Magsaysay.** We are getting the help of our in-house general.

**Senator Biazon.** Mr. President.

**The President.** Sen. Rodolfo G. Biazon is recognized.

**Senator Biazon.** Mr. President, with the permission of the two gentlemen, may I interject.

Mr. President, we are not comparing here the table of organization of the Armed Forces of the Philippines with the Philippine National Police, because these two are different organizations. What we are comparing here are the levels of responsibility.

For example, it is true that we may only have one deputy director general. But how can we equate a civilian organization to a military organization?

What we are comparing here, Mr. President, are the levels of responsibility which are defined by the rank in the military.

So there is no relationship between the two organizations of the PNP and the AFP—the number of generals in the PNP and the number of generals in the AFP—because these are two different organizations. What we are comparing are the levels of responsibility here. So we have six lieutenant generals in the AFP as against only one in the PNP. But these two are different things. As I said, we should compare the levels of responsibility.

**Senator Sotto.** Thank you very much, Mr. President. I am very much enlightened. As a matter of fact, I remember that the gentleman interjecting was the former chairman of the Senate Committee on National Defense and Security. That is correct, I think, and I accept the explanation.

Anyway, Mr. President, there are very few questions left that I have but some of them might have been asked already. I am looking at the watch and it is almost twelve o'clock in the afternoon. The Senate President and I were in agreement that I had to excuse myself.

**The President.** The senator may terminate his interpellation so that we can terminate the period of interpellations and

proceed to the period of amendments, without prejudice to further questions during the period of amendments.

**Senator Sotto.** Just in case, yes, Mr. President, I will agree to that. I will terminate my interpellation on this bill. May I just take this opportunity to remind the chairman of the Senate Committee on National Defense and Security about some of the resolutions and the privilege speeches that have been referred to the committee. They can be somewhat related and it can be acted upon. I will not bring it up now. Probably, we will just bring it up on Monday.

Thank you, Mr. President.

**The President.** Thank you, Senator Sotto.

**Senator Legarda Leviste.** Mr. President, there are other colleagues who have reserved to interpellate for next week. They are the Minority Leader, Senator Pimentel; Senators Pangilinan and Serge Osmeña III. I would like to thank the good sponsor.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2086

Mr. President, I move that we suspend consideration of Senate Bill No. 2086.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING

##### S. No. 2101 — Instituting a *Balikbayan* Program (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**Senator Legarda Leviste.** I ask that the sponsor, Sen. Noli De Castro, be recognized.

**The President.** Sen. Noli De Castro is recognized.

**Senator Legarda Leviste.** We are in the period of interpellations. To interpellate, I ask that Sen. Teresa Aquino-Oreta be recognized.

**The President.** Sen. Teresa Aquino-Oreta is recognized.

**Senator Aquino-Oreta.** Thank you, Mr. President. Will the gentleman, our esteemed colleague, yield for some clarificatory questions?

**Senator De Castro.** Yes, Mr. President, to the good senator from Navotas, Malabon and Tarlac.

**Senator Aquino-Oreta.** I thank the gentleman.

Mr. President, a salient feature of this bill is that it provides the *balikbayan* a *kabuhayan* shopping privilege which allows them to purchase tax-free livelihood tools. May we know what the gentleman means by livelihood tools? And we were looking for the definition of "livelihood tools" and we could not find it in the bill. Can the gentleman please tell us what the gentleman means by "livelihood tools" and how come it was not defined in the bill?

**Senator De Castro.** Well, Mr. President, kapag sinabi po nating "tools," we would refer to tools necessary in the ordinary course of business. Halimbawa po, sa automotive, sa plumbing, kung ito ang papasukin ng balikbayan especially Filipino overseas workers. Electrical or electronics, even mechanical, carpentry, beauty parlor, metal works, and fabrication shops or even rice mill. So, we need these tools para tumakbo ang isang maliit na negosyo na puwedeng pasukin ng isang balikbayan, particularly an overseas Filipino worker.

**Senator Aquino-Oreta.** Then, Mr. President, how will we define "livelihood tools" in the bill?

**Senator De Castro.** Well...

**Senator Aquino-Oreta.** All the goods being sold—

**Senator De Castro.** Yes, from the...

**Senator Aquino-Oreta.**—will be considered tools?

**Senator De Castro.** At sa duty-free shop, kapag naaprubahan ang ating bill, ilalagay nila ang mga tool na ito with the help of OWWA. Dahil may mga sulat na natatanggap ang OWWA from overseas Filipino workers kung ano ang gusto nilang pasuking hanapbuhay pagdating nila sa Pilipinas, especially iyong mga natapos na ang kontrata, let us say, after two years, at wala na silang planong bumalik uli sa kanilang trabaho o wala nang trabahong naghihintay sa kanila o dahil sa naglalakihan na ang kanilang mga anak at kailangan na ang tulong nila. Para mai-prepara ang kanilang mga sarili—na wala silang makikitang hanapbuhay pagkatapos ng kanilang kontrata. These livelihood tools ang magbibigay sa kanila ng oportunidad—with the help of course of the necessary training—para sila ay maging economically self-reliant members ng ating lipunan pagkatapos na sila ay bumalik sa ating bansa at pagkatapos na makapagtrabaho ng ilang taon sa ibang bansa.

**Senator Aquino-Oreta.** Mr. President, the gentleman mentioned training.

**Senator De Castro.** Training.

**Senator Aquino-Oreta.** Training.

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino-Oreta.** Is this part of the gentleman's program that he is providing in this bill? Because when we say "tools," will this be specified? Or is the gentleman assuming that the goods that will be sold are all somehow related to tools? Because, Mr. President, we had a difficult time looking for the gentleman's definition of "livelihood tools." So, we would like to know if the program, the shopping or the goods that will be sold will all be categorized as "livelihood tools."

**Senator De Castro.** As a matter of fact, Mr. President, hindi lamang tools ang kailangan kundi pati na mga equipment para makapasok sa isang hanapbuhay ang isang balikbayan. As I mentioned earlier, ang "livehood tools" may be defined as tools, like, for example, sa isang automotive ay kailangan ng mga pliers. These are considered tools.

**Senator Aquino-Oreta.** Then they will be selling pliers.

**Senator De Castro.** Yes. Isa lamang ho iyong pliers.

**Senator Aquino-Oreta.** So, in other words, the gentleman is saying that the goods that will be sold will all be categorized now as tools.

For example, if the balikbayan would want to put up a karaoke bar,—

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino-Oreta.**—he can buy a karaoke machine, DVD players, sound system, amplifiers, et cetera. Are these the livelihood tools that the gentleman is mentioning in his bill?

**Senator De Castro.** Well, Mr. President, ang mga tool na ibebenta kung sakali sa duty-free shops are tools recommended by, for example, TESDA and the TLRC na sa palagay nila ay kinakailangan ng isang balikbayan. Gaya po ng binanggit ko kanina, maraming natatanggap na sulat ang OWWA na humihiling na magbenta ng tools at equipment ang mga duty-free shop na kapag sila ay pumasok na sa isang hanapbuhay upon their return after working for almost two to five years abroad.

**Senator Aquino-Oreta.** But, Mr. President, all these that the gentleman is mentioning are not in the bill. So, we do not know how to go about it now if we will have to mention all these in the period of amendments. They are not all in the basic bill.

Nevertheless, has the gentleman made a feasibility study? Have we conducted a study of what the gentleman said on the opinion of TESDA, the TLRC, and all these government agencies that are out there to help our balikbayan? Is there a study of how many of our *balikbayan* would want to enter into their own or into the business, into the mainstream that will be needing these livelihood tools from these duty-free shops?

**Senator De Castro.** At present, Mr. President, hindi po tayo aware kung ilan sa mga balikbayan natin ang gustong mag-avail nitong Kabuhayan Program sapagkat wala pa nga iyong batas. Pero ang isang pinagbatayan ng proposal na ito ay iyong kahilingan ng mga manggagawa na sila ay bigyan ng hanapbuhay or livelihood projects kapag sila po ay bumalik na sa ating bansa. For example, itong ginawa ng OWWA officials sa hearing. They reported to us their livelihood projects from January 1999 to December 2001 kung saan tumulong ang OWWA sa mga overseas Filipino worker natin na bumabalik na sa bansa sa pagtatayo, halimbawa, ng sari-sari stores, LPG retailing, hardware, aircon repair, computer services, photocopying, beauty parlor, even operating a tricycle, paggawa ng suka, figurines or ceramics, and the production of hollow blocks or fruit juices. Ito po ang napansin ng OWWA.

Pero ang ginagawa po ng OWWA ay nagpapautang ito ng assistance from P10,000 to P100,000, Ginoong Pangulo. The OWWA realizes na kulang na kulang ang ipinapautang nito sapagkat babayaran din ito ng mga overseas worker kapag umabot na sa P100,000 ang inutang nila sa OWWA.

**Senator Aquino-Oreta.** So what connection does that have with the livelihood tools that we are mentioning here in the bill when we will provide these tools and the overseas worker will buy them at a cheaper price? So it is in a different level now. What we are talking about is the duty-free shop that will provide tools so that these *balikbayan* will have a business of their own when they settle back in the country.

**Senator De Castro.** Base dito sa programa ng ating pamahalaan through OWWA na reintegrasyon ng mga balikbayan natin, lalung-lalo na ang mga overseas Filipino workers, ang pangunahing problema nila pagbalik sa bansa ay iyong makakuha ng trabaho, with the help of TLRC or even TESDA na magpo-provide ng training. Sapagkat ang OWWA ngayon ay mayroon nang reintegrasyon program at livelihood program para sa ating mga overseas Filipino worker. Pero kulang na kulang din itong ibinibigay na tulong ng OWWA sa ating overseas Filipino workers.

On their part naman, ang Duty Free Philippines ay magpo-provide ng necessary tools and equipment na tax-free kaya mas mura ang mga tool at equipment na ito kung ikukumpara sa labas. Dahil masyadong mahal, baka hindi bilhin ng mga overseas Filipino workers. Pero ang isang mahalaga sa panukalang-batas na

ito ay hindi lamang sila basta bibigyan ng murang tools and equipment for their livelihood projects kundi bibigyan din sila ng special training ng TESDA. Para hindi sila basta-basta papasok sa isang hanapbuhay at pagkatapos ay walang mangyayari. Gagasta lamang sila at mauubos iyong kanilang mga inipon for so many years while working abroad.

**Senator Aquino-Oreta.** I see. We understand that very well, Mr. President. But the gentleman just mentioned earlier that TESDA and TLRC have not given yet at least a study on the matter. So we are trying to reconcile now how to put this *kabuhayan* shopping privilege with a program that the corresponding agency has not given the distinguished sponsor yet, at least, a complete study on how this will go about. Nevertheless, may I go to another question.

Where will these *Kabuhayan* tools be sourced from? From the local retailers or from imported manufacturers themselves?

**Senator De Castro.** Maybe some of the tools will be imported directly from abroad and those tools and equipment available in our country can be sourced inside the country, Mr. President.

**Senator Aquino-Oreta.** And will these tools be less expensive?

**Senator De Castro.** Yes, Mr. President. Because these are duty-free-acquired tools and equipment.

**Senator Aquino-Oreta.** I see. Does the gentleman know why duty-free shops were established? The original concept.

**Senator De Castro.** Under Executive Order No. 46 issued on September 4, 1986, the Duty Free Philippines was established, No. 1, to augment the service facilities para sa mga turistang dumarating at umaalis sa ating bansa. No. 2, to generate foreign exchange and revenue for the government. Ang net profits nito ay ibinibigay naman sa Department of Tourism for tourism development and promotions.

**Senator Aquino-Oreta.** I see. Basically, duty-free shops were established in 1986 really to generate foreign exchange and revenue for government. Am I correct, Mr. President?

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino-Oreta.** If we will allow peso purchase, would it not be defeating the very purpose of our duty-free shops?

**Senator De Castro.** Tama po iyon, Ginoong Pangulo. Noong una ang pinahihintulutan lamang ay iyong maximum purchase sa dollars or other kind of currencies. Pero ngayon ay pinahihintulutan na rin ang Philippine peso and other acceptable foreign currencies dahil liberalized na ang foreign exchange natin.

Ang isa pang dahilan ay nagreklamo ang mga overseas Filipino worker. Karaniwan ay hindi naman nire-remit lahat ng mga overseas Filipino worker ang kanilang kinikita dahil 30% of that ay natitira sa kanila at 70% ang nire-remit nila. Kaya iyong 30% ang talagang isa sa mga tina-target ng ating pamahalaan na huwag nang maiwan ng overseas Filipino workers sa bansang pinagtrabahuhan nila sa pamamagitan ng pagbili ng electronics at ilan pang pasalubong sa kanilang mga mahal sa buhay. Kaya pagdating nila rito, karaniwan ay may dala pa silang dolyar. Ipagpapalit nila iyong dolyar into peso, mamimili sila pagkatapos magpahinga ng ilang oras o pagkatapos mapuntahan ang kanilang bahay at ma-meet iyong kanilang mga mahal sa buhay. Babalik sila sa Duty Free Philippines para bumili ng duty-free products. Ang problema, kung hindi tatanggap ng peso ang Duty Free Philippines, ipagpapalit nila iyong hawak-hawak nilang dollar into peso. Isa iyan sa mga reklamo nila na ipararating sa OWWA. Bukod diyan, tayo lamang ang bansa sa buong daigdig na hindi tumatanggap ng ating sariling currency. Kaya sasabihin natin, "Papaano iyong dolyar na hinahabol nating makarating sa ating bansa?" Naririto pa rin ang dolyar sa ating bansa, sapagkat dala-dala nga ito ng mga overseas Filipino worker. Dahil alam nila na may pagkakataon na silang bumili ng mga duty-free product sa Duty Free Philippines, at kung idadagdag pa natin iyong kabuhasan tools and equipment na puwede nilang mabili sa Pilipinas, dito na rin nila mabibili, instead of buying these products abroad na maiwan iyong dolyar doon o hindi na mapapakinabangan ng mga Pilipino.

**Senator Aquino-Oreta.** I see. Earlier, the gentleman mentioned that... Again, I would like to go back to the gentleman's livelihood tools which I would like to think that maybe, in some future time, the livelihood tools will be defined as the goods being sold at the duty-free shops. Will I be correct in that concept?

**Senator De Castro.** Not only goods, sapagkat may mga goods pa rin na binibenta sa duty-free...

**Senator Aquino-Oreta.** Na hindi pang-livelihood.

**Senator De Castro.** Opo, Ginoong Pangulo.

**Senator Aquino-Oreta.** Mr. President, since we will be using that term here, we were hoping that the definition of that term will be very clearly stated in the bill. Unfortunately, we do not have the definition of the term "livelihood tools," so we are just putting a concept of some goods that will be used for livelihood. As we mentioned earlier, if the *balikbayan* would want to put up a karaoke bar, I would like to think that he will have to buy karaokes and DVDs from the duty-free shops. But, anyhow...

**Senator De Castro.** Mr. President, if the lady senator from Navotas and Malabon can help us enhance our bill by clearly

defining what the term "livelihood tools" would mean na kinakailangan ng ating overseas Filipino workers, we can discuss that during the individual amendments.

**Senator Aquino-Oreta.** Yes, correct. So we were trying to deduce that from a study that the committee, I am sure, has done, or a study given, let us say, by the OWWA or the TLRC or the TESDA on this aspect.

**Senator De Castro.** Mr. President, during our hearings—dalawang hearings po iyan—nagbigay ang OWWA officials ng kanilang mga report sapagkat matagal na silang may livelihood projects para sa reintegration ng ating mga overseas Filipino worker. Iyon na rin po ang ating pinagbatayan, and even the definition of "livelihood tools," from the hearings na ginawa ng Committee on Tourism, Ginoong Pangulo.

**Senator Aquino-Oreta.** I see. Maybe at the proper time, Mr. President, we can give some amendments to the bill.

**Senator De Castro.** Yes, Mr. President.

#### SUSPENSION OF SESSION

**Senator Aquino-Oreta.** Mr. President, I move that we suspend the session for one minute.

**The President.** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 12:22 p.m.*

#### RESUMPTION OF SESSION

*At 12:23 p.m., the session was resumed.*

**The President.** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, Sen. Teresa Aquino-Oreta has still a lot of questions for interpellations. It is lunch-time. I move that we suspend consideration of the measure until Monday, May 13, 2002, as requested by Senator Aquino-Oreta. We would like to thank the good sponsor.

I move that we adjourn today's session until Monday, Mr. President.

**The President.** Let us take it up one by one.

**Senator Legarda Leviste.** I am hungry.

**SUSPENSION OF CONSIDERATION OF S. NO. 2101**

**The President.** We suspend consideration of Senate Bill No. 2101 under Committee Report No. 38. We will resume consideration of the bill on Monday, with Senator Aquino-Oreta continuing her interpellation.

Is there any objection? *[Silence]* There being no objection, the motion is approved.

**ADJOURNMENT OF SESSION**

There is a motion to adjourn the session until Monday. Is there any objection? *[Silence]* There being none, today's session is adjourned until three o'clock in the afternoon, Monday, May 13, 2002.

*It was 12:23 p.m.*



## RECORD OF THE SENATE

---

**WEDNESDAY, MAY 15, 2002**

### RESUMPTION OF THE SESSION

*At 10:41 a.m., the session was resumed with the Senate President, Hon. Franklin M. Drilon, presiding.*

**The President.** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, I move that we proceed to the Fourth Additional Reference of Business.

**The President.** The Secretary will please read the Fourth Additional Reference of Business.

### FOURTH ADDITIONAL REFERENCE OF BUSINESS

#### BILL ON FIRST READING

**The Secretary.** Senate Bill No. 2129, entitled

AN ACT CONVERTING THE SULTAN KUDARAT POLYTECHNIC STATE COLLEGE IN THE CITY OF TACURONG, PROVINCE OF SULTAN KUDARAT, INTO A STATE UNIVERSITY, TO BE KNOWN AS CENTRAL COTABATO STATE UNIVERSITY, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Lacson

**The President.** Referred to the Committee on Rules

#### RESOLUTIONS

**The Secretary.** Proposed Senate Resolution No. 304, entitled

RESOLUTION URGING THE SENATE COMMITTEES ON ENVIRONMENT AND NATURAL RESOURCES AND ON HEALTH AND DEMOGRAPHY TO INQUIRE, IN AID OF LEGISLATION, INTO THE MINING ACTIVITIES IN SIOCON, ZAMBOANGA DEL NORTE AND ITS POSSIBLE EFFECTS ON THE HEALTH OF THE PEOPLE WITHIN THE VICINITY AND ON THE ENVIRONMENT

Introduced by Senator Legarda Leviste

**The President.** Referred to the Committees on Environment and Natural Resources; and Health and Demography

**The Secretary.** Proposed Senate Resolution No. 305, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED RIGGING OF THE BIDDING FOR THE MANAGEMENT OF THE WHOLESALE ELECTRICITY SPOT MARKET BY OFFICIALS OF THE DEPARTMENT OF ENERGY AND THE NATIONAL POWER CORPORATION RESULTING IN THE AWARD TO THE HIGHEST BIDDER

Introduced by Senator Osmeña III

**The President.** Referred to the Committees on Energy; and Public Services

**The Secretary.** Proposed Senate Resolution No. 306, entitled

RESOLUTION DIRECTING THE COMMITTEE ON ENERGY TO INQUIRE, IN AID OF LEGISLATION, ON THE IMPLEMENTATION OF REPUBLIC ACT NO. 7648, OTHERWISE KNOWN AS THE ELECTRIC POWER CRISIS ACT OF 1993, AND REPUBLIC ACT NO. 6957, OTHERWISE KNOWN AS THE BOT LAW AS AMENDED, WITH THE END IN VIEW OF DETERMINING AND IMPLEMENTING SAFEGUARDS TO ENSURE THAT THE SAID LAWS ARE NOT ABUSED TO THE DISADVANTAGE OF THE CITIZENRY AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES

Introduced by Senator J. Osmeña

**The President.** Referred to the Committees on Energy; and Public Services

**The Secretary.** Proposed Senate Resolution No. 307, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON AGRICULTURE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE STATUS OF THE RELEASE OF THE PROCEEDS FROM PUBLIC LAW 480 OF THE UNITED STATES DEPARTMENT OF AGRICULTURE AND INTO THE IMPLEMENTATION OF PROJECTS TO BE FUNDED THEREFROM

Introduced by Senator Angara

the Chinese ambassador remembers that in the past five years of the meetings of the WHO in Geneva, the Philippines always supported the position of the People's Republic of China. At this time that we are improving relationships between China and the Philippines, it may not sound very appropriate if we change our stand in favor of the admission of Taiwan. That is my report on the diplomatic side, Mr. President.

**The President.** Thank you, Sen. Blas F. Ople, for that very extensive report, although I did notice that, diplomatically, the gentleman did not reply to the question first.

**Senator Flavier.** Mr. President.

**The President.** Sen. Juan M. Flavier is recognized.

**Senator Flavier.** Mr. President, with the permission of the sponsor.

**Senator Ople.** Yes, Mr. President.

**Senator Flavier.** The whole issue has been simplified by an application as observer and therefore maybe more palatable, but the whole thing has moved to a point where the United States has supported that move. And also the European community has already supported that move and the bandwagon may increase in the days to come although, for the record, the People's Republic of China is adamantly objecting to this. In the Philippines...

**Senator Ople.** Eventually the assembly is now over, Mr. President. It was held yesterday, May 14 in Geneva.

**Senator Flavier.** Yes, not only that, I think they even succeeded not to put it in the agenda, and therefore we have to wait for the next meeting. In the Philippines my final remark will be that the Philippine Medical Association has officially supported the admission as observer of Taiwan.

**The President.** Is it as an observer or as a public health entity? Is that how it is called, Senator Ople?

**Senator Ople.** Yes. There were applications to be accepted as an observer, as a public health entity not as a country.

**The President.** All right.

**Senator Flavier.** That is correct.

**The President.** Is there any other interpellation? *[Silence]* There being none, the period of interpellations is terminated.

**Senator Legarda Leviste.** There are no committee amendments, Mr. President. I move that we close the period of committee amendments.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

**Senator Legarda Leviste.** There are also no individual amendments, Mr. President, I move that we close the period of individual amendments.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### APPROVAL OF P. S. RES. NO. 297 ON SECOND READING

**Senator Legarda Leviste.** Mr. President, I move that we vote on Second Reading on Proposed Senate Resolution No. 297 under Committee Report No. 44.

**The President.** Is there any objection? *[Silence]* There being none, we shall now vote on Second Reading on Proposed Senate Resolution No. 297 under Committee Report No. 44.

As many as are in favor of the resolution, say *aye*.

**Several Members.** *Aye*.

**The President.** As many as are against the resolution, say *nay*. *[Silence]*

Proposed Senate Resolution No. 297 is approved on Second Reading.

#### SUSPENSION OF CONSIDERATION OF P. S. RES. NO. 297

**Senator Legarda Leviste.** I move that we suspend consideration of Proposed Senate Resolution No. 297.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING S. No. 2101 — Instituting a *Balikbayan* Program (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**Senator Legarda Leviste.** I move that we recognize the sponsor, Sen. Noli "Kabayan" De Castro. We are in the period of interpellations.

**The President.** The sponsor, Sen. Noli "Kabayan" De Castro, is recognized.

**Senator Legarda Leviste.** I move that we recognize Sen. Edgardo J. Angara to interpellate.

**The President.** Sen. Edgardo J. Angara is recognized.

**Senator Angara.** With the permission of the distinguished sponsor, Mr. President.

**Senator De Castro.** It is an honor, Mr. President, from the gentleman of Quezon and Aurora.

**Senator Angara.** Thank you, Mr. President.

Mr. President, I am completely in favor of this bill. The points that I will ask are simply for clarification in order to strengthen this provision. I am also in favor of creating a right on the part of the *balikbayan* to buy *kabuhayan* tools. But can the gentleman just indicate, for the record, Mr. President, what would consist of the *kabuhayan* tools. Would they consist of carpenters' tools and the like? What are they exactly?

**Senator De Castro.** Mr. President, maybe we can explain this by giving the gentleman the definition. *Ang* definition *po ng* "livelihood tools." We define "livelihood tools" as instruments used by hand or by machine necessary to a person in the practice of his trade, vocation or profession such as hand tools, power tools, precision tools, farm tools, even tools for dressmaking or shoe repair, beauty parlor, barber shop and the like, as may be determined by OWWA.

**Senator Angara.** I accept that definition, Mr. President. But would, for instance, computers be included in these *kabuhayan* tools? And if not, should we not include computers? Because many of the returning Filipinos would love very much to buy a computer perhaps.

**Senator De Castro.** Yes, Mr. President. As a matter of fact, considered *itong* electronics. *May mga* electronic product *sa* Duty Free Philippines. I do not know if they have computers, but I think they have some electronic products.

**Senator Angara.** Because if we put that as part of the *kabuhayan* tools, Mr. President, I can predict very quickly that they will stock up on computers.

**Senator De Castro.** Yes, Mr. President. Maganda po na isama natin iyon. Sapagkat kailangan ng isang balikbayan kahit sa kaniyang maliit na kabuhayan ay ang isang computer.

**Senator Angara.** Opo. Noong magkaroon ng consultation sa Hong Kong ay nabanggit ko nga na marami sa kanila ang

computer literate. Nagsa-surf sila sa Internet at nalalaman nila ang presyo ng halos lahat ng kailangan through the Internet. Especially the small entrepreneurs here will be helped greatly kung mayroon silang computer, laptop or whatever it is.

**Senator De Castro.** Hindi na po natin puwedeng mapigilan iyan, Ginoong Pangulo, dahil ang ating daigdig ngayon ay halos computerized na.

**Senator Angara.** Ngayon, ako po ay mahilig sa power at farmer tools. In fact, dalawa lamang ang favorite destination ko kung ako ay pumupunta sa America—iyong Home Depot at saka iyong Barnes and Nobles. Sa Home Depot ay mabibili halos ang lahat ng tools and instruments for farming, gardening, do-it-yourself home repair. Kaya iyon ang unang pinupuntahan ko. Bumibili ako at inilalagay ko ang mga ito sa door-to-door upang dalhin dito.

Ngayon, bakit doon ako pumupunta? Sapagkat iyong mga kailangan natin sa gardening, sa do-it-yourself home repair, ay hindi available sa maliliit na store natin. At kung available man diyan sa SM o kaya diyan sa...

**Senator De Castro.** Or MC Home Depot.

**Senator Angara.** Opo. At napakamahal po. Kakaunti lamang ang choice.

Mayroon po ba tayong assurance na itong mga inilista nating mga kagamitan na qualified for *kabuhayan* will be made available by the operator of the duty-free shop dito?

**Senator De Castro.** Yes, Mr. President. Because, as I mentioned a while ago, ang farm tools ay kasama po rito. At ito ay ibinase natin sa request ng mga overseas Filipino worker sa OWWA dahil may *kabuhayan* program din ang OWWA ngunit nagpapautang lamang ito. It does not provide tools. So with this amendment on R.A. No. 6768, hindi lamang utang ang ipagkakaloob ng OWWA kundi mga tool na kailangan ng mga overseas Filipino worker. Sa side naman ng Duty Free Philippines, it will provide tax-free tools para sa kanilang napiling kabuhayan and that includes farm tools.

**Senator Angara.** Ito po ay isang assurance natin that the duty-free shops will stock up on these items.

**Senator De Castro.** Yes, Mr. President.

**Senator Angara.** I do not have to go to Home Depot in America or in Canada to be able to buy all these things because they are missing here or *masyadong mahal*.

**Senator De Castro.** *Masyadong mahal.* These tools, I believe, Mr. President, are available locally. Because we have the MCHome Depot...

**Senator Angara.** Hindi po. Alam ko iyan. Pumupunta ako at bumibisita rin diyan.

**Senator De Castro.** Well, limited *ang choice*.

**Senator Angara.** Limited *po*.

**Senator De Castro.** *Atsaka mahal*, of course, Mr. President.

**Senator Angara.** Masyadong mahal, Mr. President. All right. Ako ay assured na roon na itong tools na kailangan nila will be made available at affordable prices because it is important that they have a choice.

**Senator De Castro.** May we add, Mr. President, that if they are not available but they are available locally, maybe Duty Free Philippines ay dapat magkaroon ng agreement with a shopping mall or MC Home Depot dahil baka may mga tool na hindi masyado ang demand. Paisa-isa o padala-dalawa kung bumili ang overseas workers. Puwede silang makipag-tie up sa local distributors upang makabili sila kahit isa o dalawang item. Kasi kung i-stock natin ang marami, mabibitin iyong capital ng Duty Free Philippines. Kaya puwede silang bumili siguro ng duty-free tools and, in turn, ay maibenta iyon sa overseas Filipino workers.

**Senator Angara.** Opo. Isa po iyon. Ang pangalawa siguro, kung iyong tools of the trade are manufactured locally, they should also stock up on local manufactured tools.

**Senator De Castro.** Yes, Mr. President. Because there are tools or farm tools invented by a Filipino na hindi naman available sa abroad kundi dito lamang.

**Senator Angara.** Dito lamang sa Pilipinas.

**Senator De Castro.** So we can buy these as farm tools, VAT-free.

**Senator Angara.** Wala akong problema sa absentee voting, [Laughter] pero may problema ako sa absentee buying. Ang pagkaintindi ko sa *balikbayan* privileges, upang maakit silang bumalik sa Pilipinas. Kung puwede pala ang may surrogate, mayroon silang agent or proxy na mamimili para sa kanila, hindi natin sila mae-encourage na bumalik sa ating bansa. Kailangang pag-isipan nating mabuti ito dahil baka ito ay maging disincentive para sila ay bumalik sa Pilipinas. Dahil ang primary aim nga nito ay ma-enganyo natin silang bumisita sa ating bansa. Pero kung puwede ko palang sabihin sa aking asawa, "Ayan, mayroon

pala akong absentee-buying right, mamili ka na lamang diyan. Hindi na muna ako babalik." Sayang naman itong ating napakagandang batas.

**Senator De Castro.** Yes, Mr. President.

First, ang sinasabi sa ating batas ay limited only to overseas Filipino workers. Dahil, normally, ang mga balikbayan, because of our economic and peace and order conditions ay nagdadalawang-isip bumalik or to stay for good in our country, maliban na lamang kung iyong proposed dual citizenship bill ay maipasa natin or iyong absentee voting ay maging batas. But these are limited to overseas Filipino workers.

Halimbawa, ang isang overseas worker, normally, has a two-year contract. So while he is waiting hanggang matapos iyong kaniyang two-year contract, puwede siyang mag-avail ng absentee buying. But first, kailangan niyang magtungo muna sa isang embassy or consulate or an OWWA representative from our embassy at kumuha roon ng permit to purchase. But this permit to purchase is exclusive for *kabuhayan* tools only, hindi doon sa buying privilege niya to buy chocolates, liquor or cigarettes. Kailangang may endorsement letter siya na duly certified ng Philippine Overseas Employment Administration or POEA, the OWWA, and the Philippine Overseas Labor Officer, or by the embassy or the consulate.

Ang isa po sa mga ebidensiya na hihingin diyan ay iyong remittance ng overseas Filipino worker. Kapag kumpleto na iyon, i-endorse ngayon ng *kabuhayan* program sa immediate member of the family ng overseas worker in our country.

**Senator Angara.** Medyo kumplikado iyong prosesong iyon dahil, unang-una, ito ay parang quota na. Kailangang pumunta siya sa OWWA office o sa kunsulado at humingi ng purchase order. Imbes na mag-impose tayo ng regulasyon sa isang karapatan, dapat i-minimize natin iyon upang ma-encourage silang bumalik sa ating bayan.

Pero ang punto ay whether he is an overseas worker or a permanent resident *balikbayan*. Siguro ay kailangan iyong personal presence. That is essential because that is part and parcel of the *Balikbayan* Program na sila ay babalik sa ating bansa. Kailangang pag-isipan ng inyong komite ito sapagkat maaari namang, firstly, the possibility of abuse is great here. Secondly, the possibility of red tape going into a privilege, even some under-the-table payment is so great.

**Senator De Castro.** May I add, Mr. President, na ito ay isa lamang sa mga request ng overseas Filipino workers natin sa office ng OWWA and also with the reintegration program of our government. Gusto nilang may maiwan silang hanapbuhay sa

kanilang mga kamag-anakang naiwan dito sapagkat isa iyan sa ating kultura na hindi nila puwedeng pabayaan ang kanilang mga kamag-anakan dito habang hindi pa nare-remit iyong kanilang kinikita from abroad. Ginawa natin ang mga minimum requirement na iyan para mapigilan natin ang abuso. Dahil sa two-year contract ng isang overseas Filipino worker, he can avail himself of this privilege only once—itong absentee-buying privilege ng overseas Filipino workers at iyong immediate member of the family ang makikinabang lamang dito.

**Senator Angara.** Sino ang immediate members of the family? Up to what degree of consanguinity or affinity? Second po lamang?

**Senator De Castro.** Second, opo.

**Senator Angara.** Kapatid lamang or brother-in-law or sister-in-law?

**Senator De Castro.** Yes, kung iyon ang susundin natin.

**Senator Angara.** Iyon lamang ang reservation ko ryan na baka naman kontra sa spirit of the *balikbayan* privilege ito. If one can exercise it in absentia, bakit pa siya babalik sa Pilipinas? Iyon lamang ang punto ko roon. But if we feel very strongly about it, siguro ay kailangang maglagay tayo ng mga safeguard, Ginoong Pangulo.

**Senator De Castro.** Mr. President, these are for overseas Filipino workers only na siguradong babalik after a three-year contract.

**Senator Angara.** Hindi po ba ang mga overseas worker are allowed to go back once every 12 months?

**Senator De Castro.** Mayroon pong ganoon pero bihira. Normally, ang contract nila ay two years. So two years lamang sila makakabalik especially kung...

**The President.** The seafarers are allowed to come home every ten months.

**Senator De Castro.** Yes, every ten months. But the workers, especially in Saudi Arabia and other Middle East countries, ay two years ang contract nila. Puwede lamang silang bumalik after two years. Normally, ang hindi na makabalik ay wala nang trabaho. Kaya iyong reintegration naman ng ating gobyerno, at present, through OWWA, ang pumapasok dito. So, with this amendment sa ating bill, makakatulong ang Duty Free Philippines on duty-free, tax-free *kabuhayan* tools.

**Senator Angara.** Natatandaan ko na noong ini-introduce itong tax-free privileges sa mga *balikbayan* in the Eighth Congress,

pinanukala ito ni Sen. Teroy Laurel at nagkaroon ng mahabang debate.

**Senator De Castro.** Yes, I read the senator's *ano...*

**Senator Angara.** Ang punto ko po, iyong ating overseas workers ay nagtrabaho nang napakatagal na panahon at nag-ipon sila, may precious savings at siguro iyong duty-free privileges should not be solely devoted to luxuries like perfumes, cigarettes, chocolates. We should encourage spending of precious earnings on more useful objects. That is why I welcome this *kabuhayan* tools because we are trying to dictate the spending behavior of our overseas Filipinos, and this is one worthwhile line.

The other idea that occurred to me, Mr. President,—again, in the spirit of encouraging them to spend their money along productive line—is, why not also include in this law, if it is legally and technically possible, a provision that overseas Filipinos will be allowed... No, when they buy a house and lot or a lot, that they will be exempt from the 10% VAT and the documentary stamp tax. That way, we are going to encourage them to channel their earnings toward home ownership which will in turn encourage construction, which in turn will create more jobs for our country. I think the dream of an overseas worker who has no home yet is really to own his own home, and we have seen that from town to town where there are *balikbayans* or overseas workers.

If it is technically possible, would the gentleman be amenable to including such a provision?

**Senator De Castro.** Ginoong Pangulo, napakaganda po ng panukala dahil ang makikinabang ay ang ating overseas Filipino workers na nagpapasok sa atin ng US\$7 billion taun-taon. But we have to consult again maybe the Department of Finance because at 10% free value-added tax, and a P1 million worth of house and lot, that means P100,000. And then sa documentary stamp tax po ay P15 for every P1,000.

**Senator Angara.** Opo. Kaya totoo na may potential revenue loss ito.

**Senator De Castro.** Of course.

**Senator Angara.** On the other hand, mae-encourage naman natin ang home buying ng napakaraming overseas Filipinos to the extent na iyong isasakripisyo nating tax revenue will be more than made up by the multiplier effect of home-owning, because it will result in more construction, more sales of home lots, et cetera, and more jobs for the economy which will in turn create more taxpayers and more taxes.

**Senator De Castro.** Yes, Mr. President.

**Senator Angara.** But I can appreciate na ang instant laws ay nandiyan, malinaw. Pero kung ini-encourage na rin lamang natin ang buying behavior ng ating overseas Filipinos and trying to help them use their hard-earned savings, I could not think of a better conduit of their savings than investing in their own homes.

**Senator De Castro.** Well, I talked to the National Housing Authority officials. Ang sabi nila ay gusto nila iyan sapagkat mabibili ang low-cost-housing projects of the government. Ngunit ang inaalaala lamang natin dito, Ginoong Pangulo, ay ang buwis na mawawala sa gobyerno. Kaya kailangan pong makuha natin ang opinyon ng Department of Finance tungkol dito dahil hindi maliit na halaga ang mawawala in terms of taxes.

**Senator Angara.** Kaya naman itinanong ko kung ito ba ay legally and technically possible.

**Senator De Castro.** Siguro po puwede sa isang hiwalay na panukalang-batas, Ginoong Pangulo.

**Senator Angara.** Anyway, Mr. President, I am grateful to the distinguished sponsor for his answers and certainly, I support this measure.

**Senator Legarda Leviste.** Mr. President, we thank Sen. Edgardo J. Angara and the sponsor, Sen. Noli "Kabayan" De Castro.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2101

Mr. President, I move that we suspend consideration of Senate Bill No. 2101 under Committee Report No. 38.

**The President.** Is there any objection? *[Silence]* There being none, consideration of Senate Bill No. 2101 is suspended.

#### SUSPENSION OF SESSION

**Senator Legarda Leviste.** Mr. President, I move that we suspend the session until three o'clock this afternoon.

**The President.** Is there any objection? *[Silence]* There being none, today's session is suspended until three o'clock this afternoon, May 15, 2002.

*It was 12:24 p.m.*

#### RESUMPTION OF SESSION

*At 3:41 p.m., the session was resumed with the Senate President, Hon. Franklin M. Drilon, presiding.*

**The President.** The session is resumed.

**Senator Legarda Leviste.** Mr. President.

**The President.** The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, I move that we proceed to the Fifth Additional Reference of Business.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

The Secretary will read the Fifth Additional Reference of Business.

#### FIFTH ADDITIONAL REFERENCE OF BUSINESS

##### RESOLUTION

**The Secretary.** Proposed Senate Resolution No. 308, entitled

#### RESOLUTION URGING THE PHILIPPINE PORTS AUTHORITY TO CONDUCT PUBLIC HEARINGS BEFORE CHANGING ARRASTRE AND STEVEDORING FEES

Introduced by Senator Pimentel Jr.

**The President.** Referred to the Committee on Public Services

#### COMMITTEE REPORTS

**The Secretary.** Committee Report No. 48, prepared and submitted jointly by the Committees on Civil Service and Government Reorganization; Finance; Labor, Employment and Human Resources Development; Constitutional Amendments, Revision of Codes and Laws; Ways and Means; and Education, Arts and Culture on Senate Bill No. 2132, with Senators Flavio Soto III, Loren Legarda Leviste, Villar Jr., Serge Osmeña, Ople, Pangilinan, Pimentel Jr., Honasan, Robert S. "JAWO" Jaworski, Recto, Magsaysay Jr., Revilla, Aquino-Oreta, Angara, Renato L. Compañero Cayetano, and J. Osmeña as authors thereof, entitled

#### AN ACT ESTABLISHING A CIVIL SERVICE CODE OF THE PHILIPPINES AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill Nos. 8, 9, 12, 77, 134, 151, 516, 564, 604, 1008, 1285, 1383, 1388, 1542, 1573, 1684, 1696, 1723, 1755, 1794, 1837 and 1879.

Sponsors: Senators Aquino-Oreta and Pimentel Jr.

**The President.** To the Calendar for Ordinary Business

Mr. President, the problem does not end here. While we face a huge housing backlog, it is ironic that the Housing and Urban Development Coordinating Center (HUDCC) reports an estimated 100,000 government-owned housing units that are idle and unoccupied taken out already by government and semigovernment financing units, such as the SSS, the GSIS and the Pag-IBIG.

While our poor countrymen continue to suffer homelessness, we have thousands of housing units lying idle. These idle government assets were acquired through the people's money and represent wastage of scarce government resources. While there is a need for us, Mr. President, to coordinate and formulate a generally and centrally managed housing program, I find it ironic that there are many agencies in government that undertake housing projects. We have the Department of Public Works and Highways; the Public Estates Authority; the Bases Conversion Authority; the Department of Environment and Natural Resources; the National Housing Authority; and all sorts of agencies in government that dabble into the production of housing for our people who are in need of houses.

Mr. President, in a position paper submitted to this humble representation by the University of the Philippines' School of Urban and Regional Planning, it pointed out that the above-stated problem is due to the confusing setup of our housing bureaucracy. It says and I quote: "The existing institutional setup for housing and urban development is complex and is characterized by overlapping functions, mandates and programs of the different agencies involved."

Mr. President, this bill proposes to create a Department of Housing and Urban Development that will serve as a one-stop-shop envisioned to cater to the housing needs of our citizenry. It shall be the primary government agency that will facilitate and ensure the availability of affordable housing. This bill aims to restructure the different housing agencies and corporations in order to streamline the housing bureaucracy.

To pursue this objective, Mr. President, the existing HUDCC shall be strengthened by giving it direct control and supervision over all housing agencies and corporations. At present, the HUDCC is merely a coordinating body for the different housing agencies.

Mr. President, I would like to correct a certain perception that is now bothering the minds of many of our people who, as a matter of fact, have offered resistance to the enactment of this bill.

For example, Mr. President, there is a perception that this bill is going to take over the operations of the three pension-fund-oriented agencies. The semigovernment financing institutions of the GSIS, the SSS and Pag-IBIG.

Mr. President, the truth is far from that perception. The department, if it is created, is not going to take over the functions, the powers and the authorities of the different boards that constitute the policy-formulating and implementing bodies within these three semigovernment financing institutions. So, I would like to correct that, Mr. President. The only function that the department will play over these three agencies is to coordinate their individual housing programs.

Mr. President, another important objective of this bill is to integrate all housing and urban development policies, plans, programs and projects of the different housing agencies to expedite the delivery of decent, affordable and sustainable housing and urban development programs and projects. Due to the foregoing, Mr. President, an early passage of this bill is earnestly requested.

Thank you very much.

**Senator Legarda Leviste.** Mr. President, we thank the two sponsors of the measure.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2133

**Senator Legarda Leviste.** Mr. President, I move that we suspend consideration of Senate Bill No. 2133 under Committee Report No. 49.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING

##### S. No. 2101 — Instituting a *Balikbayan* Program (Continuation)

**Senator Legarda Leviste.** Mr. President, I move now that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2101 under Committee Report No. 38 is now in order.

**Senator Legarda Leviste.** I move that we recognize the sponsor, Sen. Noli "Kabayan" De Castro.

**The President.** Sen. Noli "Kabayan" De Castro is recognized.

**Senator Legarda Leviste.** We are in the period of interpellations. To interpellate, I move that we recognize Sen. Teresa Aquino-Oreta.

**The President.** Sen. Teresa Aquino-Oreta is recognized. May the Chair be informed how many more senators have made reservations to interpellate on this measure?

**Senator Legarda Leviste.** Yes, Mr. President, for this particular bill, we have Senators Aquino-Oreta, Villar, Arroyo and Pimentel.

**The President.** Thank you.

**Senator Aquino-Oreta.** Thank you, Mr. President. Will the gentleman answer some questions?

**Senator De Castro.** Yes, Mr. President, from the lady senator from Navotas and Malabon.

**Senator Aquino-Oreta.** Mr. President, we already went through the bill questioning Sections 1 and 2. We would like to go to Section 3 of the bill, that is on page 5.

Page 5 Section 3(a) amended the provision that the tax-free purchases may be made at "Philippine duty-free shops", into GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS. That is in lines 8 and 9.

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino-Oreta.** Now, Mr. President, can the gentleman just tell us what is the definition of "government-owned and controlled duty-free shops?" Will it include not only the duty-free shops owned and operated by the Philippine Tourism Authority but also the privately owned yet government-supervised duty-free shops, for example, in Subic or in Clark?

**Senator De Castro.** Mr. President, government-owned and controlled duty-free shops, for example, the Duty Free Philippines outlets or stores, like the Fiesta Mall near the Ninoy Aquino International Airport, Terminal I and the NAIA Terminal I departure, the arrival main and arrival ramp, Terminal II arrival and departure and the Cebu Mactan International Airport pre-departure, departure and arrival, and Waterfront Hotel in Lahug, Cebu. These are duty-free shops owned and controlled by the government.

**Senator Aquino-Oreta.** So, what about those duty-free shops in Clark and in Subic? They are privately owned but they are government-supervised. What about the duty-free shops other than the shops that the gentleman mentioned?

**Senator De Castro.** They are not being supervised, Mr. President. They are being regulated by the Subic Bay Metropolitan Authority and the Clark Development Corporation.

**Senator Aquino-Oreta.** Yes, but that is government, Mr. President. That is still government.

**The President.** May the Chair know why this is being limited to government-owned and controlled duty-free shops? What is

the rationale? The way the amendment looks now, we are just putting the equivalent in Philippine pesos and authorizing the acceptance of Philippine pesos for the purchase of tax-free goods. So, I guess the question is, why not include privately owned duty-free shops?

**Senator Aquino-Oreta.** No, Mr. President, because we were looking for the definition of the government-owned and controlled.

**The President.** I know.

**Senator Aquino-Oreta.** So, which are the government-owned and controlled duty-free shops when there are a lot of duty-free shops that are functioning?

**The President.** As the law is presently worded, it is simply "Philippine duty-free shops" which includes private duty-free shops.

**Senator Aquino-Oreta.** That is correct.

**The President.** And now it is being changed to government-owned and controlled duty-free shops.

**Senator De Castro.** These are duty-free shops under the Philippine Tourism Authority, the PTA. These duty-free shops are owned and controlled by the government.

**Senator Aquino-Oreta.** So, what happens now to the other duty-free shops that are not under the Philippine Tourism Authority?

**Senator De Castro.** They are privately owned and they are under Republic Act No. 7227. In other words, they are not under Republic Act 6768 na *kumu-control lamang po sa* government-owned and controlled duty-free shops.

**The President.** Can the *balikbayan* purchase goods in Philippine pesos out of these nongovernment-owned or controlled duty-free shops?

**Senator De Castro.** I think, Mr. President, they can use Philippine pesos in these not government-controlled duty-free shops or privately owned duty-free shops specially in Subic Bay and Clark.

**The President.** The implication of the provision is that one can use Philippine pesos only in the Philippine-controlled duty-free shops. That is the implication.

**Senator De Castro.** But, Mr. President, one can use also pesos in Subic duty-free shops and Clark duty-free shops.



**Senator Aquino-Oreta.** Then, Mr. President, how can we differentiate now? Maybe this section needs further clarification in the sense that the gentleman is using the word "duty-free shops" which is being liberally used by all supposedly duty-free shops all over the country but some are government-controlled and supervised and some are not.

**Senator De Castro.** Mr. President, duty-free shops operate under EO No. 46 and RA No. 6768. These are owned and controlled by the government. Duty-free shops and freeport shops in Clark and Subic operates under RA No. 7227 or the Bases Conversion Law and under EO No. 97-A. These are freeport shops.

**Senator Aquino-Oreta.** Yes, Mr. President. We understand that. But they also function like regular duty-free shops which are now being defined in Section 3. I was just wondering if we will include all of these duty-free shops, whether they are under the Philippine Tourism Authority or under the base, et cetera, if we will just include them all in this section.

#### SUSPENSION OF SESSION

**Senator De Castro.** I move for a one-minute suspension of the session, Mr. President.

**The President.** The session is suspended for one minute, if there is no objection. *[There was none.]*

*It was 4:31 p.m.*

#### RESUMPTION OF SESSION

*At 4:36 p.m., the session was resumed.*

**The President.** The session is resumed. Sen. Noli De Castro is recognized.

**Senator De Castro.** So sa question po ni Senator Oreta kung paano natin madi-differentiate ang duty-free shops owned by the government and duty-free shops in Subic and Clark, with the help, of course, of the Minority Leader, we will just add sa aming committee amendments na i-clarify iyong... instead of government-owned and-controlled duty-free shops ay ilalagay na lamang natin "the Philippine Tourism Authority duty-free shops". Will that be fine, Mr. President?

**The President.** May the Chair ask a question for clarification?

Why do we not just retain "Philippine duty-free shops" in the present law?

The present law says, "Philippine duty-free shops". The four words bracketed are supposed to be deleted. May the Chair know why we cannot just retain "Philippine duty-free shops?"

**Senator De Castro.** Mr. President, this is to distinguish it from Subic and Clark duty-free shops, which are privately owned.

**The President.** That is correct, except that the way the Chair would understand it and the Chair is willing to be corrected, the amendment would allow payment in Philippine peso.

**Senator De Castro.** Yes, Mr. President.

**The President.** And the payment in Philippine peso can be provided for even in privately owned duty-free shops.

**Senator De Castro.** Yes, Mr. President.

**The President.** So why are we not allowing payment of Philippine peso in privately owned duty-free shops? I guess it is a policy question. Why? What is the reason for the policy?

**Senator De Castro.** What I know, Mr. President, ang privately owned duty-free shops in Subic and Clark ay pinapayagan na ang paggamit ng Philippine peso.

**The President.** If that is so, the amendment, from the way I read it, could be interpreted as a prohibition now for these privately owned duty-free shops to accept Philippine peso. That could be implied from the amendment.

**Senator De Castro.** That is why, Mr. President, this bill deals only with duty-free shops owned and controlled by the government under the Philippine Tourism Authority.

**The President.** All right. I thank the gentleman for allowing the Chair to intervene.

**Senator Aquino-Oreta.** Mr. President, if the chairman would be amenable... When the period of amendments will come in, maybe, we can redraft the Section 3 of his proposed bill.

**Senator De Castro.** Yes, Mr. President, we are open to that.

**Senator Aquino-Oreta.** May I continue, Mr. President.

Section 3F grants *balikbayans* and their families an additional tax-free purchase of US\$1,000 on the so-called "livelihood tools."

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino-Oreta.** Section 4(B) of Executive Order No. 444 which implements the rationalization of duty-free stores or outlets and their operations in the Philippines already grants overseas Filipino workers and *balikbayans*, defined under Republic Act No. 6768, US\$2,000 in duty-free-shopping privileges.

Therefore, after granting all these additional incentives, what exact figure are we looking at US\$2,000 plus or US\$1,000? It is not indicated in the bill, Mr. President.

**Senator De Castro.** The US\$2,000 under Republic Act No. 6768 and under Executive Order No. 46 that is US\$2,000, plus and in our amendment an additional US\$1,000 exclusive for *Kabuhayan* Program of the government. So a total of US\$3,000.

**Senator Aquino-Oreta.** So we are looking at a US\$3,000 duty-free privilege?

**Senator De Castro.** The additional US\$1,000 ay exclusive lamang po sa *kabuhayan* shopping privilege, yes, for tools. So wala hiong nadagdag doon sa shopping privilege na US\$2,000. Ang naidagdag ay US\$1,000 para exclusive, gagamitin lamang sa *kabuhayan* tax-free privilege.

**Senator Aquino-Oreta.** Yes, but in the earlier queries we had, when we talked of livelihood tools or *kabuhayan*, it also meant the goods somehow related to *kabuhayan* that are being sold inside the duty-free shops. So in that sense, for example, I am a *balikbayan* and I would like to put up again my example in the queries that we had last week, if I want to put up a karaoke bar, then I will have to buy an amplifier, I will have to buy a DVD, I will have to buy these things that will help me put up this karaoke bar, plus I can still buy with my privilege as *balikbayan* US\$2,000 again on the same products. Am I correct in my assessment, Mr. President?

**Senator De Castro.** Ginoong Pangulo, nagkataon po na karaoke bar ang naging example ninyo. Sa karaoke bar, we need one television maybe, one DVD player for minus one, and of course, a place to put the karaoke bar. The TV set will fall under the shopping privilege sa mga electronic products and the DVD under the shopping privilege of a *balikbayan*.

**Senator Aquino-Oreta.** And what happens to my *kabuhayan* privilege?

**Senator De Castro.** Kasi masyadong kuwan iyong karaoke bar, e. Because pag nagtayo kayo ng karaoke bar, all one needs is one TV and one DVD.

**Senator Aquino-Oreta.** That is correct. So my question now is...

**Senator De Castro.** But it will fall under shopping privilege dahil available ito sa electronics division of the duty-free shop. But, of course, nandoon pa rin iyong US\$1,000 privilege para sa *kabuhayan*.

**Senator Aquino-Oreta.** That is correct. So what happens now? Can I avail myself of that US\$1,000 considering that this is

the *kabuhayan* that I would like to go into because it is very lucrative? So I can still use my US\$1,000 for my *kabuhayan* privilege, and that means I will have a privilege of US\$3,000.

**Senator De Castro.** All right. Thank you, Mr. President. We have a definition here of "livelihood tools."

**Senator Aquino-Oreta.** Mr. President, earlier, the sponsor mentioned that livelihood tools are those that I can buy being a *balikbayan* that will help me put up a livelihood enterprise. That was the answer of the sponsor. So, the example that I gave is, I am a *balikbayan* and I would like to put up a karaoke bar.

**Senator De Castro.** Ginoong Pangulo, karamihan po ng mga livelihood tools or livelihood na gustong pasukan ng mga overseas workers, especially ng ating overseas Filipino workers, ay galing sa OWWA. And these are the requests of the Filipino overseas workers na puwede nilang pasukan na trabaho. Unfortunately, wala pong binabanggit tungkol sa karaoke bar. Normally, ang hinihingi ng mga overseas Filipino workers are tools, like hand tools, power tools, precision tools, farm tools, and even tools for dressmaking, shoe repair, beauty parlor and barber shop.

**Senator Aquino-Oreta.** Mr. President, again, one of my first questions then is: How come the term "livelihood tools" was not defined in the bill so that, at least, we will know what tools a *balikbayan* will avail himself of to get an extra US\$1,000 more? The bill is silent on the livelihood tools. When I asked the sponsor what "livelihood tools" meant, the answer was—if we go back to the records—the tools needed to put up a livelihood for the *balikbayan*. So I just thought of that karaoke bar. He might want to enter into that. But having said that, maybe we still have to see the definition, No. 1, of "livelihood tools," and No. 2., the classification of livelihood tools wherein a *balikbayan* can avail himself of the US\$1,000 extra.

**Senator De Castro.** Ito na nga iyon, Ginoong Pangulo. Ilalagay natin sa committee amendments the definition of "livelihood tools." The definition states: "Livelihood tools are instruments used by hand or by machine necessary to a person in the practice of his trade, vocation or profession, such as hand tools, power tools, precision tools, farm tools, tools for dressmaking, shoe repair, beauty parlor, barber shop, and the like, as may be determined by OWWA."

**Senator Aquino-Oreta.** Then, I guess, in the period of amendments—

**Senator De Castro.** Yes, we will include this in the period of amendments.

**Senator Aquino-Oreta.** —we will now make it clear what livelihood tools are.

**Senator De Castro.** Is our definition not yet clear, Mr. President?

**Senator Aquino-Oreta.** No. It is clear, but we want to see it in the bill.

**Senator De Castro.** All right. Thank you, Mr. President.

**Senator Aquino-Oreta.** Mr. President, the sponsor mentioned that the OWWA...these are the requests of the *balikbayans* of the OWWA for them to get into the mainstream. Did the committee make any study, a definite or a real study, on the livelihood programs that our *balikbayans* would like to get into aside from OWWA reports?

**Senator De Castro.** According to OWWA, the overseas Filipino workers requested these tools in this *Kabuhayan* Program. Ito po ang pinagbabatayan nila, lalung-lalo na sa current integration program of the government which already includes training modules provided by the TLRC, the TESDA, and the Construction Management Development Program. In other words, ang magiging role dito ng Duty Free Philippines ay mag-offer ng needed tools for the said program dahil may *Kabuhayan* Program din ngayon ang OWWA, kaya lamang ay nagpapautang ito from P10,000 to P100,000. Kaya ang magiging role ngayon ng Duty Free Philippines ay mag-provide naman ng needed tools for the said program, which is the *Kabuhayan* Program.

**Senator Aquino-Oreta.** We understand that, Mr. President. We are asking if there are any other studies that we can make aside from OWWA because there are a lot of NGOs that also deal with the *balikbayan*. And we are looking at these programs only from the government side. But I must also say that there are a lot of NGOs that deal with the *balikbayan* and are not connected with government and may have an idea on what our *balikbayan* would want to do when they get back to the country.

We would like to know if their inputs were taken as to what livelihood tools they can suggest or recommend to the duty-free shops for them to be able to buy it also at a cheaper rate.

**Senator De Castro.** As far as the NGOs are concerned, in our hearings, *wala silang binabanggit tungkol sa mga gusto nilang mga kagamitan o tools*. So we based the requirement for tools or the needed tools from the request of the *balikbayan* especially the Filipino overseas workers. The OWWA received letters from the overseas Filipino workers suggesting this kind of tools for their *kabuhayan* plan concerning their reintegration program of our government after two years of working abroad, especially in the Middle East.

**Senator Aquino-Oreta.** We understand that thoroughly well, Mr. President. But we wanted the whole spectrum of needs

or request and not only based on a government agency or agencies that deal with *balikbayan*. Because I am sure that there are a lot of our *balikbayan* who come home and do not deal with government at all. At the same time, they may want to avail themselves of this extra privilege that we are giving them, and this extra privilege may not be under the list that they can avail of from the duty-free shops.

The reason I ask this, Mr. President, is that we wanted to see that all our *balikbayan* somehow will be able to avail themselves of these privileges that we are trying to do for them.

**Senator De Castro.** I think, Mr. President, even the NGOs, which are dealing with the overseas Filipino workers, ay nakikipag-deal din po sa OWWA as far as the benefits and privileges being given to overseas Filipino workers are concerned.

I think the suggestions made by our overseas Filipino workers to the OWWA people are enough para mabigyan tayo ng pagkakataong sabihin kung ano ang mga kinakailangan nilang kagamitan o tools para sa *Kabuhayan* Program pagkatapos nilang magtrabaho ng dalawang taon sa ibang bansa kaugnay naman nitong reintegration program ng ating pamahalaan, Ginoong Pangulo.

**Senator Aquino-Oreta.** Thank you for that, Mr. President, but I can assure the gentleman that there are a lot of NGOs that do not deal with the OWWA. We can just go to the NGOs that protect our women overseas workers and they will tell us a lot of details why they are not dealing with the OWWA. They do not even want to go to the OWWA and yet they would want to be reintegrated in the country.

*At this juncture, the Senate President relinquished the Chair to Sen. Juan M. Flavio.*

**Senator Aquino-Oreta.** The Department of Finance is complaining that US\$2,000 in shopping privilege given by duty-free shops are already too liberal, citing that the international standard is only US\$250. This is not from us, this is from the Department of Finance.

Mr. President, what can the distinguished gentleman say about this? The DOF is already complaining that there are too many exemptions from imports. It emphasized that the ratio of duty-free products rose from 56.88% in 1999 to 56.95% in 2000. This means that more than half of our imports are already exempt from paying duties. So what can the distinguished gentleman say about this observation of the Department of Finance that US\$2,000 is already too liberal, and if we go by international standard, it is only US\$250. Aside from the US\$2,000, we are now crafting a bill that will increase the US\$2,000 to US\$3,000. So, may we have the comment of the distinguished gentleman on this, Mr. President.

**Senator De Castro.** Mr. President, are we talking of foregone revenue from the government?

**Senator Aquino-Oreta.** No. The Department of Finance officials complained that the US\$2,000... There was a comment from them. When we were making a research on this bill, we came across a report about the complaint of the Department of Finance that the US\$2,000 in shopping privileges given by the duty-free shops is already too liberal considering that the international standard for duty-free shopping is only US\$250.

In fact, they even gave some statistics which I have already mentioned. So, I would like to find out if we are legislating an addition to the US\$2,000 which is already being viewed as too liberal by our own Department of Finance. I would like to get the comment of the chairman on this report of the Department of Finance.

**Senator De Castro.** Mr. President, the US\$250 is the standard or the limit in other countries. But in our case, under Republic Act No. 6768, our *balikbayan* is allowed a US\$2,000 shopping privilege. This is under R.A. No. 6768. Our bill is only amending Republic Act No. 6768 and we are only adding US\$1,000 exclusive for *Kabuhayan* Program of our *balikbayan*, especially the overseas Filipino workers.

**Senator Aquino-Oreta.** Precisely, Mr. President, the standard all over the world is US\$250. That is correct. But in our country, we are giving them US\$2,000, and now we are crafting a bill to give them an extra US\$1,000 for livelihood tools.

For example, the Department of Finance estimated P2 billion to P3 billion loss in annual government revenue due to the presence of duty-free shops all over the country. So, Mr. President, I would like to find out if we have any studies to show that the loss of revenues is offset by the earnings in dollars or that the dollar earnings are greater than the loss of revenues. In other words, we are an exception to that world standard and at the same time, we are crafting something that the DOF finds rather liberal and we are even adding. Is that the rationale of this bill? I would like to get the comment of the chairman on this.

**Senator De Castro.** Ginoong Pangulo, napaka-unique pong nangyayari sa Pilipinas because we are exporting close to 7 million overseas Filipino workers or around 6.2 million or 6.5 million overseas Filipino workers kung ikukumpara sa ibang bansa na walang ganitong karaming overseas workers. In return, itong overseas workers natin ay nagpapasok ng dolyar sa ating dollar reserve na umaabot sa US\$7 billion a year.

In return, we give them privilege to buy from the duty-free shops up to US\$2,000 under Republic Act No. 6768, at ngayon ay binibigyan natin sila ng another privilege na US\$1,000 para sa

*Kabuhayan* Program, instead of only buying those luxury items inside the Duty Free Philippines.

There is a study submitted by the University of Asia and the Pacific Institute for Economic Policy and Research to the Duty Free Philippines way back in 1996, that the margins in the value-added which the local economy is able to capture with the Duty Free Philippines' operations were even lower down sa sinasabing foregone revenue.

The total Duty Free Philippines' sales should not be equated to foregone revenue or loss to the government since it is incremental to tax and duty collections. If duties are to be imposed on Duty Free Philippines sold items, the demand for these products will significantly drop, thereby eroding the tax base. International travelers will just buy imported items from abroad. Bibili na lamang sila sa ibang bansa at dadalhin sa ating bansa. In other words, naiwan iyong dolyar dahil marami namang paraan or avenues available sa ating travelers, including the overseas Filipino workers. The government may have difficulty collecting duties on these items pag pumasok na sa ating bansa.

The foregone revenues cannot be computed on a one-on-one basis. If we do not offer these products to the *balikbayan* tax and duty-free, they would have gone to other duty-free shops like in Hong Kong or Singapore and Abu Dhabi or travel retailers based abroad. Ito po ang masasabi natin. Kapag nangyari na naiwan ang dolyar sa ibang bansa, ang ibig sabihin noon ay foregone profits for the government, Mr. President.

**Senator Aquino-Oreta.** I would like to thank the distinguished gentleman for the report of the University of Asia and the Pacific Institute for Economic Policy and Research.

But we would like to know if the DOF has made a comment on this measure, considering that it is already complaining about the very liberal manner in giving out shopping privileges. So we would like to find out if the Department of Finance has given its comment on this, Mr. President.

**Senator De Castro.** Yes, Mr. President. As expected, the Department of Finance, including the National Tax Research Center, has reacted negatively to the proposal in view of the following: (1) that duty-free shopping in the country is too liberal and beyond international standards, katulad noong binanggit ng magiting na senador kanina; (2) it will have adverse impact on local manufacturing; and (3) it will result in foregone revenues amounting to P2 billion to P3 billion annually.

But, of course, in that hearing also, they said they were amenable to providing a *Kabuhayan* Program to be available only to overseas Filipino workers, Mr. President.

**Senator Aquino-Oreta.** I would like to thank the distinguished gentleman for that, Mr. President. But then we are at a loss now. If one government agency says one thing and another government agency says another thing, and these two agencies work for the same government, there are conflicting studies or conflicting recommendations. We would really want to reconcile both and maybe in a committee amendment that can be rectified.

Mr. President, the Department of Finance is headed by a financial whiz kid, and that is the reason we keep pointing to it. The Department of Finance has stated that it would prefer a program that will strictly benefit overseas Filipino workers.

Republic Act No. 6768 states that the term "balikbayan" shall mean the following: 1) a Filipino citizen who has been continuously out of the Philippines for a period of one year; 2) an overseas Filipino worker; or 3) a former Filipino citizen and his family, as this term is defined hereunder, who has been naturalized in a foreign country and comes or returns to the Philippines.

Now, Mr. President, is the gentleman equating all OFWs as *balikbayan*?

**Senator De Castro.** The term "balikbayan" shall mean a Filipino citizen.

**Senator Aquino-Oreta.** Yes. So, would the gentleman say that all OFWs are *balikbayan*?

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino-Oreta.** So, we will equate all OFWs with *balikbayan*?

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino-Oreta.** If all of them are equated as *balikbayan*, then all of them will have this additional benefit to be given by this bill?

**Senator De Castro.** Yes, the US\$1,000 *Kabuhayan* Program privilege, Mr. President.

**Senator Aquino-Oreta.** I would like to thank the distinguished gentleman for that.

Mr. President, the Philippine International Trading Corporation, which falls under the Department of Trade and Industry, has stated that the increase in the US\$2,000 shopping privilege will only favor foreign products, thus seriously harming local retailers.

The Philippine Retailers Association, on the other hand, has also expressed its objections over: 1) the increase of purchase privilege from US\$1,000 to US\$2,000; 2) the extension of shopping hours from 48 hours to five days; and 3) the grant of additional US\$2,000 for the purchase of livelihood tools, citing that these proposals only help foreign markets.

Has the gentleman formed an opinion on the position of both the Philippine International Trading Corporation and the Philippine Retailers Association?

**Senator De Castro.** Yes, Mr. President. But, first, we would like to correct that it is not US\$2,000 for the *Kabuhayan* Program. It is US\$1,000.

**Senator Aquino-Oreta.** No, it is US\$1,000 and US\$2,000, the basic one.

**Senator De Castro.** Yes. That is under Republic Act No. 6768.

**Senator Aquino-Oreta.** These two agencies again which are active in our retail business are vehemently objecting. May we know the position of the gentleman on their opinion?

**Senator De Castro.** First, the Duty Free Philippines caters to a unique and a limited market, the international travelers, as against other duty-free shops in special economic zones and commercial establishments which allow traveler or nontraveler to purchase duty-free goods.

Purchase limitations are strictly enforced and closely monitored by the customs duty-free shops division of the Bureau of Customs.

The target market of Duty Free Philippines are the tourist and travelers only, more or less around seven percent of voting-age Filipinos. And increasing their shopping privilege, especially for *balikbayan*, will not adversely affect local manufacturing because the sales of Duty Free Philippines are definitely not significant compared with those of local retailers or vice versa.

According to a study again of the University of Asia and the Pacific released in 1995, the Duty Free Philippines sales comprised a mere 0.61% only. Not even one percent of the estimated total retail sales.

**Senator Aquino-Oreta.** Mr. President, did the gentleman send this opinion to the PITC and the Philippine Retailers' Association? If so, what was their answer?

**Senator De Castro.** This was discussed during the committee hearings, Mr. President. We asked them to show us their study about the competition that Duty Free Philippines...

**Senator Aquino-Oreta.** May we have then the study that was...

**Senator De Castro.** Up to now, they have not submitted any study, Mr. President. They do not have any figure. They have no study.

**Senator Aquino-Oreta.** So, we do not have a study from the PITC?

**Senator De Castro.** No, Mr. President. I do not know if they have a study. We asked them to submit their report, but up to now, wala pa rin silang ibinigay na report. Matagal na kaming nakapag-hearing.

**Senator Aquino-Oreta.** Does the gentleman not think that we should also wait for them considering...

**Senator De Castro.** We have waited for many months already.

**Senator Aquino-Oreta.** Mr. President, the reason we are asking this is that these are the two agencies, as I said, that are very active in the retail business in our country. And surely, they know what they are objecting to. We will prove to them that they should not be afraid, and maybe we should convince them that they should not object to this bill that we have on hand.

**Senator De Castro.** Actually, Mr. President, ang isa sa mahigpit nilang tinututulan ay iyong US\$2,000 shopping privilege ng mga *balikbayan*. Pero ito ay nasa batas na natin under Republic Act No. 6768. Iyon lamang ang kanilang tinututulan. As I said, according to the study of the University of Asia and the Pacific in 1995—noong hindi pa tayo napapaloob sa WTO—ang sales ng Duty Free Philippines comprised a mere 0.61% of the estimated total retail trade sales in the retail outlets.

**Senator Aquino-Oreta.** The gentleman mentioned na tinututulan nila. Anyway, nasa batas ito. Kaya tayo naririto, we can always amend. If the law will not be good for the majority, I think it is the responsibility of Congress, of the Legislature to look into such, to revisit the law and see if it will give a positive effect on the stakeholders.

Mr. President, what safety nets does this bill provide in order to protect our domestic retailers from unfair competition? We were looking at some safety nets that will tell us that this bill will indeed help our economy and our *balikbayan*.

Can the gentleman tell us what safety nets does this bill provide in order to protect our domestic retailers from unfair competition?

**Senator De Castro.** First of all, Mr. President, the privilege is only for the *balikbayan*—

**Senator Aquino-Oreta.** That is correct, Mr. President.

**Senator De Castro.**—especially our overseas Filipino workers. Second, actually this was asked also during the committee hearings. Those present in the committee hearings objected to this law, RA No. 6768, and the proposed amendment. Ang ikinababahala nila ay smuggling. Iyan ang unang kinataakutan nila.

But according to the Bureau of Customs in that hearing also, there is no such thing as legal smuggling since all importations of the Duty Free Philippines are accounted for by the Bureau of Customs. All importations of duty-free merchandise being sold at the duty-free stores enter the country through the Customs bonded warehouse. This is under the operation of the NAIA customhouse. And all transfers of duty-free goods from one bonded warehouse to another are with the Customs' approval under the supervision of a Custom's guard with an approved Custom's note "For control and bond liquidation," Mr. President.

**Senator Aquino-Oreta** I see. Again, we would like to look at some safety nets, as we said, vis-a-vis domestic retailers, Mr. President.

**Senator De Castro.** We have a limited market in Duty Free Philippines. This caters only to the *balikbayan* and even the purchase is limited to US\$1,000 for the *Kabuhayan* Program.

**Senator Aquino-Oreta.** Yes, but still that does not give us the safety nets that we are looking for. That is the privilege that we are giving our *balikbayan*.

**Senator De Castro.** I think the most important safety net here is the way the Bureau of Customs prevent smuggling of these products from the time *na pumasok ito sa ating bansa* through the Bureau of Customs. And even the entry of customers are being monitored in Duty Free Philippines shops, Mr. President.

**Senator Aquino-Oreta.** In other words, there is a very strict compliance with customs rules.

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino-Oreta.** Anyway, I would like to thank the gentleman for that.

Mr. President, I would like to go to Section 4(b). Section 4(b) of this bill proposes an extension of the period of availment of duty-free shopping privileges from 48 hours to seven calendar days during normal season and to 15 days during Christmas season—that is from November 15 to January 15.

Again, Mr. President, how does this bill ensure that the granting of these incentives will not be abused? The DTI has already expressed its reservation about extending the period of availment, believing that this provision will be open to abuse.

So, may we have the gentleman's opinion on this, Mr. President? Again, it is another government agency talking about this bill before us.

**Senator De Castro.** First of all, Mr. President, the extension of the shopping period is based on the request of the *balikbayan* for convenience purposes. Ang karaniwang inirerekلامo ng mga *balikbayan* pagdating nila ay jetlag, lalo na kung galing sa malayu-layong bansa gaya ng Middle East, European countries or even the United States of America. So, they want to spend a few days to rest. Ang sinasabi naman ng iba—at kultura din natin ito—ay kinakailangang bigyan muna sila ng pagkakataon to hug and see their families—especially iyong mga nasa probinsiya—their friends and their neighbors in their hometowns or in the provinces. Then, puwede silang makapagplano with their families kung ano ang kanilang bibilhin sa Duty Free Philippines, and they can also prepare the transportation, the budget and the members of the family.

Another reason is the hard-earned money of our *balikbayan* under the *Kabuhayan* Program. So if they will avail themselves of the *Kabuhayan* Program, kailangang bigyan din sila ng ample time to think and study business or the *kabuhayan* that they will enter into, Mr. President. And this is a one-time shopping privilege.

**Senator Aquino-Oreta.** We know that, Mr. President. It is just that we would like to put, at least, the opinion of the different government agencies regarding this bill. We would like to synchronize the opinion because we are hearing again—first, we heard from the DOF a vehement objection and now we are hearing a vehement objection from the DTI. Again, as I said, we would like to see a happy compromise and it is very strange because these agencies are all in government. It seems that in government now, the left hand does not seem to know what the right hand is doing. There are these government agencies which are strongly objecting to some provisions of this bill, but still we would like to see this bill being crafted into law for the sake of our *balikbayan*.

**Senator De Castro.** Ginoong Pangulo, nais ko lamang idagdag na ang isa sa mga reklamo at kinatatakutan nila ay iyong pagpapalawig ng shopping period from 48 hours to seven days and 15 days upon arrival during the Christmas season.

The concern is, it would lead to indiscriminate availment of privilege. This is unfounded because the shopping privilege is limited only to one-time basis. Hindi sila puwedeng magpa-uli-uli. Ang binabanggit nila sa hearing ay baka magpa-uli-uli sila.

Because they have seven days na magpa-uli-uli sa Duty Free Philippines. Kaya hindi po. Dahil one-time basis lamang ito. The monitoring of the privilege is undertaken again in coordination with the Bureau of Customs. Kapag sila ay na-check na at natatakan na ng Bureau of Customs sa pagpasok at paglabas nila, mawawala na iyong privilege nila dahil na-avail na iyon sa pagpasok o pamimili nila sa loob ng Duty Free Philippines, Ginoong Pangulo.

#### SUSPENSION OF SESSION

**Senator Aquino-Oreta.** Mr. President, I move that we suspend the session for one minute.

**The Presiding Officer [Sen. Flavie].** Is there any objection? [Silence] There being none, the session is suspended for one minute.

*It was 5:21 p.m.*

#### RESUMPTION OF SESSION

*At 5:31 p.m., the session was resumed.*

**The Presiding Officer [Sen. Flavie].** The session is resumed.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2101

**Senator Legarda Leviste.** I move that we suspend consideration of Senate Bill No. 2101 under Committee Report No. 38.

**The Presiding Officer [Sen. Flavie].** Is there any objection? [Silence] There being none, the motion is approved.

**Senator Legarda Leviste.** Mr. President, for the Privilege Hour, I move that we recognize Sen. Robert Z. Barbers.

**The Presiding Officer [Sen. Flavie].** Sen. Robert Z. Barbers is recognized.

**Senator Barbers.** Thank you, Mr. President.

#### PRIVILEGE SPEECH OF SENATOR BARBERS ("Let Justice Be Served Though The Heavens Fall")

Mr. President, distinguished colleagues, ladies and gentlemen:

I rise today to further expose a daring and shameless crime.

It is not so much the amount nor the victims that makes this crime worthy of our attention and utter condemnation, but the

## RECORD OF THE SENATE

**TUESDAY, MAY 28, 2002**

### RESUMPTION OF THE SESSION

*At 4:01 p.m., the session was resumed with the Senate President, Hon. Franklin M. Drilon, presiding.*

**The President.** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, I move that we proceed to the Second and Third Additional Reference of Business.

**The President.** The Secretary will read the Second and Third Additional References of Business.

### SECOND ADDITIONAL REFERENCE OF BUSINESS

#### RESOLUTIONS

**The Secretary.** Proposed Senate Resolution No. 326, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON LABOR AND EMPLOYMENT, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE STATE OF THE OVERSEAS WELFARE ADMINISTRATION (OWWA) FUND AND THE UTILIZATION THEREOF, WITH THE INTENT OF INTRODUCING REMEDIAL MEASURES TO ENSURE THAT THE FUND FOR OVERSEAS FILIPINO WORKERS WILL ACCRUE TO THEIR BENEFIT AND WELFARE

Introduced by Senator Legarda Leviste

**The President.** Referred to the Committees on Labor, Employment and Human Resources Development; and Foreign Relations

**The Secretary.** Proposed Senate Resolution No. 327, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS, TO INVESTIGATE, IN AID OF LEGISLATION, THE ALLEGED "HIJACKING" OF THE \$1 MILLION BURNHAM RANSOM

Introduced by Senator Ejercito Estrada

**The President.** Referred to the Committee on National Defense and Security

**The Secretary.** Proposed Senate Resolution No. 328, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON BANKS, FINANCIAL INSTITUTIONS AND CURRENCIES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ANENT THE UNREASONABLE PRACTICES, TRANSACTION CHARGES AND INTEREST RATES BEING IMPOSED BY BANKS AND CREDIT CARD COMPANIES WITH THE END-IN-VIEW OF ADDRESSING THE PROBLEM THROUGH APPROPRIATE REMEDIAL MEASURES

Introduced by Senator Magsaysay Jr.

**The President.** Referred to the Committees on Trade and Commerce; and Banks, Financial Institutions and Currencies

**The Secretary.** Proposed Senate Resolution No. 329, entitled

RESOLUTION URGING THE PHILIPPINE SENATE TO CONCUR IN THE INTERNATIONAL CONVENTION FOR THE SUPPRESSION OF THE FINANCING OF TERRORISM ADOPTED BY THE UNITED NATIONS GENERAL ASSEMBLY

Introduced by Senator Magsaysay Jr.

**The President.** Referred to the Committee on Foreign Relations

**The Secretary.** Proposed Senate Resolution No. 330, entitled

RESOLUTION CREATING THE SENATE AD HOC COMMITTEE ON TRUST FUNDS

Introduced by Senators Angara, Aquino-Oreta, Robert S. "JAWO" Jaworski, Lacson, Serge Osmefia and Sotto III

**The President.** Referred to the Committee on Government Corporations and Public Enterprises

### THIRD ADDITIONAL REFERENCE OF BUSINESS

#### BILLS ON FIRST READING

**The Secretary.** Senate Bill No. 2146, entitled

AN ACT PROVIDING GOVERNMENT ASSISTANCE TO MADRASAH EDUCATION SYSTEM, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Legarda Leviste



**Senator Osmeña III.** That is correct, Mr. President.

**Senator J. Osmeña.** Yes, Mr. President.

**Senator Osmeña III.** And then, perhaps that would also help the financial institutions avoid having to take an early write off—

**Senator J. Osmeña.** That is exactly the consequence of that, Mr. President.

**Senator Osmeña III.** And they could conceivably, as long as they own those shares of stocks, keep these ROPOAs at the same book value at which they acquired the assets, whether or not they made money on the subsequent sale of the repossessed assets that are now the assets of the new subsidiary corporation.

**Senator J. Osmeña.** Those shares of stock, Mr. President, would be booked at transfer value. Whether or not that transfer value is reflective of the real value is something that will have to be looked into.

Now, whether or not the Central Bank—the Department on Supervision of Banks—will allow them to reflect that at transfer value is something that will have to be worked out with the Central Bank.

Mr. President, I do not think that we have said that the Metrobank has done anything that is not yet allowed by law. But to my mind, what is a little bit disturbing is that the deputy governor of Central Bank and the members of the Monetary Board are not even aware of the details of these transactions.

**Senator Osmeña III.** Mr. President, unfortunately, I think they only check the banks once every three years or once every two years. *[Laughter]*

**Senator J. Osmeña.** Mr. President, this is the largest—

**Senator Osmeña III.** That is correct, Mr. President.

**Senator J. Osmeña.** —next to PNB. I do not know how Metrobank ranks with Land Bank of the Philippines.

**Senator Osmeña III.** I think the Bank of the Philippine Islands is the largest, then Metrobank. Sometimes Metrobank is No. 1 in terms of resources.

Thank you very much, Mr. President.

**Senator J. Osmeña.** Thank you, Mr. President.

If this bill does not pass we can see all of them scouring and running to the SEC creating special asset vehicles.

#### SUSPENSION OF SESSION

Mr. President, I move that we suspend the session for one minute.

**The Presiding Officer [Sen. Flavier].** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 5:58 p.m.*

#### RESUMPTION OF SESSION

*At 5:59 p.m., the session was resumed.*

**The Presiding Officer [Sen. Flavier].** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, I move that we suspend the period of interpellations on Senate Bill No. 2116 under Committee Report No. 41.

**The Presiding Officer [Sen. Flavier].** Is there any objection? *[Silence]* There being none, the motion is approved.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2116

**Senator Legarda Leviste.** Mr. President, I move that we suspend consideration of Senate Bill No. 2116 under Committee Report No. 41.

**The Presiding Officer [Sen. Flavier].** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING

##### S. No. 2101 — Instituting a Balikbayan Program (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The Presiding Officer [Sen. Flavier].** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**Senator Legarda Leviste.** We are in the period of interpellations. I move that we recognize the sponsor, Sen. Noli “Kabayan” De Castro; and to interpellate, I move that we recognize Sen. Joker P. Arroyo.

**The Presiding Officer [Sen. Flavier].** Sen. Noli “Kabayan” De Castro is recognized.

**Senator De Castro.** Thank you, Mr. President, but before the interpellation of the good gentleman from Makati and Bicol, in view of the interpellations made for Senate Bill No. 2101 or the *Balikbayan* bill, may I be allowed to put on record the following:

(1) *Ang intention po ng* Committee on Tourism for this bill is for the additional privilege of US\$1,000 for the *Kabuhayan* Program of our returning *balikbayan*.

(2) We appreciate the concern of the Senate President and Sen. Tessie Aquino-Oreta, disregarding the government-owned and controlled duty-free shops that we use in our bill. So, the committee is amenable to retain the provision of the existing law which is the Philippine duty-free shops. *Pero ito pong Kabuhayan Program ay magiging exclusive sa PTA duty-free shops.*

Thank you, Mr. President.

**The Presiding Officer [Sen. Flavio].** Senator Arroyo is now recognized.

**Senator Arroyo.** Mr. President, will the gentleman, the distinguished sponsor, yield for some questions?

**Senator De Castro.** Yes, Mr. President, it is an honor from the good gentleman from Makati and Bicol.

**Senator Arroyo.** Mr. President, the way I see the bill, *ay bakit ba* the gentleman is granting US\$1,000 *diyan sa kabuhayan* project? Am I correct, Mr. President?

**Senator De Castro.** Yes, Mr. President, US\$1,000 for the *Kabuhayan* program under the *Balikbayan* bill.

**Senator Arroyo.** So, why is it only US\$1,000, that is my question really. Why? I mean, if we are going to give, *bibigyan din, bakit hindi lalong malaki?*

**Senator De Castro.** The original bill actually is US\$2,000 pero during the committee hearing, inulit po ng OWWA ang request of our *balikbayan* and it was also during this hearing that the committee learned that an automotive shop, for instance, would need, ay nangangailangan po ng tools amounting to more than US\$1,000, not to mention the equipment needed. So in this regard, the existing privilege of US\$1,000 may also be tapped by the *balikbayan* para pandagdag sa US\$1,000 para sa *Kabuhayan* Program. Sabagay, matituwa po ang mga *balikbayan* kung magiging US\$2,000 exclusive for the *Kabuhayan* Program. But in our bill puwede pong gamitin ng isang *balikbayan* ang kanyang shopping privilege na US\$2,000. Kaya, kung sakali't kulang ang US\$1,000 puwede niyang gamitin and additional US\$2,000 under the shopping privilege of a *balikbayan*.

**Senator Arroyo.** Hindi po ba ang idea ng *Kabuhayan* project is for the economic reasons, hindi ba ganoon po iyon?

**Senator De Castro.** Opo, Ginoong Pangulo. Tama po iyon.

**Senator Arroyo.** Ngayon, ihiwalay natin ang mga other privileges ng mga *balikbayan*, i-concentrate muna natin iyong amount sa *Kabuhayan* kung magkano talaga. Because kung magbibigay tayo, di magbigay tayo ng malaki.

**Senator De Castro.** Siguro sa panahon po ng amendments, Mr. President, ay puwedeng ipanukala ng senador mula sa Bicol at Makati iyong additional US\$1,000 para maging US\$2,000 under the *Kabuhayan* Program ng ating *Balikbayan* Program.

**Senator Arroyo.** Well, I thank very much the distinguished sponsor, if he has an open mind on that. Pero nagtataka lamang ako kung bakit iyong, anong opisina iyong nag-propose ng...

**Senator De Castro.** OWWA.

**Senator Arroyo.** OWWA officials are supposed to protect the interests of the overseas workers. *Bakit ba ganoon ang position nila?* I mean, we might as well know why they are like that.

**Senator De Castro.** I do not know because according to OWWA, ang feedback po nila ay nagpapakita na ang proposed US\$1,000 actually ay insufficient para sa *kabuhayan* items. That is why inilagay po namin sa aming bill na ang shopping privilege ay magamit pa rin. Marahil ay nag-aalala sila na dahil ito ay duty-free ay baka naman maabuso kung palalakihin nila sa US\$1,000. Iyong abuso lamang ang iniwasan dito. As a matter of fact, sa committee hearings po, ang laging nangingibabaw sa mga reklamo ay ang abuso sa paggamit ng duty-free privilege ng mga *balikbayan* especially ang mga overseas Filipino workers.

**Senator Arroyo.** Mr. President, let us assume na nag-aabuso sila, pera nila iyan. They did not earn it in the Philippines. Hindi ba ini-earn nila iyon sa abroad? Hindi ba ganoon iyon Ginoong Pangulo?

**Senator De Castro.** Tama po iyon, Ginoong Pangulo.

**Senator Arroyo.** All right. Ngayon, they earned it abroad.

**Senator De Castro.** Opo.

**Senator Arroyo.** Walang pakialam dito ang Pilipinas. Hindi naman ini-earn dito. Ngayon, gusto nilang bumili dito and the only privilege that they are getting is that it is duty-free, meaning, walang tax.

**Senator De Castro.** Opo.

**Senator Arroyo.** Bakit hindi na luwangan iyon. Kung kulang iyong US\$2,000, why not make it US\$3,000? I mean, that is what I am just trying to find out, Mr. President. Kung ibibigay natin, ibigay na natin. Bakit kuripot iyong OWWA?

**Senator De Castro.** Gaya po ng sinabi ko, matutuwa talaga ang mga *balikbayan* kung gagawin nating US\$2,000 sa ilalim ng *Kabuhayan* Program. Kaya lamang siguro naging US\$1,000 ang panukala rin ng OWWA ay para maiwasan po ang pang-aabuso ng ilan nating kababayan.

Ang laging issue sa bill na ito ay ang smuggling umano na maaaring mangyari. But ito po ay ikinumpirma na ng duty-free shops na masyadong mahigpit ang Bureau of Customs sa pagmomonitor ng mga duty-free merchandise being sold sa mga duty-free shops o iyong mga pumapasok sa ating bansa through the Customs bonded warehouse. Pero sabi ko nga sa inyo, kung iyan ay isasama natin sa pag-a-amend sa panahon ng amendments ng ating batas ay matutuwa ang ating *balikbayan* at sino ako para tumanggi na gawin nating US\$2,000?

**Senator Arroyo.** Well, thank you very much, Mr. President. The distinguished sponsor is amenable to enlarging the privileges.

**Senator Sotto.** Mr. President.

**The Presiding Officer** [Sen. Flavie]. Senator Sotto is recognized with the permission of the two gentlemen.

**Senator Sotto.** May I be allowed by the two gentlemen to interject, Mr. President, just to serve notice that we should reconsider that point. Of course, it is up to the sponsor, it is up to the distinguished gentleman to present that amendment later on.

We used to study and handle this particular bill and one of the main reasons we should not allow a higher allowable rate or amount is it will eventually kill the local business that also sells these types of equipment. So *kung lalakihan pa iyan, wala nang bibili ng mga wala sa duty-free shops*. I think that is one of the reasons they would like to put a cap to the limit allowed in the *Kabuhayan* Program, Mr. President.

**Senator Arroyo.** Mr. President, I appreciate the concern here of Senator Sotto. True, the local stores would be protesting. But as I said earlier, the *balikbayan* earned their money abroad with no help at all from the Philippines or from the Philippine government. They will spend here the money they earned abroad. *Maiiwan iyong perang iyon dito*. It will be left here. The Philippine government did not help at all the overseas workers earn that money, then they should be given that privilege.

*Iyong* competition, I think that they are not supposed to service overseas workers because if we follow that reasoning, therefore an overseas worker who earns his money abroad comes here and we will have to compel him to buy locally, then I go back to my proposition. Where did they earn this money? Not in the Philippines but abroad. So we should be what we call *maluwag tayo diyan* because *wala namang tulong na ibinigay ang Pilipinas sa kanila*. In fact, we just gave them a permit to work abroad.

**Senator De Castro.** Mr. President, may I add. Sa karaniwang automotive shops, machine shops, iron works, air-conditioning shops, refrigeration shops and other mechanically related shops, ito ang maaaring pangkaraniwang pasukan ng ating mga OFW upang maging hanapbuhay nila. *Iyong* hand tool set proto model 99101—US made ito—ay nagkakahalaga ng US\$930 at may 131 pieces. Marami ho iyan: Pero kung mas marami pa ring set, let us say, this US\$930 worth of hand tool is 131 pieces. The proto model consisting of 148 pieces hand tool set ay nagkakahalaga ng US\$2,346. So kung gagawin nating US\$2,000 ay maaabot niya itong mas maraming piraso na gamit para sa kaniyang papasuking hanapbuhay like automotive shops.

**Senator Arroyo.** That is why I am just trying to stress a point. We are even trying to give them absentee-voting rights, we are giving them other rights. Those are privileges and rights but this one is economic. They will appreciate this better because this is an economic benefit. Iyon lamang, ang gusto kong i-emphasize because it is unfair to compel the *balikbayan* to buy in our local stores.

**Senator Sotto.** Mr. President.

**The Presiding Officer** [Sen. Flavie]. Senator Sotto is recognized, with the permission of the two gentlemen on the floor.

**Senator Sotto.** Again, yes, Mr. President. As I said, we cannot prevent the sponsor from accepting that proposed amendment and we cannot prevent anybody from proposing that amendment. What I just interjected was the fact that I was just informing the Chamber that this is one of the reasons it was pegged down to US\$1,000 during the past years. It is up to them whether they would like to make it higher. But I assure the gentlemen that the people from the local retail business in the country will be objecting to that for sure.

Thank you, Mr. President.

**Senator De Castro.** As a matter of fact, Mr. President, it is not only US\$1,000 for the past years because this is an additional US\$1,000. At present, we have US\$1,000 as frequent travelers under an executive order and then another US\$1,000 under R.A. 6768 for *balikbayan*, so that means US\$2,000 ang entitled sa isang OFW or a *balikbayan*.

This bill is only an amendment of R.A. 6768 kung saan dadagdagan ng another US\$1,000 para sa *Kabuhayan* Program. Sa original bill ay US\$2,000 talaga. Sabi ko nga mas matutuwa ang mga *balikbayan* na magiging US\$2,000 ang kanilang pribilehiyo para sa *Kabuhayan* Program.

Anyway, sinisigurado ng duty-free shops, whether it is a small or a big amount na ibinibigay nating privilege sa mga *balikbayan* subalit ang Bureau of Customs ay hinihigpitan sila. Lahat ng importations ay well-accounted for ng Bureau of Customs. And to elaborate, lahat ng importations of duty-free merchandise being sold at the Duty Free Philippines stores entered into the country through the Customs bonded warehouse, at ang operation ng mga ito ay sa ilalim naman ng NALA customs house. Lahat ng transfers of duty-free goods from one bonded location to another are with Customs approval, ginagwardihan ng Customs guard, with an approved Customs boat note for control at saka bond liquidation.

Kaya tinatanggap ko iyong proposal of the good gentleman from Makati and Bicol dahil sa ang US\$2,000 ay malaking benepisyo especially para sa mga OFW na magre-reintegrate sa ating society after na matapos ang kanilang term, or sometimes one-year or two-year term sa pagtratrabaho sa abroad, at pagbalik nila rito, walang naghihintay sa kanilang hanapbuhay dahil ang iba riyan ay may edad na rin o kaya ay nag-resign na sa kanilang mga trabaho. So through the reintegration program of our government, ang layunin nito ay mabigyan ng hanapbuhay ang ating mga kababayan o makapasok sa anumang hanapbuhay at magamit nila ang mga tools na duty-free mula sa Duty Free Philippines.

**Senator Arroyo.** Mr. President, if the distinguished sponsor is willing to accept such kind of amendment during the period of amendments, then I will be most thankful. In fact, my interpellation is limited to that— that is to increase the privilege.

I do not have any more questions, Mr. President. I thank the distinguished sponsor for his open mind on the matter.

**Senator De Castro.** Thank you too, Mr. President, and thank you too to the good gentleman from Bicol and Makati.

**Senator Drilon.** Senator Villar wishes to take the floor for interpellation on this bill.

**The Presiding Officer [Sen. Flavio].** Senator Villar is recognized.

**Senator Villar.** Ginoong Pangulo, maikli lamang siguro at mga tatlong oras lamang.

Thank you, Mr. President.

Gusto ko lamang magtanong nang kaunti at makakuha ng mga paliwanag dito sa ating Senate Bill No. 2101, the *Balikbayan* Program.

Ginoong Pangulo, doon sa isa sa mga problemang lumalabas sa mga tanungan ay kung paano maisasakatuparan ang *Kabuhayan* shopping privilege gayung natanggal na iyong mga livelihood tools sa mga eskaparate ng mga duty-free shops. Iyon ba ay puwede nating gawing requirement sa tourist duty-free shops na maglagay sila ng mga specific livelihood tools at paramihin pa natin para lalong mas dumami ang mga choices ng mga *balikbayan* na uwi rito?

**Senator De Castro.** Yes, Mr. President. Katunayan ay naghahanda na rin ang duty-free shops sa pag-asa nila na maaprubahan ang panukalang batas na ito. Naghahanda na sila kung ano ang mga listahan ng mga hanapbuhay na prino-provide sa kanila ng OWWA. Ito namang mga listahan na ito ay galing din sa mga— especially sa mga overseas Filipino workers, as to the kind of hanapbuhay na gusto nilang pasukan after na matapos ang kanilang pagtratrabaho sa abroad at babalik na sila sa Pilipinas. So pinaghahandaan na nila iyan at naghahanap na sila kung saan nila maisu-source itong mga gamit na ito para sa hanapbuhay under the *Kabuhayan* Program, Ginoong Pangulo.

**Senator Villar.** Pinag-uusapan kanina, Ginoong Pangulo, the amount whether it is US\$1,000 or US\$2,000 and it was mentioned that in order to protect the local producers, dapat siguro US\$1,000 lamang subalit parang nakukulangan naman tayo sa isang banda. Ang tanong ko lamang, sa mga darating ba natin na programa sa pagtanggap nitong tariff ay kailangan pa kaya itong bill na ito dahil alam natin na sa darating na panahon pababa nang pababa ang mga taripa sa mga imported items and therefore, nakikita ko na darating ang oras na iyong buong duty-free concept will become irrelevant?

**Senator De Castro.** Tama po iyon, Ginoong Pangulo. Katunayan iniisip na rin iyan ng Duty Free Philippines. But ang talagang pangunahing layunin ng *Balikbayan* Program ng ating pamahalaan under Republic Act No. 6768 ay hindi lamang to attract and encourage overseas Filipinos na bumalik sa Pilipinas o dalawin tayo dito, kundi bilang recognition din sa kanilang naging contribution sa ating bansa through the foreign exchange inflow and revenues that they generate.

Pero ang talagang tina-target dito ng ating pamahalaan ay ang mga dolyar na pumapasok sa ating bansa, sapagkat gustong, well, the word is "makupo" ng ating pamahalaan ang mga dolyar nila at makabibili nga sila ng murang bilihan dito sa atin, kasi kahit bababa ang taripa mayroon pa rin tayong binabayaran na value-added tax at 10% rin iyan. Kung iyan ay matitipid ng isang manggagawa o isang OFW, malaki na. Pero ang isa sa mga layunin ay para nga

iyong mga dolyar ay hindi maiwan sa labas o sa ibang bansa kapag bumabalik ang mga OFWs.

So kung saka-sakali ay doon sila sa abroad bibili halimbawa ng isang television set, chocolates, or liquor, or cigarettes, ay naiiwan iyong dolyar doon sa bansang pinanggalingan nila at hindi nai-tra-transfer sa ating bansa at kailangang-kailangan po natin ang dolyar dahil sa takbo ng ating ekonomiya.

So naiisip na rin iyan ng Duty Free Philippines pero sa layunin na makupo nga iyong dolyar na iyon, isa po iyan sa layunin noon at saka iyong value-added tax ay hindi pa rin mawawala kung sakali ay 10% din iyan na ipinapatong sa mga produkto na hindi nagdaraan sa Duty Free Philippines, Ginoong Pangulo.

**Senator Villar.** Sa ngayon, Ginoong Pangulo, ang allowed ay US\$1,000?

**Senator De Castro.** Bale lumalabas ay dalawang libong dolyar.

**Senator Villar.** Sa ngayon, sa ngayon?

**Senator De Castro.** Sa ngayon dahil—as frequent traveler under an executive order and then under R.A. No. 6768, another US\$1,000, so lahat-lahat ay US\$2,000.

**Senator Villar.** So ito, Ginoong Pangulo, itong US\$2,000 ay gagawing magkano?

**Senator De Castro.** Dadagdagan po natin ng another US\$1,000 para iyan sa *Kabuhayan* Program sa ilalim ng *Balikbayan* Program.

**Senator Villar.** Kaya magiging US\$3,000.

**Senator De Castro.** Opo, US\$3,000.

**Senator Villar.** Ginoong Pangulo, itong mga nakaraang taon, magkano ba ang naa-avail na purchases nitong ating mga *balikbayan* sa Duty Free Philippines?

**Senator De Castro.** Kailan po ito?

**Senator Villar.** Siguro puwede ring last year as a basis. At kung mayroong statistics sana, iyong highest level na nagamit ng ating mga *balikbayan*.

**Senator De Castro.** For 2001, Duty Free Philippines generated a total of US\$44,211,957—this is in US dollars, Mr. President—in sales mula sa mga *balikbayan*, and this is a 12.8% decrease from the previous year 2000 wherein it generated US\$50,723,901 in *balikbayan* sales.

**Senator Villar.** Ginoong Pangulo, iyong baba ng mga binibili ng ating mga *balikbayan*, iyan ba ay dahil sa pagbaba ng purchases per person o nabibili ng isang *balikbayan* o ang pagkaunti ng *balikbayan* na namimili?

**Senator De Castro.** Marahil ito ay kasunod pa rin ng krisis na nangyari po sa ating bansa. Mayroon tayong krisis na nangyari noon sa Asya, then sumunod iyong political crisis natin. Kaya ito ay nagkasunud-sunod na. Marahil kahit bumabalik ang ating mga kababayan ay itinatago pa rin nila iyong kanilang dolyar sa pag-asa na baka tumaas. Kung matatandaan ninyo, year 2000-2001 ay masyado pong itinaas ang palitan ng dolyar sa piso, na halos natakot tayo na baka umabot ng P60.

Kaya ang isa po na iniisip na dahil ay pinipigil ng mga Overseas Filipino Workers at ng mga *balikbayan* ang dolyar na hawak hawak nila and hoping na tataas pa iyong dolyar kaya kakaunti ang namimili.

**Senator Villar.** Ginoong Pangulo, mayroon po ba tayong statistics doon sa number of *balikbayan* who availed themselves of this program last year and the past few years, kung mayroon lamang?

#### SUSPENSION OF SESSION

**Senator De Castro.** Just a one-minute suspension of the session, Mr. President.

**The Presiding Officer [Sen. Flavie].** The session is suspended for one minute if there is no objection. *[There was none.]*

*It was 6:27 p.m.*

#### RESUMPTION OF SESSION

*At 6:28 p.m., the session was resumed.*

**The Presiding Officer [Sen. Flavie].** The session is resumed.

**Senator De Castro.** According to the record of Fiesta Mall, from 1990 to 2001, tungkol sa registered number of *balikbayan* shoppers per month—ito-total ko na lamang po, Ginoong Pangulo—for the year 2000, the total is 250,712 *balikbayan* shoppers. It decreased pagdating ng 2001 at 227,113 *balikbayan* shoppers. I notice here na ang bulk ng mga mamimili were in the months of March, April, May and then December.

**Senator Villar.** Ginoong Pangulo, ilan nga uli ang sales noong year 2000? Iyong US\$44 million, kailan ba iyon?

**Senator De Castro.** For the year 2000, US\$50,723,901; and then for the year 2001, US\$44,211,957.

**Senator Villar.** Ginoong Pangulo, puwede po ba nating mapakiusapan iyong mga taga-duty free shops na mag-compute kung magkano ang average nito? Idi-divide lamang natin itong US\$50.7million ng 250,000 at US\$44million ng 227,000. Gustoko lamang ma-establish kung magkano ang average na binibili ng ating mga *balikbayan*.

**Senator De Castro.** Ginoong Pangulo, sa year 2001, ang average purchase per customer per month sa Fiesta Mall ay ito. Of the 227,113 *balikbayan* with a total sales of US\$44,211,957, the average purchase per customer is US\$194.

**Senator Villar.** Is this US\$1,940 or US\$194?

**Senator De Castro.** One hundred ninety-four dollars, Mr. President.

**Senator Villar.** Ginoong Pangulo, puwede po bang malaman din iyong sa year 2000?

#### SUSPENSION OF SESSION

**Senator De Castro.** Mr. President, may I ask that the session be suspended for one minute.

**The Presiding Officer [Sen. Flavie].** The session is suspended for one minute, if there is no objection. *[There was none.]*

*It was 6:32 p.m.*

#### RESUMPTION OF SESSION

*At 6:33 p.m., the session was resumed.*

**The Presiding Officer [Sen. Flavie].** The session is resumed. Senator De Castro is recognized.

**Senator De Castro.** For the year 2000, with total sales of US\$50,723,901, the average per customer is US\$202.31.

**Senator Villar.** Ginoong Pangulo, pinag-iisipan ko lamang that a *balikbayan* is entitled to US\$2,000, pero ang average na binibili nila ay US\$200 noong 2000 at bumaba pa noong 2001 sa US\$194. Hindi kaya irrelevant na rin iyong US\$2,000 na maging US\$3,000 dahil ang average na binibili nila ay umaabot lamang ng US\$200? Siguro ay wala silang ganitong karaming pera.

**Senator De Castro.** Kung sabagay, pag sinabi nating "customer," hindi lahat ay *balikbayan*. Mayroon din po ritong mga turista o frequent travelers. Nandito rin iyong mga *balikbayan* at overseas Filipino workers. Pero halos 50% ng mga namimili sa Duty Free Philippines ay *balikbayan*. Ang benta ng Duty Free Philippines ay galing sa mga *balikbayan*.

Pero iyong tanong ninyo, Ginoong Pangulo, ay: Kailangan pa bang dagdagan iyon? Tila hindi naman nauubos lahat ng mga namimili sa Duty Free Philippines iyong allotted sa kanila.

Iyon nga po ang dahilan. Kaya nga sa atin pong *Balikbayan* Program ay nagdagdag lamang tayo ng US\$1,000 sa *Kabuhayan* Program. Ang ginawa natin, kung kulang rin iyong US\$1,000, puwede silang kumuha from this US\$2,000 na shopping privilege ng *balikbayan*. Pero hindi sila puwedeng kumuha sa *Kabuhayan* Program para gamitin naman sa shopping privilege. Sa ilalim lamang ng *Balikbayan* Program ng pamahalaan puwedeng kumuha ng shopping privilege ang isang *balikbayan* o isang overseas Filipino worker.

**Senator Villar.** Ginoong Pangulo, dahil po rito ay nakikita natin na uma-average ng US\$200 lamang ang binibili nila, at iyong US\$2,000 shopping privilege ay itataas pa natin sa US\$3,000. Sinasabi sa figures na ito na nababawasan na ang kahalagahan nitong benefit sa ating mga *balikbayan*. Hindi kaya ito isang indikasyon na kinakailangan pa nating bigyan ng additional incentives ang ating mga *balikbayan* bukod sa ibinibigay lamang na additional US\$1,000? Maaaring sa ibang porma ng tulong puwede nating matulungan ang ating mga *balikbayan* kaysa rito sa US\$1,000.

**Senator De Castro.** Ang pinag-uusapan po natin ay total average per customer. Ang isa sa sinasabing nagpahina rin sa benta o kinikita ng Duty Free Philippines ay iyong pagbabawal sa mga frequent traveler na bumili ng electronic products sa Duty Free Philippines. Malaking bagay itong nawala sa Duty Free Philippines, itong mga frequent traveler na hindi makabili ng mga TV sets or refrigerators or stereo or VCD sa Duty Free Philippines sapagkat ipinagbawal ito ng ating pamahalaan at ang pinapayagan lamang ay iyong talagang mga *balikbayan* or the overseas Filipino workers. Ito po ay nagri-range from US\$200 to US\$800 for electronic products.

**Senator Villar.** Maaari bang malaman kung bakit ipinagbawal ng ating pamahalaan iyong pagtitinda ng electronics sa tourist duty-free shops?

**Senator De Castro.** Dahil nga po sa reklamo rin ng mga retailer natin na naapektuhan daw ang kanilang mga benta sapagkat pinahihintulutan ang mga frequent travelers na makabili ng mga electronic product.

**Senator Villar.** Ginoong Pangulo, ang nagreklamo po ba ay iyong mga retailer natin o iyong ating mga manufacturer?

**Senator De Castro.** Iyong retailers po, Ginoong Pangulo. Dahil doon din naman bumibili ang Duty Free Philippines sa mga local manufacturer natin na may mga imported brand of electronics.

Ang karaniwang nagrereklamo ay itong mga negosyante na ang iniisip ay naapektuhan ang kanilang benta kapag ang mga...Actually, ang gusto nila ay ipagbawal nang lubusan ang pagbebentang mga electronic product dito sa Duty Free Philippines.

**Senator Villar.** Nagtataka ako kung bakit bukod-tanging electronics lamang ang ipinagbabawal samantalang marami rin naman tayong mga produktong posibleng maapektuhan o naapektuhan nitong tourist duty-free shops. We know that the system affects a lot of our manufacturers.

Ito po ay isang problema natin, Ginoong Pangulo, na talagang halos naubos na ang ating manufacturers noong buksan ang ating bansa sa liberalization. Kaya hindi ko malaman kung sino ang pinoprotektahan natin dito dahil talagang wala nang local manufacturers. Therefore, there is no need to protect anybody. Kaya nagtataka ako kung bakit ang electronics ay bukod-tanging protektado natin. Bakit hindi ang mga candy? Bakit hindi ang mga damit? Bakit ang electronics lamang? May malakas po bang naglalakad niyan na nasa electronic business, Mr. President?

**Senator De Castro.** Mr. President, we have no idea kung mayroon pong malakas na nagla-lobby sa mga negosyanteng Pilipino na involved sa electronic manufacturing or electronic products or even distribution of electronic products. But according to the staff of Duty Free Philippines, ang pinakamalaking item sa Duty Free Philippines ay itong mga electronic product. Ito ang pinakamahal na umaabot mula sa US\$200 hanggang US\$800, lalo na ngayong tumaas ang palitan ng Philippine peso against the US dollar. Kaya lalong tumaas ito. Marahil ito ang tinarget ng mga negosyante dahil malaki ang benta nito sa mga Duty Free Philippines shops.

**Senator Villar.** Ginoong Pangulo, ano bang klaseng mga electronic ito? Ito ba ay television sets, gas ranges or stereos?

**Senator De Castro.** Opo, television sets, stereos, DVD players, refrigerators, karaoke ang mga ibinebenta ryan.

But may I add, Mr. President, na noong ipagbawal ang pagbebentang mga electronic product sa ilalim ng Executive Order No. 250, ang sales o benta ng Duty Free Philippines ay bumaba to as much as 51%, from US\$61 million in 1996 to only US\$29 million in 1997.

Gayunman, noon ding mga taong iyon, ang report naman ng cash operations ng national government ay nagsasabi that the collections of the Bureau of Customs even dropped. The collections dropped by nine percent from P104.5 billion during fiscal year 1996 to P94.8 billion during fiscal year 1997. Kaya nangangahulugan na iyong inaasahang revenue or supposed revenue na makokolekta ng pamahalaan ay hindi na-realize. Maaaring may eksplanasyon

dito. At ang maaaring magandang eksplanasyon dito, that the demand for these products dropped. Or such electronic products ay maaaring hindi binili sa Duty Free Philippines ng mga frequent traveler, kundi maaaring binili sa abroad at ipinadala rito sa pamamagitan ng door-to-door delivery or other avenues, Mr. President.

**Senator Villar.** Kaya ko lamang naitanong iyon ay dahil naniniwala akong dapat talagang tulungan ang ating mga balikbayan. At kung tutulong din lamang tayo, huwag bitin at mayroon pang mga exception. Sana ay tuluy-tuloy na lamang ang lahat. Sila rin naman ay dapat pangalagaan dahil napakalaki ng kanilang kontribusyon sa ating ekonomiya. At hindi naman dapat kampiyan agad ang mga nagrereklamo sapagkat maaaring mga dayuhan din ang nagrereklamo na may mga planta rito ng mga kasangkapan o appliances. At kung nagrereklamo ang mga dayuhan, bagamat sila ay welcome na mag-invest dito, ang una muna nating dapat pangalagaan ay ang ating mga kababayang napeperhuwiso sa ganyang klaseng programa.

**Senator De Castro.** Maganda po iyan, Ginoong Pangulo. At kung inyong isasama, pagdating ng period of amendments, ang tungkol diyan, matutuwa ang Duty Free Philippines. Pero ito ay bawal sa mga frequent traveler na entitled lamang sa shopping privilege na US\$1,000. Pero sa mga balikbayan naman, including the overseas Filipino workers, puwede silang makabili ng electronic products nang isa-isa nga lamang—isang TV, isang DVD, isang VCD.

**Senator Villar.** Ang isa pa pong isyu, Ginoong Pangulo, ay nais ko ring malaman kung isasaalang-alang nating makaisip ng iba pang karagdagang tulong para sa ating mga kababayang nagbabalikbayan bukod dito. Sapagkat maliwanag na nakikita natin sa figures nitong taong 2000 at 2001 na hindi masyadong malaki... Malaki rin ang maitutulong. At ako ay sumasang-ayon sa panukalang-batas na ito. Ako ay 100% na sumasang-ayon dito, dangan nga lamang, base sa figures na ito, talagang nagtitipid na rin ang ating mga balikbayan. At maaaring sinasabi sa atin na sa ibang pagkakataon, sa ibang bagay naman natin sila dapat tulungan. At baka makaisip tayo, during the period of amendments, ng karagdagang tulong sa ating mga kababayan.

**Senator De Castro.** Ginoong Pangulo, puwede po nating idagdag sa panukalang-batas na ito ang pagpapahintulot sa balikbayan na gamitin ang kaniyang pribelehiyo sa pamimili sa loob ng pitong araw. Hindi iyong within 48 hours lamang. Ang katwiran po rito, sa pitong araw na iyon, lalong-lalo na kapag malayo ang pinanggalingan ng isang overseas Filipino worker o ng isang balikbayan, may jet lag pa siya, o kaya ay ugali o tradisyon nating mga Filipino na pagdating natin mula sa ibang bansa, sa loob ng dalawang taong ipinagtrabaho roon, gusto na natin agad makita ang ating mga mahal sa buhay—to hug our wife, our mother, our father, our sons and daughters and grandchildren.

Kaya hindi muna nila maasikaso ang pamimili. Pag-uusapan pa nila pagdating sa bahay kung ano ang mga kailangan sa bahay na dapat bilhin o iyong mga kailangan ng members of the family. Kaya umaasa kami na ang pagbibigay ng pitong araw na palugit upon arrival.... May I correct that, Mr. President. Five days upon arrival during the regular season, but seven days upon arrival during the Christmas season. *[There was a short pause.]*

May I correct that, Mr. President. Tama po—seven days upon arrival, but during Christmas season, from November 15 to January 15, the privilege is extended to 15 calendar days. Dahil kung Pasko raw po ay masyadong abala ang isang pamilya para magkaroon ng pagkakataong makapamilya.

But these privileges shall be availed of by them sang-ayon sa nilalaman ng ating batas, "on a one-time shopping basis." Uulitin ko lamang iyong "one-time shopping basis." Sapagkat sa committee hearings, ang sabi nila ay baka maabuso iyong seven days at 15 days during Christmas season. Pero one-time lamang po ito. Isang beses lamang gagamitin sapagkat ang interpretasyon po ng mga resource speakers natin sa committee hearing ay pabalik-balik—within seven days or within 15 days during the Christmas season, Ginoong Pangulo.

**Senator Villar.** Ginoong Pangulo, itong Tourist Duty Free ba ay kumikita?

**Senator De Castro.** Itong nakaraang taon ay lugi po, Mr. President.

**Senator Villar.** Magkano ang lugi, Ginoong Pangulo?

**Senator De Castro.** Simula nang magkaroon tayo ng krisis noong 1996 ay negative 10 percent.

**Senator Villar.** Magkano po iyon, Ginoong Pangulo?

**Senator De Castro.** Kasi ang binabanggit lamang dito sa sales performance report ng Duty Free Philippines ay may sales lamang sila na US\$318,494,676. Hindi po malaman dito kung magkano iyong negative ten percent.

**Senator Villar.** Magkano po ang benta nila sa pesos? P15 bilyon ang benta nila sa pesos. Kung 10 percent, e di P1.5 bilyon, Ginoong Pangulo.

**Senator De Castro.** Mahina po ako sa mathematics, Ginoong Pangulo.

**Senator Villar.** Magkano ang benta uli sa dolyar, Ginoong Pangulo?

**Senator De Castro.** Noong 1996 ay US\$318,494,676.

**Senator Villar.** I-round-off na lamang natin, Ginoong Pangulo.

**Senator De Castro.** Oho. P15 bilyon, Ginoong Pangulo. Ano po ang exchange rate noon?

**Senator Villar.** Ito pong 2001, Ginoong Pangulo, since this is the latest.

**Senator De Castro.** Sa 2001 ay lalo pong bumaba, Ginoong Pangulo—US\$136,959,482.

**Senator Villar.** US\$136 million, Ginoong Pangulo?

**Senator De Castro.** Opo.

**Senator Villar.** US\$136 million times P50 is P6.8 billion.

**Senator De Castro.** Ang nandito po kasi minus negative eight percent.

**Senator Villar.** Ang kanilang lugi?

**Senator De Castro.** Opo. Since 1996, 1997, 1998, 1999, 2000 and 2001 puro negative po ang lumalabas dito.

**Senator Villar.** Kung US\$136 million po iyon, that is roughly P6.8 billion. Iyan ho ay eight percent ba?

**Senator De Castro.** Opo, negative eight percent.

**Senator Villar.** Mga P560 million, more or less. Sino ang nagbabayad niyang lugi, Ginoong Pangulo? Saan po nanggagaling ang lugi kapag nalugi ng P560 million?

**Senator De Castro.** Ginoong Pangulo, ayon po rito sa mga taga Duty Free Philippines, kapag lugi, unang-una, ay nagtitipid, nagbabawas ng mga empleyado at ang masakit po ay hindi nagre-remit muna sa Department of Tourism na mayroong malaking porsiyentong kinukuha rito para gamitin sa mga tourism-oriented projects of the government. So, hindi po nakakapag-turnover.

Itong 2001 po ay hindi nag-remit ang Duty Free Philippines sa Department of Tourism, Ginoong Pangulo.

**Senator Villar.** Ito po ba, Ginoong Pangulo, ay kasama sa budget ng Department of Tourism?

**Senator De Castro.** Hindi po kasama ito sa budget ng Department of Tourism, Ginoong Pangulo. Kasi ang ginagastusan nito ay ang Philippine Tourism Authority na hindi rin tumatanggap ng budget allocation mula sa ating pamahalaan.



**Senator Villar.** Kasi po, Ginoong Pangulo, kung ito ay nalulugi taun-taon malapit nang magsara ito. Kung hindi ito binibigyan ng gobyerno malapit nang magsara ito. Baka masayang ang ating panukalang-batas, Ginoong Pangulo.

**Senator De Castro.** Ayonsa mga taga Duty Free Philippines, Mr. President, ngayon daw ay unti-unti nang kumikita dahil nakakakita po ng kaunting pag-asa sa takbo ng ating ekonomiya. So surviving ho ang kanilang kita sa kasalukuyan kaya tipid na tipid ang ginagawa nila. But with this *Kabuhayan* Program, umaasa sila na makakabangon sila dahil mas pine-prefer, especially ng overseas Filipino workers, ang makabili sila ng mga tools na magagamit nila sa kanilang kabuhayan.

**Senator Villar.** Ginoong Pangulo, kung sila ba ay papayagang magtinda ng electronics, kikita na ba sila?

**Senator De Castro.** Opo, kasi binanggit ko po sa inyo kanina na iyong percentage sa electronics noon na ibinibenta nila, malaki po ang kinita nila sa electronics at malaki rin ang nawala noong alisin sa kanila itong pagbebenta ng electronics.

**Senator Villar.** Samakatuwid, Mr. President, in effect, we are subsidizing the retailers who were complaining dito sa pagtitinda ng mga electronics. Parang, in effect, dahilan sa kanila, aynalulugi itong tourist duty free at parang nasu-subsidized natin ang kanilang industriya.

**Senator De Castro.** Kasi po ay ipinakita pa rin, Ginoong Pangulo, sa pag-aaral, na kahit ipinagbawal iyong pagbebenta ng mga electronic products sa mga frequent travelers, hindi rin naman kumita ang pamahalaan sa mga dapat kitain sa pamamagitan ng mga taxes from electronic products. Nangangahulugan na hindi rin gaanong naging mabisa na ipinagbawal nila dahil marahil nga ay bumibili rin sa abroad itong mga frequent travelers at ipinapasok sa ating bansa sa pamamagitan halimbawa ng door-to-door or other avenues.

**Senator Villar.** Anyway, Mr. President, iyon lamang at ang gusto ko lamang malaman kung may paraan kung paano natin magagawang mas efficient itong pagbili ng ating mga produkto sa ating tourist duty free—ang importasyon niyan—para bumaba ang ating cost at nang hindi naman nalulugi ang ating pamahalaan at hindi naman tayo nagsu-subsidize taun-taon. Samantalang napakagandang programa ito na pagtulong sa ating mga kababayan na *balikbayan*, masakit din naman sa bulsa ng ating bayan iyong nagsu-subsized ng operations.

Nabanggit ko lamang ho iyon, Ginoong Pangulo, dahil sa maganda ang inyong panukala at kung magsasara ang tourist duty free ay masasayang lamang itong ating proyekto. Kaya babalik

akong muli sa sinasabi ko kanina na posible na magdagdag din tayo ng benepisyo sa ating mga balikbayan na hindi tungkol sa duty free. Bagamat ito ay napakagandang proposal, puwede pa nating dagdagan ito ng ibang tulong para sa mga *balikbayan* but not necessarily sa larangan ng duty free.

**Senator De Castro.** Puwede po iyan, Mr. President, kung tayo ay gagawa ng iba pang batas na maaaring mapakinabangan ng ating mga *balikbayan*. Nais kong pasalamatan, sa ngalan ng mga *balikbayan*, especially the overseas Filipino workers, the good gentleman from Las Piñas and Manila. Isa siya sa mga senador na nagpasok nitong panukalang-batas na ito tungkol sa ating *Balikbayan* Program, Mr. President.

**Senator Villar.** Maraming salamat po, Ginoong Pangulo. My colleague, salamat sa pag-clarify sa akin ng aking mga katanungan.

**Senator De Castro.** Thank you, Mr. President. Thank you, to the gentleman from Las Piñas and Manila and the whole Philippines, Sen. Manuel B. Villar Jr.

**The Presiding Officer [Sen. Flavie].** The Majority Leader is recognized.

**Senator Legarda Leviste.** Thank you, Mr. President. I now move that we suspend the interpellations on Senate Bill No. 2101 under Committee Report No. 38.

**The Presiding Officer [Sen. Flavie].** Is there any objection? *[Silence]* There being none, the motion is approved.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2101

**Senator Legarda Leviste.** I move that we suspend consideration of the measure.

**The Presiding Officer [Sen. Flavie].** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING

#### S. No. 1695 — Extending the Filing of Free Patent Applications on Alienable and Disposable Public Lands (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 1695 as reported out under Committee Report No. 19.

**The Presiding Officer [Sen. Flavie].** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 1695 is now in order.

## RECORD OF THE SENATE

**WEDNESDAY, AUGUST 7, 2002**

### OPENING OF THE SESSION

*At 3:54 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.*

**The President.** The seventh session of the Second Regular Session of the Twelfth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Renato L. Compañero Cayetano.

*Everybody rose for the prayer.*

### PRAYER

**Senator Cayetano.**

Almighty Father, we acknowledge that we are Your servants to fulfill Your word and to serve our people.

Recent events in this Chamber might have led our people to think otherwise but we do not blame them.

For we know that they expect nothing less from us whom they have chosen to serve them;

And that they share the hope of every member of this Chamber for a peaceful, plentiful and progressive Philippines.

Thus, we humbly implore Your divine will in our united resolve to heal the wounds of the past and start anew.

Help us restore the faith of our people in us and in this Chamber,

All these we ask in the name of Jesus

And for Your eternal glory.

Amen.

### ROLL CALL

**The President.** The Secretary will please call the roll.

**The Secretary, reading:**

Senator Edgardo J. Angara ..... Present  
Senator Teresa Aquino-Oreta ..... \*

\* On official mission

Senator Joker P. Arroyo .....	Present
Senator Robert Z. Barbers .....	Present
Senator Rodolfo G. Biazon .....	Present
Senator Renato L. Compañero Cayetano ...	Present
Senator Noli "Kabayan" De Castro .....	Present
Senator Luisa "Loi" P. Ejercito Estrada .....	Present
Senator Juan M. Flavie .....	Present
Senator Gregorio B. Honasan .....	Absent
Senator Robert S. "JAWO" Jaworski .....	Present
Senator Panfilo M. Lacson .....	Present
Senator Loren B. Legarda Leviste .....	Present
Senator Ramon B. Magsaysay Jr. ....	Present
Senator John Henry R. Osmeña .....	Absent
Senator Sergio R. Osmeña III .....	Absent
Senator Francis N. Pangilinan .....	Present
Senator Aquilino Q. Pimentel Jr. ....	Present
Senator Ralph G. Recto .....	Present
Senator Ramon B. Revilla .....	Absent
Senator Vicente C. Sotto III .....	Present
Senator Manuel B. Villar Jr. ....	Present
The President .....	Present

**The President.** With 18 senators present, there is a quorum.

**Senator Legarda Leviste.** Mr. President.

**The President.** The Majority Leader is recognized.

### THE JOURNAL

**Senator Legarda Leviste.** Mr. President, I move that we dispense with the reading of the *Journal* of the sixth session, August 6, 2002, and consider it approved.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

**Senator Legarda Leviste.** Mr. President, I move that we proceed to the Reference of Business.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

The Secretary will read the Reference of Business.

### REFERENCE OF BUSINESS

### MESSAGES FROM THE HOUSE OF REPRESENTATIVES

**The Secretary.**

July 31, 2002

In other words, he is creating a special band or pool of private prosecutors occupying a preferred position in the prosecution service with powerful function. As I said, the Office of the Prosecutor is one of the most, if not the most, powerful in the field of criminal law because he can send an innocent person to jail on his mere say-so.

So, Mr. President, the statement that all these can be corrected by amendment I believe is almost nearly impossible because the philosophy of the mother law and the philosophy impelling him to introduce this proposal are quite contradictory. One cannot survive with the mother proposal unless we now change the mother proposal.

**Senator Pangilinan.** Mr. President, I think it is a practice in the Senate that indeed we accept at the proper time amendments to a particular bill. We have, in fact, in the past submitted bills as part of the amendatory process. And I am appealing, of course, to the good senator from Baler that perhaps through the amendatory process, we may be able to address his concerns. If I follow the arguments, following the deliberations and interpellations for the absentee voting bill, there are amendments that are to be accepted. But that does not mean that we should refer the absentee voting bill back to committee.

So, Mr. President, this is an appeal really. I disagree, with all due respect, of course, with the gentleman from Baler and Aurora, that this has to go back to the committee. I feel that plenary would also be sufficient in terms of addressing what he believes to be certain safeguards that are not available based on the bill as it is being deliberated on.

**Senator Angara.** There is no similarity between the two situations—the absentee voting law and this particular bill—because the amendments being proposed during the interpellation are all consistent with one philosophy, and that is to grant overseas Filipinos the franchise.

But here, Mr. President, the very proposal itself contradicts the philosophy of the mother proposal, and that is to graft into the Ombudsman Law a system of private prosecution. A pool of prosecutors without accountability, without objective accepted standard qualifications, without sanction if they commit any malfeasance or misfeasance. True, they are under the supervision of the Ombudsman, but there is no sanction prescribed if anyone of them commits any misfeasance or malfeasance.

So in other words, Mr. President, the very proposal itself is alien to the mother proposal being amended.

Mr. President, the Ombudsman Law, as I said, is the tribune in the Ancient Greek. In Ancient Greece, a Tribune, it is the one who brings the grievance of the citizen to the public and tries to

redress it. That is the main philosophy of the Ombudsman Law, and if he needs assistance, he is required to tap—he is required, it is mandatory—a lawyer already in government service. And to repeat: Why a lawyer already in government service? Because these lawyers are sworn to do justice to every man. They are subject to the Code of Conduct and Ethical Standards that we are all bound to. They are subject to the Anti-Graft Law. They are required to file their statement of assets and liabilities which none of these private prosecutors will be required.

So that is my point, Mr. President. There is absolutely no parity in circumstances or even in philosophy within the absentee voting bill and this particular proposal.

Mr. President, I have many more questions to ask, and let me ask for a few minutes so as to allow the rest to ask their questions, but I would like to reserve my right to interpellate and ask more questions.

**The President.** All right. The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, I move to suspend the period of interpellations on this measure.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

**Senator Legarda Leviste.** I thank the sponsor, Senator Pangilinan.

#### SUSPENSION OF CONSIDERATION OF S. NO. 1945

I move that we suspend consideration of Senate Bill No. 1945.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING

##### S. No. 2101 — Instituting a Balikbayan Program (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**Senator Legarda Leviste.** I move that we recognize the sponsor, Sen. Noli “Kabayan” De Castro, chairman of the Tourism Committee. We are in the period of interpellations.

To interpellate, I move that we recognize the Minority Leader, Sen. Aquilino Q. Pimentel Jr.

**The President.** Senator De Castro is recognized.

Senator Pimentel is likewise recognized for the period of interpellations.

**Senator De Castro.** Thank you, Mr. President. *Salamat po.*

**Senator Pimentel.** Will the sponsor yield for a few questions, Mr. President?

**Senator De Castro.** Of course, Mr. President, it is an honor from the famous good senator from Cagayan de Oro and Mindanao.

**Senator Pimentel.** I will no longer ask questions on that premise, Mr. President. *[Laughter]*

Mr. President, kidding aside. Number one, I would like to find out from the sponsor if he will kindly explain. What are the safeguards that he would impose in this bill to make sure that the additional benefits given to the *balikbayan* would really go to the purpose for which these are intended?

In other words, under this proposal a *balikbayan* can buy I think some equipment for various kinds of livelihood.

**Senator De Castro.** Yes, Mr. President, worth US\$1,000.

**Senator Pimentel.** That is about P50 to a US\$1 under the current rate of exchange and these are, I suppose, tax-free transactions, duty-free transactions.

**Senator De Castro.** Yes, Mr. President, duty-free.

**Senator Pimentel.** Therefore what is to prevent a *balikbayan* from selling these items once he steps out of the duty-free shop, Mr. President?

**Senator De Castro.** Mr. President, if we are talking about safeguards: No. 1, the shopping privilege is only for the amount of US\$1,000 and that is P50,000 *sa* present conversion *ng* dollar to peso. It is only a one-time privilege and that the proposed bill fully ensures that it will benefit the *balikbayan* especially our overseas Filipino workers.

So other safeguards here, Mr. President, *ang ibapa po diyan*, the Customs people are monitoring even the warehouse of the duty-free shops or the Duty Free Philippines including the release of merchandise from the warehouse or the store and then monitoring of the Customs people upon purchase of the *balikbayan* of the product. So *lahat po ay namu-monitor para maiwasan iyang* abuse of the privilege.

**Senator Pimentel.** We understand what the distinguished gentleman is saying, Mr. President. Of course, this bill intends to benefit the *balikbayan* by extending such a benefit to him, a certain amount that would otherwise go into the coffers of government by way of tariff or customs duties or taxes are, sort of, waived in his favor precisely to benefit him. So there is no question about the purpose of the bill to benefit the *balikbayan*.

The question that I am trying to raise is: What if the *balikbayan* already gets the goods or the merchandise and he steps out of the place where he buys the items and then turns around to sell the product to a department store, for example, Mr. President, which in turn will resell the items at a higher price probably, but obviously without the taxes that should have been imposed were it not for the fact that these items are now covered by the distinguished gentleman's proposed bill?

**Senator De Castro.** According to the Duty Free Philippines people here, ang duty po na ini-impose sa livelihood tools is only 10%, Mr. President. Una, iyong katanungan po ng magiting na senador na iyong guarantee that these tools will be used by the *balikbayan* for the intended purposes, mahirap po nating i-monitor because it is not mandatory sa ating batas na i-monitor iyong *balikbayan* na nag-avail ng *Kabuhayan* Program. Kaya iyong tiwala na lamang po natin that the program is for their benefits ay nandoon na lamang.

Ngunit kung sasabihin natin na ibibenta sa department stores or not only to a department store, but to an individual maybe, hindi po natin maiiwasan iyon, Ginoong Pangulo, dahil hindi mandatory sa batas na i-monitor natin na pagkatapos mabili iyong produkto ay sisiguraduhin natin. But the OWWA people are offering, especially the overseas Filipino workers training for their choice kabuhayan, but this is not again in our bill. Hindi po mandatory ang training because iyong problema sa funding ng training. Maganda nga sana na before they can avail themselves of the kabuhayan shopping privilege ay mag-undergo muna sila ng training under OWWA, or TESDA and other government agencies that can provide training for them para sa kabuhayan po nilang papasukan, Ginoong Pangulo.

Kaya hindi ho mandatory sa ating batas iyong monitoring kung saan mapupunta o kung talagang gagamitin sa kabuhayan program ng isang balikbayan ang bumili ng kabuhayan tools sa Duty Free Philippines. But the Duty Free Philippines can monitor iyong purchase ng kanilang produkto up to two years dahil computerized sila.

Kaya makikita po natin kung every year ay binibili ng isang balikbayan are the same tools for kabuhayan, Mr. President.

**Senator Pimentel.** From the gentleman's answer, Mr. President, it looks like the program is really a giveaway for the

benefit of duty-free shops, not necessarily for the benefit of the *balikbayan*. It looks like the benefit for the *balikbayan* would only be incidental under a program where it is not defined just exactly what kind of tools would a particular *balikbayan* need for a specific activity.

Because as worded, at present, it looks like the bill would grant the privilege to just any *balikbayan* going there and he would be at liberty to choose which items he wants to buy up to a maximum of P50,000 or US\$1,000.

It looks to me like it is so much a waste of money actually, Mr. President, which would otherwise benefit the government if it were done through normal transactions rather than allowing duty-free shops to, sort of, corner the market without anything by way of customs duty going to government under the circumstances and without any safeguard as to whether or not, first, the item will go to the purpose for which it is intended; and, second, whether the one buying has the necessary expertise to use the items that he is buying under the setup.

So that, it looks like, probably, the first thing to do is to make sure that a *balikbayan* who wants to avail himself of this privilege would have to show that he is qualified to use the items himself. Because if it is not required of him, that means that in all likelihood the items will go for resale to other people.

**Senator De Castro.** Mr. President, we come up with this US\$1,000 for the *Kabuhayan* Program because according to OWWA, request ito ng mga balikbayan to provide for them a *Kabuhayan* Program. Even OWWA came up with a list of potential *kabuhayan* for our *balikbayan* and there are several *kabuhayan* lists that the OWWA prepared for our *balikbayan*.

During the committee hearing, Mr. President, inulit po ng OWWA ang kanilang request of our *balikbayan* so we considered the same as well as iyong mga tools na kailangan for the *kabuhayan*.

Napag-alaman din po namin sa committee during the hearing that an automotive shop, for instance, the tools that it will need would amount to more than US\$1,000. This is not to mention the equipment needed by the shop. So we formulated that the existing shopping privilege, which is US\$1,000, granted to a *balikbayan* may also be used by the *balikbayan* for his *kabuhayan* which will amount to US\$2,000, or US\$1,000 for the shopping privilege and US\$1,000 for the *Kabuhayan* Program.

And then we also put in the bill the definition of the livelihood tools, Mr. President. These are instruments used by hand or by machine and necessary to a person in the practice of his trade, vocation or profession, such as hand tools, power tools, precision tools, farm tools, tools for dressmaking, shoe repair,

beauty parlor and barber shop. And for purposes of this Act, a computer unit and its accessories shall be considered also as livelihood tools.

Kaya iyong garantiyang gagamitin o ginamit ng isang overseas Filipino worker o ng isang balikbayan iyong kaniyang privilege para sa *Kabuhayan* Program, aaminin po natin, ay walang nababanggit sa batas tungkol sa monitoring pagkatapos nilang bumili ng tools sa Duty Free Philippines under the *Kabuhayan* Program, Ginoong Pangulo.

**Senator Pimentel.** In any case, Mr. President, I understand that there is a worldwide discouragement of duty-free shopping in various countries of the world today primarily because of the philosophy that governs World Trade Organization members where subsidies for all kinds of items being sold inside the particular country are being discouraged. Probably, at the proper time, we will have to introduce some amendments in this regard.

**Senator De Castro.** Yes, Mr. President. We are open to amendments.

**The President.** The Majority Leader is recognized.

**Senator Legarda Leviste.** We thank the Minority Leader, Mr. President.

We are still in the period of interpellations. I ask that Sen. Robert S. Jaworski be recognized.

**The President.** Sen. Robert S. Jaworski is recognized.

**Senator Jaworski.** Thank you, Mr. President, and thank you, Madam Majority Leader.

Mr. President, may I be allowed to ask some questions of the distinguished senator from the Philippines.

**Senator De Castro.** It is an honor, Mr. President.

**Senator Jaworski.** This is in relation to what Senator Pimentel was talking about earlier. In our appreciation of the benefits to be extended to these *balikbayan*, have we ever also considered its relation to local producers?

**Senator De Castro.** Mr. President, during the committee hearing, we took note of the opposition of local retailers because of the expected losses in their business and tax from the government.

**Senator Jaworski.** *Kaya nga po.* How many percent are locally produced, more or less, *doon po ba sa* duty-free shop? Do we have a study on this subject?

## SUSPENSION OF SESSION

**Senator De Castro.** Mr. President, I move that we suspend the session for one minute.

**The President.** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 5:29 p.m.*

## RESUMPTION OF SESSION

*At 5:31 p.m., the session was resumed.*

**The President.** The session is resumed. Senator De Castro is recognized.

**Senator De Castro.** Mr. President, according to Duty Free Philippines, the percentage of locally manufactured products is only one percent and mostly local foods.

**Senator Jaworski.** Mr. President, I ask this question because the wisdom of extending the opportunity to purchase livelihood tools is indeed very good. But if there is no local component that could be purchased, then I think \$1,000 is going to be too minimal.

Let me just tell the gentleman that I have just visited one duty-free outlet that has excellent livelihood tools made in the Philippines available. I am saying this so that hopefully, if the good senator would welcome it, I would propose that, to a certain degree, first, we could increase the privilege of spending at least the maximum of \$1,000 to \$2,000, most especially if the other thousand is going to be spent on locally produced or locally manufactured products that are available in the duty-free shops, particularly in relation to livelihood.

I have seen this, Mr. President, and they are excellent tools. They are already available. If we could just look into this subject matter, I think this will be beneficial not only to the local producers but to our *balikbayan*.

**Senator De Castro.** We are talking here also, Mr. President, of locally invented tools.

**Senator Jaworski.** That is included.

**Senator De Castro.** All right. Maganda pong suhestiyon iyan, Ginoong Pangulo. Siguro ay maidadagdag natin, during the period of amendments, iyong tungkol sa locally produced or locally invented tools na puwedeng pakinabangan ng ating mga baliwbayan, especially the overseas Filipino workers. If these tools are available locally, I think there is no reason for the

Duty Free Philippines not to buy these kinds of products dahil ang makikinabang sa mga produktong ito ay ang ating mga local producer.

**Senator Jaworski.** I wish to thank the gentleman, Mr. President.

On a relative subject, Mr. President. When one comes home from a long trip, first, he takes care of his wife and children, et cetera. Does the gentleman not think that we must at least maximize the opportunity for these *balikbayan* to truly come up with a more realistic, well-studied approach to their purchases considering that their money is hard-earned. Therefore, why do we not extend the period to a maximum of one month? I think this will be good.

Now, I want to buy something, and in three days or four days it is gone, so, I lose the opportunity to buy. Just imagine, if it were for livelihood. I think we have to try and figure out if we could extend it a little bit to a reasonable period, where an honest-to-goodness appreciation of what is before a *balikbayan*, since he is a returning Filipino who has to really set up things in the right perspective, otherwise he would lose a tool or an equipment because he just bought it out of spite.

**Senator De Castro.** That is correct, Mr. President. As a matter of fact, there was a proposal to extend the shopping period from the original 48 hours, under R.A. 6768, upon arrival, to seven days upon arrival,—and that is during regular season—and 15 days upon arrival during Christmas season.

So, during our hearing, the question was: “Won’t this extension be open to abuse?” Well, the extension of shopping period is based on the request of a *balikbayan* for convenience purposes, dahil nga sa jet lag, lalung-lalo na kung sa Middle East or Europe or US nanggaling ang isang *balikbayan*, and they want to spend a few day’s rest. Ang iba naman ay gustong magkaroon ng ample time, first, with their family and friends sa kanilang bayan o sa kanilang baranggay o probinsiya.

Tama po kayo, Ginoong Pangulo. Ang gusto ng isang Filipino family ay planuhin ang kanilang bibilhin. Not only that. The *balikbayan*, especially the overseas Filipino workers, hindi naman ito iyong mayayaman nating kababayan. Ito iyong pangkaraniwan nating mga kababayan. So, they want to plan it. For example, ano ang gagamitin nilang transportasyon? Dahil alam naman ninyong *balikbayan* iyan, ipinagmamalaki ng pamilya, maraming sasabit diyan kahit paano makarating lamang ng Maynila o ng duty-free shop. And then the budget. How much is the budget for the shopping privilege? Iyong mga binibiling consumable product like chocolate, biscuits, alak o sigarilyo para kay kumpare, although these are limited. Pero kailangang planuhin pa rin iyan. At kung maaaprubahan natin ang batas tungkol sa

kabuhayan program, lalong kailangan nilang magkaroon ng thorough preparation as to what kind of tool ang kanilang gagamitin sa papasukang negosyo, especially the overseas Filipino workers, na gusto nilang iwan sa kanilang pamilya just in case na hindi na sila babalik, o just in case na babalik pa sila, hindi naman sila mawawalan ng trabaho. Dahil karamihan po ng ating overseas Filipino workers ay may mga edad na pag bumalik. So, wala na silang chance to look for another job in another company.

**Senator Jaworski.** Salamat po, Ginoong Pangulo, the gentleman appreciates our contribution and hopefully, at the right time, *mai-incorporate natin ito ryan*.

And lastly, Mr. President, while this is a very simple subject matter, I am sure the gentleman has heard of so many stories about incidents of *balikbayan* either being robbed or their luggage being lost in transit particularly by dubious transport people.

So, would it not be possible, Mr. President, that we also make representations so that duly accredited transportation group be particularly assigned for *balikbayan* people coupled with all the necessary support so that their hard-earned money, their luggage will not be lost particularly from the airport to their destination because of characters who will be there just to pull a fast one.

**Senator De Castro.** Maybe we can formulate a bill, Mr. President, giving additional benefits to the *balikbayan*, especially our overseas Filipino workers. Pero ang alam ko po ang ating Department of Tourism ay nag-iisip na mag-provideng mga tourist bus for our tourists, including our *balikbayan*, that will shuttle from the international airport to a certain destination para maiwasan hindi lamang holdup kundi pati na rin iyong mga nahihirapang kumuha ng transportation kapag sila ay dumating na sa airport, if they do not have their own transportation.

**Senator Jaworski.** I guess, Mr. President, at the proper time, we can incorporate it in the *Balikbayan* bill that the distinguished senator is proposing. We could incorporate it in the proposed bill now specifying that the government agencies, particularly the Department of Tourism as the lead agency, and the Department of Transportation, et cetera, could work hand in hand to come up with an accredited transportation network for the benefit of the *balikbayan*. I think we can still do that.

**Senator De Castro.** At present, Mr. President, Duty Free Philippines has its own shuttle bus from the airport but only up to Duty Free Philippines. If that is the case, we can only guaranty the safety of their luggage from the airport up to Duty Free Philippines. *Kaya malapit lamang.*

**Senator Jaworski.** Mr. President, my concern is exactly from the airport to their homes because it has happened many times. I was just wondering.

Anyway, Mr. President, this is just a proposal that I hope the good senator could study and hopefully...

**Senator De Castro.** Yes, we can discuss that in the period of amendments, Mr. President.

**Senator Jaworski.** All right. Thank you, Mr. President.

**Senator De Castro.** That is a good suggestion. Thank you, Mr. President. I would like to thank the gentleman from the Philippines, Senator Jaworski.

**The President.** The Majority Leader is recognized.

**Senator Legarda Leviste.** I move that we suspend the....

**The President.** Are there other senators who reserved for the period of interpellations?

**Senator Legarda Leviste.** Mr. President, all the senators who reserved to interpellate on the amendments to the *Balikbayan* Program had already interpellated. I, therefore, move that we close the period of interpellations on Senate Bill No. 2101.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2101

**Senator Legarda Leviste.** I move that we suspend consideration of Senate Bill No. 2101.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING S. No. 2116 — Special Purpose Asset Vehicles (SPAV) Act of 2002 (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2116 as reported out under Committee Report No. 41.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2116 is now in order.

**Senator Legarda Leviste.** Mr. President, I ask that the sponsor, Sen. Ralph G. Recto, be recognized.

**The President.** Sen. Ralph G. Recto is recognized.

## RECORD OF THE SENATE

WEDNESDAY, AUGUST 7, 2002

### OPENING OF THE SESSION

*At 3:54 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.*

**The President.** The seventh session of the Second Regular Session of the Twelfth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Renato L. Compañero Cayetano.

*Everybody rose for the prayer.*

### PRAYER

**Senator Cayetano.**

Almighty Father, we acknowledge that we are Your servants to fulfill Your word and to serve our people.

Recent events in this Chamber might have led our people to think otherwise but we do not blame them.

For we know that they expect nothing less from us whom they have chosen to serve them;

And that they share the hope of every member of this Chamber for a peaceful, plentiful and progressive Philippines.

Thus, we humbly implore Your divine will in our united resolve to heal the wounds of the past and start anew.

Help us restore the faith of our people in us and in this Chamber,

All these we ask in the name of Jesus

And for Your eternal glory.

Amen.

### ROLL CALL

**The President.** The Secretary will please call the roll.

**The Secretary, reading:**

Senator Edgardo J. Angara ..... Present  
Senator Teresa Aquino-Oreta ..... \*

\* On official mission

Senator Joker P. Arroyo .....	Present
Senator Robert Z. Barbers .....	Present
Senator Rodolfo G. Biazon .....	Present
Senator Renato L. Compañero Cayetano ...	Present
Senator Noli "Kabayan" De Castro .....	Present
Senator Luisa "Loi" P. Ejercito Estrada .....	Present
Senator Juan M. Flavie .....	Present
Senator Gregorio B. Honasan .....	Absent
Senator Robert S. "JAWO" Jaworski .....	Present
Senator Panfilo M. Lacson .....	Present
Senator Loren B. Legarda Leviste .....	Present
Senator Ramon B. Magsaysay Jr. ....	Present
Senator John Henry R. Osmeña .....	Absent
Senator Sergio R. Osmeña III .....	Absent
Senator Francis N. Pangilinan .....	Present
Senator Aquilino Q. Pimentel Jr. ....	Present
Senator Ralph G. Recto .....	Present
Senator Ramon B. Revilla .....	Absent
Senator Vicente C. Sotto III .....	Present
Senator Manuel B. Villar Jr. ....	Present
The President .....	Present

**The President.** With 18 senators present, there is a quorum.

**Senator Legarda Leviste.** Mr. President.

**The President.** The Majority Leader is recognized.

### THE JOURNAL

**Senator Legarda Leviste.** Mr. President, I move that we dispense with the reading of the *Journal* of the sixth session, August 6, 2002, and consider it approved.

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

**Senator Legarda Leviste.** Mr. President, I move that we proceed to the Reference of Business.

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

The Secretary will read the Reference of Business.

### REFERENCE OF BUSINESS

### MESSAGES FROM THE HOUSE OF REPRESENTATIVES

**The Secretary.**

July 31, 2002



In other words, he is creating a special band or pool of private prosecutors occupying a preferred position in the prosecution service with powerful function. As I said, the Office of the Prosecutor is one of the most, if not the most, powerful in the field of criminal law because he can send an innocent person to jail on his mere say-so.

So, Mr. President, the statement that all these can be corrected by amendment I believe is almost nearly impossible because the philosophy of the mother law and the philosophy impelling him to introduce this proposal are quite contradictory. One cannot survive with the mother proposal unless we now change the mother proposal.

**Senator Pangilinan.** Mr. President, I think it is a practice in the Senate that indeed we accept at the proper time amendments to a particular bill. We have, in fact, in the past submitted bills as part of the amendatory process. And I am appealing, of course, to the good senator from Baler that perhaps through the amendatory process, we may be able to address his concerns. If I follow the arguments, following the deliberations and interpellations for the absentee voting bill, there are amendments that are to be accepted. But that does not mean that we should refer the absentee voting bill back to committee.

So, Mr. President, this is an appeal really. I disagree, with all due respect, of course, with the gentleman from Baler and Aurora, that this has to go back to the committee. I feel that plenary would also be sufficient in terms of addressing what he believes to be certain safeguards that are not available based on the bill as it is being deliberated on.

**Senator Angara.** There is no similarity between the two situations—the absentee voting law and this particular bill—because the amendments being proposed during the interpellation are all consistent with one philosophy, and that is to grant overseas Filipinos the franchise.

But here, Mr. President, the very proposal itself contradicts the philosophy of the mother proposal, and that is to graft into the Ombudsman Law a system of private prosecution. A pool of prosecutors without accountability, without objective accepted standard qualifications, without sanction if they commit any malfeasance or misfeasance. True, they are under the supervision of the Ombudsman, but there is no sanction prescribed if anyone of them commits any misfeasance or malfeasance.

So in other words, Mr. President, the very proposal itself is alien to the mother proposal being amended.

Mr. President, the Ombudsman Law, as I said, is the tribune in the Ancient Greek. In Ancient Greece, a Tribune, it is the one who brings the grievance of the citizen to the public and tries to

redress it. That is the main philosophy of the Ombudsman Law, and if he needs assistance, he is required to tap—he is required, it is mandatory—a lawyer already in government service. And to repeat: Why a lawyer already in government service? Because these lawyers are sworn to do justice to every man. They are subject to the Code of Conduct and Ethical Standards that we are all bound to. They are subject to the Anti-Graft Law. They are required to file their statement of assets and liabilities which none of these private prosecutors will be required.

So that is my point, Mr. President. There is absolutely no parity in circumstances or even in philosophy within the absentee voting bill and this particular proposal.

Mr. President, I have many more questions to ask, and let me ask for a few minutes so as to allow the rest to ask their questions, but I would like to reserve my right to interpellate and ask more questions.

**The President.** All right. The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, I move to suspend the period of interpellations on this measure.

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

**Senator Legarda Leviste.** I thank the sponsor, Senator Pangilinan.

#### SUSPENSION OF CONSIDERATION OF S. NO. 1945

I move that we suspend consideration of Senate Bill No. 1945.

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

#### BILL ON SECOND READING

##### S. No. 2101 — Instituting a Balikbayan Program (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The President.** Is there any objection? [*Silence*] There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**Senator Legarda Leviste.** I move that we recognize the sponsor, Sen. Noli “Kabayan” De Castro, chairman of the Tourism Committee. We are in the period of interpellations.

To interpellate, I move that we recognize the Minority Leader, Sen. Aquilino Q. Pimentel Jr.

**The President.** Senator De Castro is recognized.

Senator Pimentel is likewise recognized for the period of interpellations.

**Senator De Castro.** Thank you, Mr. President. *Salamat po.*

**Senator Pimentel.** Will the sponsor yield for a few questions, Mr. President?

**Senator De Castro.** Of course, Mr. President, it is an honor from the famous good senator from Cagayan de Oro and Mindanao.

**Senator Pimentel.** I will no longer ask questions on that premise, Mr. President. *[Laughter]*

Mr. President, kidding aside. Number one, I would like to find out from the sponsor if he will kindly explain. What are the safeguards that he would impose in this bill to make sure that the additional benefits given to the *balikbayan* would really go to the purpose for which these are intended?

In other words, under this proposal a *balikbayan* can buy I think some equipment for various kinds of livelihood.

**Senator De Castro.** Yes, Mr. President, worth US\$1,000.

**Senator Pimentel.** That is about P50 to a US\$1 under the current rate of exchange and these are, I suppose, tax-free transactions, duty-free transactions.

**Senator De Castro.** Yes, Mr. President, duty-free.

**Senator Pimentel.** Therefore what is to prevent a *balikbayan* from selling these items once he steps out of the duty-free shop, Mr. President?

**Senator De Castro.** Mr. President, if we are talking about safeguards: No. 1, the shopping privilege is only for the amount of US\$1,000 and that is P50,000 *sa* present conversion *ng* dollar to peso. It is only a one-time privilege and that the proposed bill fully ensures that it will benefit the *balikbayan* especially our overseas Filipino workers.

So other safeguards here, Mr. President, *ang ibapa po diyan*, the Customs people are monitoring even the warehouse of the duty-free shops or the Duty Free Philippines including the release of merchandise from the warehouse or the store and then monitoring of the Customs people upon purchase of the *balikbayan* of the product. So *lahat po ay namu-monitor para maiwasan iyang* abuse of the privilege.

**Senator Pimentel.** We understand what the distinguished gentleman is saying, Mr. President. Of course, this bill intends to benefit the *balikbayan* by extending such a benefit to him, a certain amount that would otherwise go into the coffers of government by way of tariff or customs duties or taxes are, sort of, waived in his favor precisely to benefit him. So there is no question about the purpose of the bill to benefit the *balikbayan*.

The question that I am trying to raise is: What if the *balikbayan* already gets the goods or the merchandise and he steps out of the place where he buys the items and then turns around to sell the product to a department store, for example, Mr. President, which in turn will resell the items at a higher price probably, but obviously without the taxes that should have been imposed were it not for the fact that these items are now covered by the distinguished gentleman's proposed bill?

**Senator De Castro.** According to the Duty Free Philippines people here, ang duty po na ini-impose sa livelihood tools is only 10%, Mr. President. Una, iyong katanungan po ng magiting na senador na iyong guarantee that these tools will be used by the *balikbayan* for the intended purposes, mahirap po nating i-monitor because it is not mandatory sa ating batas na i-monitor iyong *balikbayan* na nag-avail ng *Kabuhayan* Program. Kaya iyong tiwala na lamang po natin that the program is for their benefits ay nandoon na lamang.

Ngunit kung sasabihin natin na ibibenta sa department stores or not only to a department store, but to an individual maybe, hindi po natin maiiwasan iyon, Ginoong Pangulo, dahil hindi mandatory sa batas na i-monitor natin na pagkatapos mabili iyong produkto ay sisiguraduhin natin. But the OWWA people are offering, especially the overseas Filipino workers training for their choice kabuhayan, but this is not again in our bill. Hindi po mandatory ang training because iyong problema sa funding ng training. Maganda nga sana na before they can avail themselves of the kabuhayan shopping privilege ay mag-undergo muna sila ng training under OWWA, or TESDA and other government agencies that can provide training for them para sa kabuhayan po nilang papasukan, Ginoong Pangulo.

Kaya hindi ho mandatory sa ating batas iyong monitoring kung saan mapupunta o kung talagang gagamitin sa kabuhayan program ng isang balikbayan ang bumili ng kabuhayan tools sa Duty Free Philippines. But the Duty Free Philippines can monitor iyong purchase ng kanilang produkto up to two years dahil computerized sila.

Kaya makikita po natin kung every year ay binibili ng isang balikbayan are the same tools for kabuhayan, Mr. President.

**Senator Pimentel.** From the gentleman's answer, Mr. President, it looks like the program is really a giveaway for the

benefit of duty-free shops, not necessarily for the benefit of the *balikbayan*. It looks like the benefit for the *balikbayan* would only be incidental under a program where it is not defined just exactly what kind of tools would a particular *balikbayan* need for a specific activity.

Because as worded, at present, it looks like the bill would grant the privilege to just any *balikbayan* going there and he would be at liberty to choose which items he wants to buy up to a maximum of P50,000 or US\$1,000.

It looks to me like it is so much a waste of money actually, Mr. President, which would otherwise benefit the government if it were done through normal transactions rather than allowing duty-free shops to, sort of, corner the market without anything by way of customs duty going to government under the circumstances and without any safeguard as to whether or not, first, the item will go to the purpose for which it is intended; and, second, whether the one buying has the necessary expertise to use the items that he is buying under the setup.

So that, it looks like, probably, the first thing to do is to make sure that a *balikbayan* who wants to avail himself of this privilege would have to show that he is qualified to use the items himself. Because if it is not required of him, that means that in all likelihood the items will go for resale to other people.

**Senator De Castro.** Mr. President, we come up with this US\$1,000 for the *Kabuhayan* Program because according to OWWA, request ito ng mga balikbayan to provide for them a *Kabuhayan* Program. Even OWWA came up with a list of potential *kabuhayan* for our *balikbayan* and there are several *kabuhayan* lists that the OWWA prepared for our *balikbayan*.

During the committee hearing, Mr. President, inulit po ng OWWA ang kanilang request of our *balikbayan* so we considered the same as well as iyong mga tools na kailangan for the *kabuhayan*.

Napag-alaman din po namin sa committee during the hearing that an automotive shop, for instance, the tools that it will need would amount to more than US\$1,000. This is not to mention the equipment needed by the shop. So we formulated that the existing shopping privilege, which is US\$1,000, granted to a *balikbayan* may also be used by the *balikbayan* for his *kabuhayan* which will amount to US\$2,000, or US\$1,000 for the shopping privilege and US\$1,000 for the *Kabuhayan* Program.

And then we also put in the bill the definition of the livelihood tools, Mr. President. These are instruments used by hand or by machine and necessary to a person in the practice of his trade, vocation or profession, such as hand tools, power tools, precision tools, farm tools, tools for dressmaking, shoe repair,

beauty parlor and barber shop. And for purposes of this Act, a computer unit and its accessories shall be considered also as livelihood tools.

Kaya iyong garantiyang gagamitin o ginamit ng isang overseas Filipino worker o ng isang balikbayan iyong kaniyang privilege para sa *Kabuhayan* Program, aaminin po natin, ay walang nababanggit sa batas tungkol sa monitoring pagkatapos nilang bumili ng tools sa Duty Free Philippines under the *Kabuhayan* Program, Ginoong Pangulo.

**Senator Pimentel.** In any case, Mr. President, I understand that there is a worldwide discouragement of duty-free shopping in various countries of the world today primarily because of the philosophy that governs World Trade Organization members where subsidies for all kinds of items being sold inside the particular country are being discouraged. Probably, at the proper time, we will have to introduce some amendments in this regard.

**Senator De Castro.** Yes, Mr. President. We are open to amendments.

**The President.** The Majority Leader is recognized.

**Senator Legarda Leviste.** We thank the Minority Leader, Mr. President.

We are still in the period of interpellations. I ask that Sen. Robert S. Jaworski be recognized.

**The President.** Sen. Robert S. Jaworski is recognized.

**Senator Jaworski.** Thank you, Mr. President, and thank you, Madam Majority Leader.

Mr. President, may I be allowed to ask some questions of the distinguished senator from the Philippines.

**Senator De Castro.** It is an honor, Mr. President.

**Senator Jaworski.** This is in relation to what Senator Pimentel was talking about earlier. In our appreciation of the benefits to be extended to these *balikbayan*, have we ever also considered its relation to local producers?

**Senator De Castro.** Mr. President, during the committee hearing, we took note of the opposition of local retailers because of the expected losses in their business and tax from the government.

**Senator Jaworski.** *Kaya nga po.* How many percent are locally produced, more or less, *doon po ba sa* duty-free shop? Do we have a study on this subject?

SUSPENSION OF SESSION

**Senator De Castro.** Mr. President, I move that we suspend the session for one minute.

**The President.** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 5:29 p.m.*

RESUMPTION OF SESSION

*At 5:31 p.m., the session was resumed.*

**The President.** The session is resumed. Senator De Castro is recognized.

**Senator De Castro.** Mr. President, according to Duty Free Philippines, the percentage of locally manufactured products is only one percent and mostly local foods.

**Senator Jaworski.** Mr. President, I ask this question because the wisdom of extending the opportunity to purchase livelihood tools is indeed very good. But if there is no local component that could be purchased, then I think \$1,000 is going to be too minimal.

Let me just tell the gentleman that I have just visited one duty-free outlet that has excellent livelihood tools made in the Philippines available. I am saying this so that hopefully, if the good senator would welcome it, I would propose that, to a certain degree, first, we could increase the privilege of spending at least the maximum of \$1,000 to \$2,000, most especially if the other thousand is going to be spent on locally produced or locally manufactured products that are available in the duty-free shops, particularly in relation to livelihood.

I have seen this, Mr. President, and they are excellent tools. They are already available. If we could just look into this subject matter, I think this will be beneficial not only to the local producers but to our *balikbayan*.

**Senator De Castro.** We are talking here also, Mr. President, of locally invented tools.

**Senator Jaworski.** That is included.

**Senator De Castro.** All right. Maganda pong suhestiyon iyan, Ginoong Pangulo. Siguro ay maidadagdag natin, during the period of amendments, iyong tungkol sa locally produced or locally invented tools na puwedeng pakinabangan ng ating mga balikbayan, especially the overseas Filipino workers. If these tools are available locally, I think there is no reason for the

Duty Free Philippines not to buy these kinds of products dahil ang makikinabang sa mga produktong ito ay ang ating mga local producer.

**Senator Jaworski.** I wish to thank the gentleman, Mr. President.

On a relative subject, Mr. President. When one comes home from a long trip, first, he takes care of his wife and children, et cetera. Does the gentleman not think that we must at least maximize the opportunity for these *balikbayan* to truly come up with a more realistic, well-studied approach to their purchases considering that their money is hard-earned. Therefore, why do we not extend the period to a maximum of one month? I think this will be good.

Now, I want to buy something, and in three days or four days it is gone, so, I lose the opportunity to buy. Just imagine, if it were for livelihood. I think we have to try and figure out if we could extend it a little bit to a reasonable period, where an honest-to-goodness appreciation of what is before a *balikbayan*, since he is a returning Filipino who has to really set up things in the right perspective, otherwise he would lose a tool or an equipment because he just bought it out of spite.

**Senator De Castro.** That is correct, Mr. President. As a matter of fact, there was a proposal to extend the shopping period from the original 48 hours, under R.A. 6768, upon arrival, to seven days upon arrival,—and that is during regular season—and 15 days upon arrival during Christmas season.

So, during our hearing, the question was: “Won’t this extension be open to abuse?” Well, the extension of shopping period is based on the request of a *balikbayan* for convenience purposes, dahil nga sa jet lag, lalung-lalo na kung sa Middle East or Europe or US nanggaling ang isang *balikbayan*, and they want to spend a few day’s rest. Ang iba naman ay gustong magkaroon ng ample time, first, with their family and friends sa kanilang bayan o sa kanilang baranggay o probinsiya.

Tama po kayo, Ginoong Pangulo. Ang gusto ng isang Filipino family ay planuhin ang kanilang bibilhin. Not only that. The *balikbayan*, especially the overseas Filipino workers, hindi naman ito iyong mayayaman nating kababayan. Ito iyong pangkaraniwan nating mga kababayan. So, they want to plan it. For example, ano ang gagamitin nilang transportasyon? Dahil alam naman ninyong balikbayan iyan, ipinagmamalaki ng pamilya, maraming sasabit diyan kahit paano makarating lamang ng Maynila o ng duty-free shop. And then the budget. How much is the budget for the shopping privilege? Iyong mga binibiling consumable product like chocolate, biscuits, alak o sigarilyo para kay kumpare, although these are limited. Pero kailangang planuhin pa rin iyan. At kung maaaprubahan natin ang batas tungkol sa

kabuhayan program, lalong kailangan nilang magkaroon ng thorough preparation as to what kind of tool ang kanilang gagamitin sa papasukang negosyo, especially the overseas Filipino workers, na gusto nilang iwan sa kanilang pamilya just in case na hindi na sila babalik, o just in case na babalik pa sila, hindi naman sila mawawalan ng trabaho. Dahil karamihan po ng ating overseas Filipino workers ay may mga edad na pag bumalik. So, wala na silang chance to look for another job in another company.

**Senator Jaworski.** Salamat po, Ginoong Pangulo, the gentleman appreciates our contribution and hopefully, at the right time, *mai-incorporate natin ito ryan*.

And lastly, Mr. President, while this is a very simple subject matter, I am sure the gentleman has heard of so many stories about incidents of *balikbayan* either being robbed or their luggage being lost in transit particularly by dubious transport people.

So, would it not be possible, Mr. President, that we also make representations so that duly accredited transportation group be particularly assigned for *balikbayan* people coupled with all the necessary support so that their hard-earned money, their luggage will not be lost particularly from the airport to their destination because of characters who will be there just to pull a fast one.

**Senator De Castro.** Maybe we can formulate a bill, Mr. President, giving additional benefits to the *balikbayan*, especially our overseas Filipino workers. Pero ang alam ko po ang ating Department of Tourism ay nag-iisip na mag-provideng mga tourist bus for our tourists, including our *balikbayan*, that will shuttle from the international airport to a certain destination para maiwasan hindi lamang holdup kundi pati na rin iyong mga nahihirapang kumuha ng transportation kapag sila ay dumating na sa airport, if they do not have their own transportation.

**Senator Jaworski.** I guess, Mr. President, at the proper time, we can incorporate it in the *Balikbayan* bill that the distinguished senator is proposing. We could incorporate it in the proposed bill now specifying that the government agencies, particularly the Department of Tourism as the lead agency, and the Department of Transportation, et cetera, could work hand in hand to come up with an accredited transportation network for the benefit of the *balikbayan*. I think we can still do that.

**Senator De Castro.** At present, Mr. President, Duty Free Philippines has its own shuttle bus from the airport but only up to Duty Free Philippines. If that is the case, we can only guaranty the safety of their luggage from the airport up to Duty Free Philippines. *Kaya malapit lamang.*

**Senator Jaworski.** Mr. President, my concern is exactly from the airport to their homes because it has happened many times. I was just wondering.

Anyway, Mr. President, this is just a proposal that I hope the good senator could study and hopefully...

**Senator De Castro.** Yes, we can discuss that in the period of amendments, Mr. President.

**Senator Jaworski.** All right. Thank you, Mr. President.

**Senator De Castro.** That is a good suggestion. Thank you, Mr. President. I would like to thank the gentleman from the Philippines, Senator Jaworski.

**The President.** The Majority Leader is recognized.

**Senator Legarda Leviste.** I move that we suspend the....

**The President.** Are there other senators who reserved for the period of interpellations?

**Senator Legarda Leviste.** Mr. President, all the senators who reserved to interpellate on the amendments to the *Balikbayan* Program had already interpellated. I, therefore, move that we close the period of interpellations on Senate Bill No. 2101.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2101

**Senator Legarda Leviste.** I move that we suspend consideration of Senate Bill No. 2101.

**The President.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING S. No. 2116 — Special Purpose Asset Vehicles (SPAV) Act of 2002 (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2116 as reported out under Committee Report No. 41.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2116 is now in order.

**Senator Legarda Leviste.** Mr. President, I ask that the sponsor, Sen. Ralph G. Recto, be recognized.

**The President.** Sen. Ralph G. Recto is recognized.

## RECORD OF THE SENATE

MONDAY, AUGUST 12, 2002

### OPENING OF THE SESSION

*At 3:43 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.*

**The President.** The eighth session of the Senate in the Second Regular Session of the Twelfth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Noli "Kabayan" De Castro.

*Everybody rose for the prayer.*

### PRAYER

**Senator De Castro.** Panginoong Makapangyarihan, ang Inyong abang lingkod, sampu ng aking mga kasamahan dito sa Senado ay nagsusumamo, na nawa ay pakinggan Mo kami sa aming kahilingan na makausad sa aming dapat na tahakin.

Hindi po lingid sa Inyong kaalaman, Panginoon, na kami ay naghahangad na bumangon sa unos na aming pinanggalingan. Nawa ay magkaisa kami sa mga desisyong ang taong bayan ang makikinabang at hindi ang sariling kapakanan lamang.

Dasal din po naming lahat na sana ay tuluyan nang manatili sa amin ang pagkakasunduan at pagkakaunawaan dahil iisa lamang ang pintig ng aming layunin—ang makapaglingkod sa bawat kababayan natin at masuklian ang kanilang tiwala at suporta sa ating pamahalaan.

Salamat po, Panginoon, umaasa po kami.

Amen.

**The President.** The Second Chronicle Gospel Choir of Our Lady of Sorrows Church will lead us in the singing of the national anthem, after which the choir will render a song, entitled *Pananatili*.

### NATIONAL ANTHEM

*Everybody remained standing for the national anthem.*

**The President.** The Secretary will please call the roll.

### ROLL CALL

**The Secretary, reading:**

Senator Edgardo J. Angara .....	Present
Senator Teresa Aquino-Oreta .....	Present
Senator Joker P. Arroyo .....	Present
Senator Robert Z. Barbers .....	Present
Senator Rodolfo G. Biazon .....	Present
Senator Renato L. Compañero Cayetano ...	Present
Senator Noli "Kabayan" De Castro .....	Present
Senator Luisa "Loi" P. Ejercito Estrada .....	Present
Senator Juan M. Flavies .....	Present
Senator Gregorio B. Honasan .....	Present
Senator Robert S. "JAWO" Jaworski .....	Present
Senator Panfilo M. Lacson .....	Present
Senator Loren B. Legarda Leviste .....	Present
Senator Ramon B. Magsaysay Jr. ....	Present
Senator John Henry R. Osmeña .....	Absent
Senator Sergio R. Osmeña III .....	Present
Senator Francis N. Pangilinan .....	Present
Senator Aquilino Q. Pimentel Jr. ....	Present
Senator Ralph G. Recto .....	Present
Senator Ramon B. Revilla .....	Present
Senator Vicente C. Sotto III .....	Present
Senator Manuel B. Villar Jr. ....	Present
The President .....	Present

**The President.** There are 22 senators present, the Chair declares the presence of a quorum.

### THE JOURNAL

**Senator Legarda Leviste.** Mr. President, I move that we dispense with the reading of the *Journal* of the 7th session, August 7, 2002, and consider it approved.

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

**Senator Legarda Leviste.** Mr. President, I move that we recognize Sen. Edgardo J. Angara on a point of personal and collective privilege.

**The President.** Senator Angara is recognized.

### QUESTION OF PRIVILEGE OF SENATOR ANGARA (Are We Building a Gambling Republic?)

**Senator Angara.** Thank you, Mr. President.

Mr. President, I rise today to give voice to a very serious concern expressed by our people across the length and breadth of our land. Even as we speak, our countrymen are asking if by flooding the country with slot machines—popularly known as "one-arm bandits"—President Arroyo has decided to turn the Philippines into a gambling republic.

**BILL ON SECOND READING**  
**S. No. 2101—Instituting a Balikbayan Program**  
*(Continuation)*

Mr. President, I move that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**SUSPENSION OF SESSION**

**Senator Legarda Leviste.** Mr. President, may I move that we suspend the session for one minute.

**The President.** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 4:37 p.m.*

**RESUMPTION OF SESSION**

*At 4:38 p.m., the session was resumed.*

**The President.** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, we are in the period of committee amendments. I ask that we recognize Sen. Noli De Castro.

**The President.** Senator De Castro is recognized.

**COMMITTEE AMENDMENTS**

**Senator De Castro.** Thank you, Mr. President.

With the permission of this Chamber, may I be allowed to introduce some committee amendments based on the interpellations made on this bill.

First, in view of the interpellations made by Sen. Tessie Aquino-Oreta and Sen. Ed Angara as to the definition of "Livelihood Tools", may I move that on page 5, after line 3, we insert the following:

LIVELIHOOD TOOLS - REFER TO INSTRUMENTS USED BY HAND OR BY MACHINE NECESSARY TO A PERSON IN THE PRACTICE OF HIS TRADE, VOCATION OR PROFESSION, SUCH AS HAND TOOLS, POWER TOOLS, PRECISION TOOLS, FARM TOOLS, TOOLS FOR DRESSMAKING, SHOE REPAIR, BEAUTY PARLOR, BARBER SHOP AND THE LIKE AS MAY BE

DETERMINED BY OVERSEAS WORKERS WELFARE ADMINISTRATION (OWWA). FOR PURPOSES OF THIS ACT, A COMPUTER UNIT AND ITS ACCESSORIES SHALL LIKEWISE BE CONSIDERED AS LIVELIHOOD TOOLS.

No. 2 as to the...

**The President.** Can we take it up one by one?

The committee has proposed an amendment on page 5, after line 3, by inserting the definition of "LIVELIHOOD TOOLS" as read. Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator De Castro.** No. 2, as to the interpellations made by Sen. Loi Ejercito Estrada and Sen. Tessie Aquino-Oreta, and the suggestion made by the Senate President, on page 5, lines 8 to 9, we remove the brackets on the phrase "PHILIPPINE DUTY FREE SHOPS" and delete the phrase "THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS".

I so move, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator De Castro.** And No. 3, as suggested by Sen. Teresa Aquino-Oreta and the Minority Leader, Sen. Aquilino Q. Pimentel Jr. during the period of interpellations, may I move to delete on page 5, lines 23 and 24, the phrase: "GOVERNMENT-OWNED AND CONTROLLED" and in lieu thereof insert the phrase: PHILIPPINE TOURISM AUTHORITY so that it shall read as:

(F) *KABUHAYAN SHOPPING PRIVILEGE THROUGH AN ADDITIONAL TAX-FREE PURCHASE IN THE MAXIMUM AMOUNT OF ONE THOUSAND UNITED STATES DOLLARS (US\$1,000.00) OR ITS EQUIVALENT IN PHILIPPINE PESO AND OTHER ACCEPTABLE FOREIGN CURRENCIES FOR THE PURCHASE OF LIVELIHOOD TOOLS AT THE PHILIPPINE TOURISM AUTHORITY DUTY-FREE SHOPS.*

I so move, Mr. President.

**The President.** Of course the second paragraph from lines 25 to 28 will remain as is. That is part of paragraph F.

**Senator De Castro.** Yes, Mr. President.

**The President.** There is a proposed committee amendment as read by the sponsor. Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator De Castro.** On the same page, page 5, lines 32 and 33, delete the phrase, "AT THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS."

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator De Castro.** Also No. 5, for consistency, Mr. President, on page 5, lines 37 to 38, remove the brackets on the figure and words: "[forty-eight (48) hours]" and delete the following: "SEVEN (7) CALENDAR DAYS" and replace the comma (,) with a period (.) after the word "arrival". So that it shall read as follows: "(b) Purchases shall be made within forty-eight (48) hours from date of arrival."

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator De Castro.** No. 6, after the period in line 38, delete the word "EXCEPT" and insert the following: "PROVIDED, HOWEVER, IF PURCHASES BE MADE IN PTA—or Philippine Tourism Authority—DUTY-FREE SHOPS IT SHALL BE SEVEN (7) CALENDAR DAYS FROM DATE OF ARRIVAL; PROVIDED, FURTHER, THAT"

So that the whole paragraph (b) of Section 4 shall read as follows:

"(b) Purchases shall be made within forty-eight (48) hours from date of arrival; PROVIDED, HOWEVER, IF PURCHASES BE MADE IN PTA DUTY-FREE SHOPS IT SHALL BE SEVEN (7) CALENDAR DAYS FROM DATE OF ARRIVAL; PROVIDED, FURTHER, THAT DURING CHRISTMAS SEASON, RECKONED FROM NOVEMBER 15 TO JANUARY 15, THE PRIVILEGE IS EXTENDED TO FIFTEEN (15) CALENDAR DAYS: PROVIDED, FINALLY, THAT SAID PRIVILEGE SHALL BE AVAILABLE ON A ONE-TIME SHOPPING BASIS."

Subject to style, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator De Castro.** That is all, Mr. President, for the committee amendments.

**The President.** The Majority Leader is recognized.

**Senator Legarda Leviste.** Mr. President, I move that we recognize Senator Pimentel.

**The President.** Is that a new amendment or...

**Senator Pimentel.** In relation to the amendments that have been proposed by the committee chairman, Mr. President.

I wish to find out what is the effect of the deletion of the words "THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS" on page 5, lines 9 to 8. What will be the effect of the deletion of that phrase, Mr. President?

**Senator De Castro.** With this deletion, Mr. President, we will be allowing the duty-free shops operated by private individuals or corporations inside Subic and Clark and using the Philippine peso.

**The President.** In other words, the privilege can be exercised even if the duty-free shop is operated by a private entity. That is how I understand it.

**Senator Pimentel.** And will the provision allowing the purchases to be made in PTA duty-free shops for seven calendar days, will that extension of time be made available also to those who wish to purchase from privately owned duty-free shops?

**Senator De Castro.** No, Mr. President. It is limited only to PTA duty-free shops or Philippine Tourism Authority-owned duty-free shops.

**Senator Pimentel.** Mr. President, may I also inquire how many privately owned duty-free shops are there in the country today?

**Senator De Castro.** There are around ten, but there are three major duty-free shops owned by private corporations, one, operating in Subic and, one, operating in Clark, Mr. President.

**Senator Pimentel.** How about the others? Where are they located, Mr. President?

**Senator De Castro.** All of them are operating in Subic and Clark, Mr. President.

**Senator Pimentel.** Are all the 10 privately owned duty-free shops in Clark and Subic?

**Senator De Castro.** Yes, Mr. President, there are small branches inside Subic and Clark duty-free shops.

**Senator Pimentel.** May we spread on the *Record*, Mr. President, how these privately owned duty-free shops got their charter to operate duty-free shops in Clark and Subic? Because, obviously, they enjoy some privileges which other enterprises would not enjoy.

**Senator De Castro.** I understand, Mr. President, that private duty-free shops operate under Republic Act No. 7227, and the bill we are talking about is an amendment of Republic Act No. 6768.



**Senator Pimentel.** Now, if the gentleman does not mind, can we have the names of these privately owned duty-free shops, Mr. President?

**Senator De Castro.** One is Puregold Duty Free Shop. This is the controversial duty-free shop owned by Lucio Co, Mr. President.

**Senator Pimentel.** All right.

**Senator De Castro.** And the other one is Royal Duty Free Shop.

**Senator Pimentel.** Again, please, Mr. President?

**Senator De Castro.** Royal Duty Free Shop, Mr. President, which, I understand, is owned by Rustan's group of companies.

**Senator Pimentel.** All right.

**Senator De Castro.** And Best Buy—

**Senator Pimentel.** Best Buy.

**Senator De Castro.** —is owned by William Tieng.

**Senator Pimentel.** William King or Keng?

**Senator De Castro.** Tieng—T-I-E-N-G—, Mr. President.

**Senator Pimentel.** T-I—

**Senator De Castro.** —E-N-G, Tieng.

**Senator Pimentel.** All right. We have named so far three.

**Senator De Castro.** And they have branches both in Subic and Clark, Mr. President.

**Senator Pimentel.** The three of them are in Clark and Subic?

**Senator De Castro.** Yes, Mr. President.

**Senator Pimentel.** What about the seven others, Mr. President?

**Senator De Castro.** There is also a duty-free shop—the name is Free Port Traders. This duty-free shop is operating only in Subic, Mr. President.

**Senator Pimentel.** And who owns this Free Port Traders, Mr. President?

**Senator De Castro.** I am sorry, that I do not know, Mr. President.

**Senator Pimentel.** It looks like that the chairman is enumerating the names of these duty-free shops out of the top of his head. In fact, it is probably being whispered to him by his aide, which is all right. But perhaps it is better if we can get a comprehensive listing so that we know the extent of the operations of the duty-free shops all over the country and we could assess the impact of the privileges being given to them in relation to our total economic development, Mr. President.

I wish that the chairman would not consider this as an attempt to delay or derail his bill. It is not. It is just that we want to get full information on the actual number of duty-free shops in the country, also the names of those who are operating these duty-free shops, Mr. President, for the reason that we do not wish to enact a legislation that might be designed just to favor a few of the more lucky entrepreneurs in this country.

**Senator De Castro.** As an answer, Mr. President, we did not touch the private duty-free shops simply because they are under Republic Act No. 7227, and this bill is an amendment of Republic Act No. 6768, particularly for government-owned and controlled duty-free shops.

**Senator Pimentel.** That may well be the intention of the chairman, but the deletion of the phrase “government-owned and controlled duty-free shops” would have the effect of expanding the privilege to nongovernment duty-free shops. It is for that reason, Mr. President, that we are requesting further data on the actual number of the duty-free shops which will benefit from this bill and the people who are the lucky recipients of the benefits as owners of these duty-free shops.

**Senator De Castro.** Mr. President, *baliklad siguro po* because we extended the privilege under Republic Act No. 6768. We did not touch Republic Act No. 7227 simply because it pertains to the privately owned duty-free shops. This is only an amendment of Republic Act No. 6768 and we add only the *Kabuhayan* Program under this new privilege of our *balikbayan* under Republic Act No. 6768.

**Senator Pimentel.** Again, Mr. President, that might well be the intention of the chairman, but when the chairman moved for the deletion of the phrase “government-owned and controlled duty-free shops” under his bill, that is the effect of amending the present setup. And as he explained, the benefits would now be enjoyed also by nongovernment-owned and controlled duty-free shops.

That is why we are making this effort to determine how many

duty-free shops in the entire country would be covered by these proposed amendments of this bill.

#### SUSPENSION OF SESSION

**Senator De Castro.** May I ask that the session be suspended for one minute, Mr. President.

**The President.** The session is suspended for one minute, if there is no objection. *[There was none.]*

*It was 4:54 p.m.*

#### RESUMPTION OF SESSION

*At 5:08 p.m., the session was resumed.*

**The President.** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** With the permission of the sponsor, I ask that Sen. Teresa Aquino-Oreta be recognized.

**The President.** Sen. Teresa Aquino-Oreta is recognized.

**Senator Aquino Oreta.** Mr. President, I just want to put things on record that we have our own individual amendments. The sponsor mentioned "us." At least he mentioned me, Senator Pimentel and Senator Ejercito Estrada as having amended. We have not...

**Senator De Castro.** No. Mr. President, I said as to the interpellation made by Senator Ejercito Estrada and Senator Aquino-Oreta.

**Senator Aquino Oreta.** Is it the interpellation?

**Senator De Castro.** Yes, Mr. President.

**Senator Aquino Oreta.** So we are now in the committee amendments, Mr. President.

**The President.** That is correct.

**Senator Aquino Oreta.** After the committee amendments, we can make our own individual amendments.

**The President.** That is correct.

**Senator De Castro.** Of course, Mr. President.

**Senator Aquino Oreta.** So these were not our amendments?

**Senator De Castro.** No, Mr. President.

**Senator Aquino Oreta.** All right. Thank you, Mr. President.

#### MOTION OF SENATOR DE CASTRO (Reconsideration of Approval of Previous Committee Amendments)

**Senator De Castro.** Thank you. So, Mr. President, may I move for the reconsideration of my previous amendment.

Instead on page 5, line 8, we will delete the words "Philippine duty free shops" and in lieu thereof, retain the phrase "GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS", Mr. President.

**The President.** All right, on page 5, lines 8 and 9, the bracket between the phrase "[Philippine duty free shops]" would be reinstated so that that phrase is deemed deleted from the law and the phrase "THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS" is hereby reinstated.

Is there any objection to the reconsideration? *[Silence]* There being none, the amendment is approved.

Also, as a consequence of that, Senator De Castro, was there a deletion also on page 5, lines 32 and 33 of "AT THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS"? Does the gentleman also reinstate that phrase or not?

**Senator De Castro.** Yes, Mr. President. We have to reinstate also the phrase "AT THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS" on page 5, lines 32 and 33.

**The President.** The Chair considers that as a motion for reconsideration of the previous approval of the committee amendment. Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Sotto.** Mr. President, parliamentary inquiry.

**The President.** Sen. Vicente C. Sotto III is recognized.

#### PARLIAMENTARY INQUIRY OF SENATOR SOTTO (What Happened to Amendments in Lines 23 and 24 and Line 38)

**Senator Sotto.** May we know what happens to lines 23 and 24 likewise, Mr. President.

**The President.** I was about to point that out to the sponsor.

In lines 23 and 24, previously the amendment was to delete "GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS" and in lieu thereof insert PHILIPPINE TOURISM AUTHORITY. Is there a need now to reconsider that amendment previously approved by the Chamber?

**Senator De Castro.** We have to reconsider it, Mr. President. The phrase "GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS" must be reinstated.

**The President.** There is a motion to reconsider the previous amendment approved by the Chamber, which amendment consists of the deletion of the phrase "GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS" and in lieu thereof the insertion of the phrase PHILIPPINE TOURISM AUTHORITY. Is there any objection to the reconsideration? *[Silence]* There being none, the amendment is approved. The phrase therefore "AT THE GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS" is reinstated.

The Minority Leader is recognized.

**Senator Sotto.** Mr. President, there is also an amendment that they proposed in line 38 which does not spell out Philippine Tourism Authority but merely mentions it as "PTA Duty Free-Shops." Are we retaining that or they are going to do something about this in consequence of the proposed reconsideration?

**Senator De Castro.** Yes, Mr. President. Likewise, we have to change "PTA" to GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS. Delete the abbreviation "PTA".

**The President.** Delete the abbreviation "PTA". There is a reconsideration. Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Sotto.** Does that mean we delete "PTA" and replace it with GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS?

**Senator De Castro.** Yes, Mr. President.

**Senator Sotto.** Do we take it that this is now a motion to...

**The President.** All right. Is there any objection? *[Silence]* There being none, the amendment is approved.

We now proceed with the period of individual amendments.

Sen. Ramon B. Magsaysay Jr. is recognized.

#### MAGSAYSAY AMENDMENTS

**Senator Magsaysay.** This is a provision that I would like to include, Mr. President. I tried to explain it to the staff of the Duty Free Philippines but they are very reticent in accepting it. At any rate, let me state the provision.

On page 5, add a new provision after Section 4. So we are now

on page 6, right after Section 4, on the mandatory inclusion of Philippine-made products in duty-free shops.

PHILIPPINE-MADE PRODUCTS IN DUTY-FREE SHOPS. -TEN PERCENT (10%) OF THE GOODS BEING SOLD IN DUTY-FREE SHOPS SHALL BE SOURCED FROM PHILIPPINE-BASED MANUFACTURERS. FOR THIS PURPOSE, THE DEPARTMENT OF TOURISM, IN COORDINATION WITH THE DEPARTMENT OF TRADE AND INDUSTRY, SHALL SELECT GOODS AND PRODUCTS MADE IN THE PHILIPPINES TAKING INTO CONSIDERATION COMPETITIVENESS, DESIGN EXCELLENCE, MARKETABILITY AND WORLD CLASS APPEAL.

**The President.** What does the sponsor say?

**Senator De Castro.** May we know from Senator Magsaysay what kind of products—are these products made in the Philippines?

**Senator Magsaysay.** The products can range from electronics. This can also cover garments. It can also cover food. For example, Mr. President, the Bench products, which are apparel and garments, are being sold by the duty-free shops in mainland China, Malaysia and Kuwait. So if the Bench is good enough to be sold in other countries, I do not see why Duty Free Philippines cannot also sell Bench and other similar export garment products. We have a lot of Philippine exporters and manufacturers that are producing name brands like DKNY, Levi's, Thornton Bay, et cetera. And electronics, like Toshiba laptops, are being manufactured.

**Senator De Castro.** These are locally manufactured.

**Senator Magsaysay.** Yes, Mr. President.

**Senator De Castro.** But foreign brand.

**Senator Magsaysay.** Foreign brands and local brands. Bench is a local brand.

**Senator De Castro.** But abroad, it is not a local brand anymore. It is imported.

**Senator Magsaysay.** And also dried mangoes, as mango products from Cebu and Guimaras, manufactured by 3M Philippines, are sold in duty-free shops in Belgium, United States, United Kingdom and other European countries.

**Senator De Castro.** Our local duty-free shops, according to them, are the largest seller of dried mangoes from Cebu—

**Senator Magsaysay.** That is correct.

**Senator De Castro.** —because of those *balikbayan* and foreign tourists.

**Senator Magsaysay.** I am one of the original sponsors of the bill way back in 1995. Before, we wanted to put 25% locally sourced export products, but I am now giving in to the importuning of Duty Free Philippines by allowing up to 10%. Because if the Duty Free Philippines, a government corporation, does not appreciate the value of export products made in the Philippines, I cannot understand why others will buy from us. Originally, I wanted 25%, but due to the importuning of Duty Free Philippines—because 60% of the sales are mostly of liquor and chocolates—I said, “All right, we will make it 10%.”

**The President.** What does the sponsor say?

#### SUSPENSION OF SESSION

**Senator De Castro.** Mr. President, I move that we suspend the session for one minute.

**The President.** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 5:19 p.m.*

#### RESUMPTION OF SESSION

*At 5:20 p.m., the session was resumed.*

**The President.** The session is resumed. Senator Magsaysay may proceed.

**Senator Magsaysay.** Thank you, Mr. President.

The Duty Free Philippines' annual procurement is about P5 billion, mostly imported, maybe 99%. It has been procuring only one percent locally. And it is through the law that can force government agencies and corporations to try local purchases. We are looking only at 10% of P5 billion. That is P500 million. And this is miniscule because this includes high-value electronics products, Mr. President.

I think Senator De Castro appreciates the great stride that our exporters have undertaken. In fact, yesterday, Sunday, I went to the export show of Export Guarantee Fund in Mega Mall, and it showed a lot of exportable food products.

So, this shows the support of the national government, through this provision, that we believe in our export products.

**Senator De Castro.** *Ginoong Pangulo, naniniwala rin ako sa kampanya ng ating pamahalaan to buy Filipino products because the country is now being flooded by imported products.*

With the explanation of Senator Magsaysay, we accept his amendment.

**The President.** The Magsaysay amendment is accepted by the sponsor. Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Magsaysay.** One final amendment, Mr. President. On page 1, line 13, add a sentence after the word “COUNTRY”. This is an anterior amendment.

**The President.** All right.

**Senator De Castro.** Is it on page 1?

**The President.** It is actually on page 4 of Committee Report No. 38.

**Senator Magsaysay.** I am sorry. On page 4, line 13, after the word “COUNTRY”, add the following sentence: THE PROGRAM SHALL, LIKEWISE, SHOWCASE COMPETITIVE AND OUTSTANDING FILIPINO-MADE PRODUCTS.

**The President.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Magsaysay.** Thank you, Mr. President.

**The President.** Is there any other amendment?

**Senator Ejercito Estrada.** Mr. President.

**The President.** Sen. Luisa P. Ejercito Ejercito Estrada is recognized.

**Senator Ejercito Estrada.** Mr. President, will the honorable sponsor from Mindoro entertain some amendments?

**Senator De Castro.** Of course, Mr. President.

**Senator Ejercito Estrada.** Thank you, Mr. President.

#### EJERCITO ESTRADA AMENDMENTS

On page 6, Section 4, letter (b), line 9, insert the word THE before the phrase “CHRISTMAS SEASON”. This is an editorial amendment, Mr. President.

**The President.** Is it in line 9 or in line 1? I think it is in line 1, Senator Ejercito Estrada.

**Senator Ejercito Estrada.** In line 1, before the phrase “CHRISTMAS SEASON”, insert the word THE.

**Senator De Castro.** The amendment is accepted, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Ejercito Estrada.** Still on page 6, line 3, after the words "CALENDAR DAYS", insert the phrase FROM DATE OF ARRIVAL.

**Senator De Castro.** It is accepted, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Ejercito Estrada.** Mr. President, still on page 6, line 4, after the word "BASIS", insert the word ONLY. The whole paragraph will read: "Purchases shall be made within SEVEN (7) CALENDAR DAYS FROM DATE OF ARRIVAL, EXCEPT DURING THE CHRISTMAS SEASON, RECKONED FROM NOVEMBER 15 TO JANUARY 15, THE PRIVILEGE IS EXTENDED TO FIFTEEN (15) CALENDAR DAYS FROM DATE OF ARRIVAL: PROVIDED, THAT SAID PRIVILEGE SHALL BE AVAILED OF ON A ONE-TIME SHOPPING BASIS ONLY."

**The President.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Ejercito Estrada.** Thank you, Mr. President.

And still on page 6, letter (c), second paragraph, line 18, after the phrase "DURING THE DURATION OF THE SAME", replace the period (.) with a colon (;) and insert the following provision: PROVIDED FURTHER, THAT SUCH ENDORSEMENT SHALL EFFECTIVELY DISQUALIFY ANY FURTHER AVAILMENT OF THE PRIVILEGE BY THE OFW UPON RETURN TO THE PHILIPPINES WITHIN THE SAID TWO-YEAR PERIOD.

**Senator De Castro.** It is accepted, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Ejercito Estrada.** And still on page 6, Section 5, line 38, after the words "CONCERNED GOVERNMENT AGENCIES", delete the word "MAY" and replace it with the word SHALL.

**The President.** What does the sponsor say?

#### SUSPENSION OF SESSION

**Senator De Castro.** I move that we suspend the session for one minute, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

*It was 5:26 p.m.*

#### RESUMPTION OF SESSION

*At 5:28 p.m., the session was resumed.*

**The President.** The session is resumed. Senator De Castro is recognized.

**Senator De Castro.** As regards the proposed amendment of Senator Ejercito Estrada to delete the word "MAY" on page 6, line 38 and replace it with the word SHALL, we accept the amendment, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Ejercito Estrada.** On page 7, line 2, after the phrase "ASSISTANCE TO", insert the article A. So, Section 5 will read: TRAINING PROGRAMS.-THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE) THROUGH THE OWWA, IN COORDINATION WITH THE TECHNOLOGY AND LIVELIHOOD RESOURCE CENTER (TLRC), TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA), THE LIVELIHOOD CORPORATION AND OTHER CONCERNED GOVERNMENT AGENCIES SHALL PROVIDE THE NECESSARY ENTREPRENEURIAL TRAININGS AND LIVELIHOOD SKILLS PROGRAMS AND MARKETING ASSISTANCE TO A BALIKBAYAN WHO SHALL AVAIL OF THE KABUHAYAN PROGRAM IN ACCORDANCE WITH THE EXISTING RULES ON THE GOVERNMENT'S REINTEGRATION PROGRAM."

**Senator De Castro.** It is accepted, Mr. President.

**The President.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Ejercito Estrada.** Thank you, Mr. President.

**The President.** The Majority Leader is recognized. Are there other reservations for individual amendments?

**Senator Legarda Leviste.** Mr. President, Senators Aquino-Oreta and Jaworski have reserved for the period of individual amendments.

**The President.** All right.

**Senator Legarda Leviste.** May I also be allowed to propose my individual amendments.

**The President.** The Majority Leader is recognized to propose amendments.

## LEGARDA LEVISTE AMENDMENTS

**Senator Legarda Leviste.** On page 4, line 19, under Section 2, *Definition of Terms*, replace the word "his" with THEIR RESPECTIVE and insert the word MEMBERS between the words "family" and "as". Such that the sentence would read, "The term "balikbayan" shall mean a Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year, an overseas Filipino worker, or a former Filipino citizen and THEIR RESPECTIVE family MEMBERS, as this term is defined hereunder, who had been naturalized in a foreign country and comes or returns to the Philippines.

**The President.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Legarda Leviste.** On page 6, line 4, under Section 4(b), *Limitations on Tax-Free Purchases*, add at the end of the provision: *PROVIDED FURTHER, THAT IN THE CASE OF SENIOR CITIZENS AND HANDICAPPED BALIKBAYANS AS DEFINED IN SEC. 2(C), THEY MAY BE ALLOWED TO ENJOY THE PRIVILEGE ANYTIME DURING THEIR STAY IN THE COUNTRY.*

Such that the sentence would read, "Purchases shall be made within forty-eight (48) hours, SEVEN (7) CALENDAR DAYS from date of arrival, EXCEPT DURING CHRISTMAS SEASON, RECKONED FROM NOVEMBER 15 TO JANUARY 15, THE PRIVILEGE IS EXTENDED TO FIFTEEN (15) CALENDAR DAYS: *Provided, that SAID PRIVILEGE SHALL BE AVAILABLE ON A ONE-TIME SHOPPING BASIS; PROVIDED FURTHER, THAT IN THE CASE OF SENIOR CITIZENS AND HANDICAPPED BALIKBAYANS, THEY MAY BE ALLOWED TO ENJOY THE PRIVILEGE ANYTIME DURING THEIR STAY IN THE COUNTRY.*"

**The President.** May the Chair be clarified? The amendment is on page 6, line 4—

**Senator Legarda Leviste.** Yes, Mr. President.

**The President.** —after the semicolon appearing after the word "basis". Is that right?

**Senator Legarda Leviste.** After the word "basis", add *PROVIDED FURTHER, THAT IN THE CASE OF SENIOR CITIZENS AND HANDICAPPED BALIKBAYANS, THEY MAY BE ALLOWED TO ENJOY THE PRIVILEGE ANYTIME DURING THEIR STAY IN THE COUNTRY.*

**The President.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Legarda Leviste.** On page 6, line 24, under Section 4(e), insert the phrase FAMILY MEMBERS WHO ARE between the words "That" and "minors."

So that the sentence would read: Only a balikbayan of majority age under Philippine laws can enjoy the privilege: *Provided, however, That FAMILY MEMBERS WHO ARE minors shall continue to be entitled to purchase privilege not exceeding Two hundred fifty US dollars (US\$250.00).*

**Senator De Castro.** It is accepted, Mr. President.

**The President.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Legarda Leviste.** Thank you, Mr. President. That is all for my amendments. I, therefore, move that the period of individual amendments be suspended until tomorrow when Senators Aquino-Oreta and Jaworski would have their prepared individual amendments.

**The President.** All right. Before we formally act on the motion, the Secretariat is directed to prepare a clean copy of the measure incorporating the amendments approved by the Body. We will use that for purposes of the debates tomorrow during the period of individual amendments.

## SUSPENSION OF CONSIDERATION OF S. NO. 2101

**Senator Legarda Leviste.** I move that we suspend consideration of Senate Bill No. 2101.

**The President.** Is there any objection? [Silence] There being none, the motion is approved.

## ADJOURNMENT OF SESSION

**Senator Legarda Leviste.** Mr. President, I move that we adjourn the session until three o'clock in the afternoon, Tuesday, August 13, 2002.

**The President.** Is there any objection? [Silence] There being none, the session is adjourned until three o'clock in the afternoon, Tuesday, August 13, 2002.

*It was 5:35 p.m.*

## RECORD OF THE SENATE

MONDAY, AUGUST 19, 2002

### OPENING OF THE SESSION

*At 3:47 p.m., the President Pro Tempore, Hon. Juan M. Flavier, called the session to order.*

**The President Pro Tempore.** The 10th session of the Second Regular Session of the Twelfth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Senate President Franklin M. Drilon.

After the prayer, the Senate Choir will lead us in the singing of the Philippine National Anthem.

*Everybody rose for the prayer.*

### PRAYER

**Senator Drilon.** Let us place ourselves in the presence of the Lord.

Almighty Father, we ask You to bless the Philippine Senate, all of us in it and all those who transact business with us.

We offer to You our session this afternoon. We pray that You bless it with Your guidance and wisdom.

Enlighten our minds to do what is good and what is right.

Focus our energies towards the service of the Filipino people.

Bless us with a commonality of purpose, a common vision and a common will which will unite us during these demanding times.

Do not let us squander opportunities and waste precious time.

Do not allow the moment for action pass us, delaying imperatives for justice and unity.

All these we ask through the intercession of Your Blessed Mother.

Amen.

### NATIONAL ANTHEM

*Everybody remained standing for the singing of the national anthem.*

### ROLL CALL

**The President Pro Tempore.** The Secretary will please call the roll.

**The Secretary, reading:**

Senator Edgardo J. Angara .....	Present
Senator Teresa Aquino-Oreta .....	Present
Senator Joker P. Arroyo .....	Present
Senator Robert Z. Barbers .....	Present
Senator Rodolfo G. Biazon .....	Present
Senator Renato L. Compañero Cayetano ....	Present
Senator Noli "Kabayan" De Castro .....	Present
Senator Luisa "Loi" P. Ejercito Estrada .....	Present
Senator Juan M. Flavier .....	Present
Senator Gregorio B. Honasan .....	Present
Senator Robert S. "JAWO" Jaworski .....	Present
Senator Panfilo M. Lacson .....	Present
Senator Loren B. Legarda Leviste .....	Present
Senator Ramon B. Magsaysay Jr. ....	Present
Senator John Henry R. Osmeña .....	Present
Senator Sergio R. Osmeña III .....	Present
Senator Francis N. Pangilinan .....	Present
Senator Aquilino Q. Pimentel Jr. ....	Present
Senator Ralph G. Recto .....	Present
Senator Ramon B. Revilla .....	Present
Senator Vicente C. Sotto III .....	Present
Senator Manuel B. Villar Jr. ....	Present
The President .....	Present

**The President Pro Tempore.** With 23 senators present, there is a quorum.

The Majority Leader is recognized.

**Senator Magsaysay.** Mr. President, may I rise on a question of personal privilege.

**The President Pro Tempore.** What will be the topic of the distinguished gentleman's intercession?

**Senator Magsaysay.** The topic, Mr. President, is about an article this morning on the *Philippine Star* regarding the institution of the Senate and about public works funds.

**The President Pro Tempore.** Senator Magsaysay has the floor.

THAT THE LATTER ALLEGEDLY MADE A DEMAND FOR MONEY FROM HIM, IN EXCHANGE FOR HER ENDORSEMENT OF HIS INVENTION, THE EDES PERPETUAL TRASH DEPOT,

recommending dismissal of the letter-complaint and the same be transmitted to the Archives.

Sponsor: Senator Pangilinan

**The President Pro Tempore.** To the Archives

The Majority Leader is recognized.

#### BILL ON SECOND READING

#### S. No. 2101—Instituting a Balikbayan Program (Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**Senator Legarda Leviste.** We are in the period of individual amendments. I move that the sponsor, Sen. Noli De Castro, be recognized and to introduce her amendments, I move that Sen. Teresa Aquino-Oreta be recognized.

**The President Pro Tempore.** Sen. Noli De Castro is recognized, with Sen. Tessie Aquino-Oreta.

The amendments will be made based on the amended copy as of August 12, 2002.

**Senator Aquino-Oreta.** Mr. President, will the honorable sponsor entertain some amendments?

**Senator De Castro.** Certainly, Mr. President.

#### AQUINO-ORETA AMENDMENTS

**Senator Aquino-Oreta.** On page 2, line 8, Section 2 (c), delete the word "THIS" and replace it with HIS OR HER.

Mr. President, this law must be gender-sensitive granting the fact that majority of the overseas Filipino workers are women.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** Again, on page 2, line 12, after the word "BY", insert the word THE.

The whole letter (c) shall now read, Mr. President, if I may: (c) LIVELIHOOD TOOLS-REFER TO INSTRUMENTS USED BY HAND OR BY MACHINE NECESSARY TO A PERSON IN THE PRACTICE OF HIS OR HER TRADE, VOCATION OR PROFESSION, SUCH AS HAND TOOLS, POWER TOOLS, PRECISION TOOLS, FARM TOOLS, TOOLS FOR DRESSMAKING, SHOE REPAIR, BEAUTY PARLOR, BARBER SHOP AND THE LIKE AS MAY BE DETERMINED BY THE OVERSEAS WORKERS WELFARE ADMINISTRATION (OWWA), FOR PURPOSES OF THIS ACT, A COMPUTER UNIT AND ITS ACCESSORIES SHALL LIKEWISE BE CONSIDERED AS LIVELIHOOD TOOLS.

**The President Pro Tempore.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** Line 21, on the same page, Section 3, delete the word "THE" and replace it with the word ALL. And so, the whole letter (a) shall now read as follows: (a) Tax-free maximum purchase in the amount of One thousand United States dollars (US \$1,000.00) or its equivalent IN PHILIPPINE PESO AND in other acceptable foreign currencies at ALL GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS subject to the limitations contained in Section 4 hereof,

**The President Pro Tempore.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** I forgot, Mr. President, I go back. On the same page, line 17, after the words "his", insert the words OR HER. So, it shall now read: "The balikbayan and his OR HER family shall be entitled to the following."

**The President Pro Tempore.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** On the same page, line 24, delete the words "The national carrier" and replace it with the words ALL



DOMESTIC CARRIERS. So, the whole letter (b) shall now read as follows: (b) ALL DOMESTIC CARRIERS shall establish a special promotional/incentive program for the balikbayan;

**The President Pro Tempore.** What does the sponsor say?

**Senator De Castro.** So, that means that it will include the "national carrier" too.

**Senator Aquino-Oreta.** Yes, ALL DOMESTIC CARRIERS, meaning if we have the PAL, Cebu Air, Asian Spirit and et cetera, et cetera.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** Line 36, delete the word "THE" and replace it with the word ALL. Thus, line 36 shall be PURCHASE OF LIVELIHOOD TOOLS AT ALL GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS.

**The President Pro Tempore.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is accepted.

**Senator Aquino-Oreta.** Page 3, line 8, again delete the word "THE" and insert the word ALL. Section 4 will now read as follows: "Limitations on Tax-Free Purchases AT ALL GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS."

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** On page 3, Section 4, letter (a), delete the entire letter (a). Therefore, letter (b) shall now be read as letter (A) of Section 4 and the remaining paragraphs shall be renumbered accordingly.

**The President Pro Tempore.** What does the sponsor say?

**Senator De Castro.** I am sorry, we will delete...

**Senator Aquino-Oreta.** Delete the entire letter (a).

**Senator De Castro.** Letter (a)?

**Senator Aquino-Oreta.** Yes, and letter (b) will now be letter (A) and the rest will be renumbered accordingly.

**Senator De Castro.** Mr. President, may we know the reason *kung bakit natin idi-delete ang letter (a)?*

**Senator Aquino-Oreta.** Mr. President, the paragraph is not even a limitation. It is merely a positive statement that payments must be made in Philippine peso, US dollars or practically any other acceptable foreign currencies. The fact is, transactions will yield to general laws which permit commercial transactions using pesos, dollars or any other acceptable foreign currency. So it is redundant.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** Therefore, on page 3, Section 4, the new letter (A), delete the phrase "Purchases shall be made within forty-eight (48) hours from date of arrival: *PROVIDED, HOWEVER, THAT IF PURCHASES ARE MADE IN GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS IT SHALL BE WITHIN SEVEN (7) CALENDAR DAYS FROM DATE OF ARRIVAL;*" and replace it with the phrase PURCHASES SHALL BE MADE WITHIN SEVEN (7) CALENDAR DAYS FROM THE DATE OF ARRIVAL.

Mr. President, the reason we are amending this is that there is no point in making a distinction between government-owned and controlled duty-free shops and those owned by private entities. It has been decided that the privilege can only be exercised vis-a-vis government-owned and controlled duty-free shops.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** Now, on the same page, Section 4, line 24, delete the word "MAY" and replace it with the word SHALL.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** So, the whole letter (A) shall be read as follows: PURCHASES SHALL BE MADE WITHIN SEVEN (7) CALENDAR DAYS FROM THE DATE OF ARRIVAL: *PROVIDED, FURTHER, THAT DURING THE CHRISTMAS SEASON,*

RECKONED FROM NOVEMBER 15 TO JANUARY 15, THE PRIVILEGE IS EXTENDED TO FIFTEEN (15) CALENDAR-DAYS FROM THE DATE OF ARRIVAL: *PROVIDED, FURTHER*, THAT SAID PRIVILEGE SHALL BE AVAILABLE ON A ONE-TIME SHOPPING BASIS ONLY: *PROVIDED, FINALLY*, THAT IN THE CASE OF SENIOR CITIZENS AND HANDICAPPED, THEY SHALL BE ALLOWED TO ENJOY THE PRIVILEGE ANYTIME DURING THEIR STAY IN THE COUNTRY.

**The President Pro Tempore.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved as read.

**Senator Aquino-Oreta.** Again on page 3, line 28, delete the words "for himself".

**The President Pro Tempore.** Just to delete and no replacement.

**Senator Aquino-Oreta.** Actually it will read: "The privilege is non-transferrable; purchases shall be made personally by the *balikbayan*; EXCEPT, THAT AN OVERSEAS FILIPINO..." et cetera.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** Also on page 3, Section 4, line 33, letter (c), after the words "OF THE PHILIPPINES", insert the phrase FROM WHICH HE OR SHE HAS BEEN DESTINED.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** On page 3, Section 4, line 35, letter (c), after the word "HIS", insert the words OR HER.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** On page 4, Section 4, line 1, letter...Mr. President, may I then read Section (c).

"The privilege is non-transferrable, purchases shall be made personally by the *balikbayan*, EXCEPT THAT AN OVERSEAS FILIPINO WORKER (OFW), DULY CERTIFIED AS SUCH BY THE PHILIPPINE OVERSEAS EMPLOYMENT

ADMINISTRATION (POEA), OVERSEAS WORKERS WELFARE ADMINISTRATION (OWWA), PHILIPPINE OVERSEAS LABOR OFFICER OR BY THE EMBASSY/CONSULATE FROM WHICH HE OR SHE HAS BEEN DESTINED, TAKING INTO CONSIDERATION THE EVIDENCE OF REMITTANCE, MAY OPT TO ENDORSE IN WRITING THE *KABUHAYAN* SHOPPING PRIVILEGE TO HIS OR HER IMMEDIATE FAMILY MEMBERS RESIDING IN THE PHILIPPINES: *PROVIDED*, THAT THE ENDORSEMENT OF THE PRIVILEGE SHALL BE AVAILABLE ONLY ONCE WITHIN TWO (2) YEARS FROM THE DATE OF EFFECTIVITY OF HIS OR HER CONTRACT AND ONLY DURING THE DURATION OF THE SAME: *PROVIDED, FURTHER*, THAT SUCH ENDORSEMENT SHALL EFFECTIVELY DISQUALIFY ANY FURTHER AVAILMENT OF THE PRIVILEGE BY THE OFW UPON RETURN TO THE PHILIPPINES WITHIN THE SAID TWO-YEAR PERIOD.

**Senator De Castro.** It is accepted, Mr. President. This letter (c) will now become letter (B).

**Senator Aquino-Oreta.** Yes, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved as read.

**Senator Aquino-Oreta.** Mr. President, at this point, may I be allowed to propose a further amendment to the amendment introduced by the gentleman from Zambales, Senator Magsaysay.

**The President Pro Tempore.** In what line, please?

**Senator Aquino-Oreta.** On page 4, line 21, after the phrase "*PHILIPPINE-MADE PRODUCTS IN DUTY-FREE SHOPS*", insert the phrase ALL GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS SHALL EFFECTIVELY SHOWCASE PHILIPPINE CULTURE, CRAFTSMANSHIP AND INDUSTRY.

**Senator De Castro.** It is accepted, Mr. President, especially the word "SHOWCASE".

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator Aquino-Oreta.** On the same page, Section 5, line 24, delete the comma (,) along with the words "IN COORDINATION" and replace it with the words SHALL COORDINATE.

**The President Pro Tempore.** How shall the line read, please?

**Senator Aquino-Oreta.** The line now will read...

**The President Pro Tempore.** "FOR THIS PURPOSE,..."

**Senator Aquino-Oreta.** Delete the comma (,) after the word TOURISM..

**Senator De Castro.** SHALL COORDINATE. Is that correct, Mr. President?

**Senator Aquino-Oreta.** Yes, SHALL COORDINATE, Mr. President.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Aquino-Oreta.** Again in line 25, delete the words "SHALL SELECT" and replace it with the words IN THE SELECTION OF. So that it will now read: WITH THE DEPARTMENT OF TRADE AND INDUSTRY IN THE SELECTION OF GOODS AND PRODUCTS..." et cetera.

**Senator De Castro.** All right. It is accepted, Mr. President.

**President Pro Tempore.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Aquino-Oreta.** In line 28, after the word "MARKETABILITY"....

**The President Pro Tempore.** What page, please?

**Senator Aquino-Oreta.** On page 4 also, Mr. President.

**Senator De Castro.** The same page, Mr. President.

**Senator Aquino-Oreta.** In line 28, the first word is "MARKETABILITY."

**The President Pro Tempore.** Yes.

**Senator Aquino-Oreta.** After the word MARKETABILITY, insert a comma (,) followed by the words REGIONAL REPRESENTATION. So it will now read: "MARKETABILITY, REGIONAL REPRESENTATION AND WORLD CLASS APPEAL."

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Aquino-Oreta.** May I then read Section 5, Mr. President, as amended.

**The President Pro Tempore.** Please.

**Senator Aquino-Oreta.** *PHILIPPINE-MADE PRODUCTS IN DUTY-FREE SHOPS.* ALL GOVERNMENT-OWNED AND CONTROLLED DUTY-FREE SHOPS SHALL EFFECTIVELY SHOWCASE PHILIPPINE CULTURE, CRAFTSMANSHIP AND INDUSTRY. THEREFORE, TEN PERCENT (10%) OF THE GOODS BEING SOLD IN DUTY-FREE SHOPS SHALL BE SOURCED FROM THE PHILIPPINE-BASED MANUFACTURERS. FOR THIS PURPOSE, THE DEPARTMENT OF TOURISM SHALL COORDINATE WITH THE DEPARTMENT OF TRADE AND INDUSTRY IN THE SELECTION OF GOODS AND PRODUCTS MADE IN THE PHILIPPINES, TAKING INTO CONSIDERATION, COMPETITIVENESS, DESIGN, EXCELLENCE, MARKETABILITY, REGIONAL REPRESENTATION AND WORLD CLASS APPEAL."

**Senator De Castro.** It is accepted, Mr. President.

**Senator Aquino-Oreta.** On page 5, Section 2, line 8, after the word "promulgate," put a comma (,) and insert the phrase NOT LATER THAN THIRTY (30) DAYS FROM EFFECTIVITY OF THIS ACT,".

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, the amendment is approved.

**Senator Aquino-Oreta.** So, Section 8 shall now read: "The Department of Tourism, in coordination with other government agencies, SHALL PROMULGATE, NOT LATER THAN THIRTY (30) DAYS FROM EFFECTIVITY OF THIS ACT, the necessary rules and regulations for the effective implementation of this Act."

**Senator De Castro.** It is accepted, Mr. President.

**Senator Aquino-Oreta.** Thank you, Mr. President, that is all.

**Senator De Castro.** Thank you very much, Mr. President.

**The President Pro Tempore.** The Majority Leader is recognized.

**Senator Legarda Leviste.** For his individual amendment, Mr. President, I ask that Sen. Robert S. Jaworski be recognized.

**The President Pro Tempore.** Sen. Robert S. Jaworski is recognized.

**Senator Jaworski.** Thank you, Mr. President. I would also like to thank the Majority Leader.

#### JAWORSKI AMENDMENTS

**Senator Jaworski.** Mr. President, after going over the amended copy of the bill as of August 12, 2002, this representation

noticed and appreciates the fact that most of the points we raised during the interpellation were already incorporated in the bill. There are just some amendments left, however, that this representation would like to propose.

On page 2, line 31, delete the word "AND" at the end of the said line, then insert a subparagraph (F) between lines 31 and 32 which reads: DULY ACCREDITED TRANSPORTATION FACILITIES FROM THE AIRPORT TO DESIGNATED DESTINATIONS THAT WILL ENSURE THEIR SAFE AND CONVENIENT TRIPS. THE DEPARTMENT OF TOURISM AND THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS AND OTHER CONCERNED GOVERNMENT AGENCIES ARE HEREBY MANDATED TO IMPLEMENT THE PROGRAM FOR THIS PARTICULAR PURPOSE.

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Jaworski.** Mr. President, on page 3, in connection with this issue, this representation raised during the interpellations on the bill the period of seven days within which to enjoy the kabuhayan shopping privilege. We proposed that said period be extended to 15 and 30 days during the Christmas season.

Mr. President, the reason for this is that we feel that the prescribed periods in the bill are too short a time considering the nature of the shopping privilege. Here, we are giving our *balikbayan* the opportunity to hopefully engage in some livelihood projects or small businesses. However, this representation feels that seven days is indeed not enough for these *balikbayan* to finally come up with a rational and well-studied plan for such small businesses that they might want to put up.

On the other hand, Mr. President, if we were thinking of abuse, we do not see any possible abuse that might arise if we extend this period unless the concerned agencies will not be able to monitor this privilege.

**Senator De Castro.** *Maganda po ang proposal, Ginoong Pangulo*, but I think it is too long compared to seven days. During the hearing, *napagkasunduan po na ang 48 hours ay gawing seven days*. But I think 30 days is...

**Senator Jaworski.** No, 15 days *lamang*, Mr. President.

**Senator De Castro.** Fifteen days is too long. Besides, seven is a lucky number, the number of the gentleman, Senator Jaworski.

**Senator Jaworski.** Mr. President, I guess what we have to do is put ourselves in the shoes of those arriving *balikbayan*.

When a *balikbayan* arrives, the initial reaction is meeting his family, looking at other problems and, as I said, the next big step is to make a plan for a certain small business that can work for the family. And seven days, whether we like it or not, most of these *balikbayan* are out of the country for so long. Just greeting one's relatives will already take time, let us say, going from one area to another. I guess it is very reasonable.

**Senator De Castro.** During the Christmas season, it is 30 days, Mr. President.

**Senator Jaworski.** Well, Christmas is obviously not even a point for thinking of business. It is just thinking of the Christmas season—what one could give to his relatives—and I think it is reasonable enough.

**Senator De Castro.** All right. It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Jaworski.** Thank you, Mr. President. If it is accepted, I propose that on page 3, line 16, we replace the word and its corresponding number "SEVEN (7)" with the word and number FIFTEEN (15). Then on the same page, line 20, replace the word and its corresponding number "FIFTEEN (15)" with the word and number THIRTY (30).

Thank you, Mr. President.

**Senator De Castro.** Thank you, Mr. President.

With the permission of this Chamber, may I be allowed to read the individual amendments of Sen. Ramon B. Revilla?

**The President Pro Tempore.** Please proceed.

#### REVILLA AMENDMENTS

**Senator De Castro.** In order to shorten the wordings in Section 4 (c) of this proposed measure, the following amendments are hereby proposed:

On page 3, line 36, between the words "MEMBERS" and "RESIDING", insert a comma (,) and the phrase WITHIN THE SECOND DEGREE OF CONSANGUINITY AND AFFINITY and delete the whole phrase on page 4, lines 7 to 9, so that the amended phrase will now read as follows:

MAY OPT TO ENDORSE IN WRITING THE KABUHAYAN SHOPPING PRIVILEGE TO HIS OR HER IMMEDIATE FAMILY MEMBERS WITHIN THE SECOND DEGREE OF CONSANGUINITY AND AFFINITY RESIDING IN THE PHILIPPINES.

It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator De Castro.** On page 4, Section 4, paragraph (f), lines 15 to 18, it is proposed that we delete the whole paragraph (f).

**The President Pro Tempore.** What line please?

**Senator De Castro.** Page 4, Section 4, paragraph (f), lines 15 to 18, Mr. President.

We cannot accept this for the reason *na magiging* subject *ito ng* abuse *dahil sa* price exceeding US\$200 of nonconsumables entitles a *balikbayan* to only one item. These nonconsumables are electronic products like television sets whose price exceeds US\$200, except, of course, computers. The computers do not fall under Section 4(f) but instead *ito po ay nasa ilalim ng* definition of Livelihood Tools so there is no limit to the purchase of computers. *Pero sa* television sets and other electronic products, there is a limit to only one item *sa* nonconsumables whose price exceeds US\$200. So we cannot accept this amendment, Mr. President.

**The President Pro Tempore.** Please proceed to the other amendments.

**Senator De Castro.** On page 4, line 19, delete the article "A" and add S to the word "section" and change "is" to ARE.

The amendment is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

**Senator De Castro.** On page 4, line 20, add an S to the word "Section" and add the word and figure AND 6 after the figure "5" so that it will read as follows:

SEC. 5. New sectionS are hereby added after Section 4 of the same Republic Act to be denominated as SectionS 5 AND 6 to read as follows:

**The President Pro Tempore.** What does the sponsor say?

**Senator De Castro.** It is accepted, Mr. President.

**The President Pro Tempore.** Is there any objection? *[Silence]*  
There being none, the amendment is approved.

#### SUSPENSION OF SESSION

**Senator De Castro.** Mr. President, I move that we suspend the session for a one minute.

**The President Pro Tempore.** The session is suspended for one minute, if there is no objection. *[There was none.]*

*It was 6:32 p.m.*

#### RESUMPTION OF SESSION

*At 6:32 p.m., the session was resumed.*

**The President Pro Tempore.** The session is resumed.

**Senator De Castro.** Mr. President, in order to provide a time frame or a deadline on the part of the Department of Tourism in the crafting of the implementing rules and regulations or IRR, this amendment is being proposed.

On page 5, Section 8, line 7, before the word "The", insert the phrase WITHIN NINETY (90) DAYS FROM THE EFFECTIVITY OF THIS ACT. So that the whole section will now read as follows:

SEC. 8. WITHIN NINETY (90) DAYS FROM THE EFFECTIVITY OF THIS ACT, the Department of Tourism, in coordination with other government agencies concerned, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

Mr. President, there was an amendment for 30 days by Senator Aquino-Oreta and we think that 30 days is reasonable enough. We cannot accept this 90 days proposal. We already accepted the 30 days, so we cannot accept this amendment.

On page 4, lines 21 and 22, it is proposed to delete the first sentence that reads as follows:

**The President Pro Tempore.** What line, please?

#### MAGSAYSAY AMENDMENT

**Senator De Castro.** On page 4, lines 21 and 22, delete the sentence "TEN (10%) PERCENT OF THE GOODS BEING SOLD IN DUTY-FREE SHOP SHALL BE SOURCED FROM PHILIPPINE BASED MANUFACTURERS."

The reason for the amendment is that this provision unjustly favors imported products and puts a cap of 10% on products manufactured in the Philippines that can be bought by the *balikbayan*. If the intention of this section is to allow Philippine products to compete with imported goods, then it should be reflected as such without the limitation. This amendment came from Sen. Jun Magsaysay. We would now like to ask the comment of Senator Magsaysay, Mr. President.

**The President Pro Tempore.** Sen. Ramon B. Magsaysay Jr. is recognized.

**Senator Magsaysay.** Thank you, Mr. President.

As I mentioned when I justified the inclusion of this particular provision—10%. Initially, being the original author of this bill in 1995 and thereafter, Sen. Loren Legarda Leviste during the Eleventh Congress and being also the main author, the intention was to obligate Duty Free Philippines to purchase up to 25% of its goods that will be sold in duty-free shops.

However, due to the strong reservation and objection of the management of Duty Free Philippines, I already accepted that only 10% or a minimum of 10% be the benchmark to purchase Philippine-made products to be sold in duty-free shops. On the basis that the annual revenue, the annual purchase level is P5 billion a year average, 10% is P500 million and that is good enough for a start.

Mr. President, at present, only one percent or even less is being purchased from among our export-quality manufacturers. So 10 x 1 or 10%, I believe, is minimal based on the fact that we have a lot of exports. In fact, the Department of Trade and Industry has been promoting our Philippine-made export products, from electronics, garments, food, and other exportable competitive products.

So I beg that we retain, although I know that Senator Revilla's objective is to enable the Duty Free Philippines to purchase more. What we can do here is, say, a minimum of 10%. That means that Duty Free Philippines can buy more than 10% of its annual procurement. I have no objection to this—A MINIMUM OF TEN PERCENT (10%) OF THE GOODS BEING SOLD TO DUTY-FREE SHOPS.

**Senator De Castro.** So we will add the words TEN PERCENT (10%), Mr. President?

**Senator Magsaysay.** That is correct, Mr. President.

**Senator De Castro.** The amendment is accepted, Mr. President.

**The President Pro Tempore.** Just to reiterate. We are inserting the word MINIMUM and we are not accepting the "25%."

**Senator De Castro.** We are not accepting the amendment of Senator Revilla.

**The President Pro Tempore.** We are now asking the approval for the insertion of the word MINIMUM. Is there any objection? [Silence] There being none, the amendment is accepted.

**Senator Magsaysay.** Thank you, Mr. President.

**Senator De Castro.** That is all, Mr. President. Thank you very much.

**The President Pro Tempore.** That seems to be the end of the period of amendments.

The Majority Leader is recognized.

**Senator Legarda Leviste.** Yes, Mr. President. There are no more individual amendments. I therefore move that we close the period of individual amendments.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the motion is approved.

#### APPROVAL OF S. NO. 2101 ON SECOND READING

**Senator Legarda Leviste.** Mr. President, I move that we vote on Second Reading on Senate Bill No. 2101, as amended.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, we shall now vote on Second Reading on Senate Bill No. 2101, as amended.

As many as are in favor of the bill, say *aye*.

**Several Members.** *Aye*.

**The President Pro Tempore.** As many as are against the bill, say *nay*. [Silence]

Senate Bill No. 2101, as amended, is approved on Second Reading.

#### SUSPENSION OF CONSIDERATION OF S. NO. 2101

**Senator Legarda Leviste.** Mr. President, I move that we suspend consideration of Senate Bill No. 2101.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the motion is approved.

**Senator Legarda Leviste.** Mr. President, for the privilege hour, I ask that we recognize Sen. Edgardo J. Angara.

**The President Pro Tempore.** Sen. Edgardo J. Angara is recognized.

#### PRIVILEGE SPEECH OF SENATOR ANGARA (A Tribute to Manuel Luis Quezon)

**Senator Angara.** Thank you, Mr. President.

Mr. President, I will be brief.

Today, Mr. President, is the birth anniversary of Pres. Manuel Luis Quezon.

## RECORD OF THE SENATE

**TUESDAY, AUGUST 20, 2002**

### OPENING OF THE SESSION

*At 3:59 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.*

**The President.** The 11th session of the Second Regular Session of the Twelfth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Juan M. Flavier.

*Everybody rose for the prayer.*

### PRAYER

**Senator Flavier.** This prayer is based on the prayer for peace written by Inayat Khan in 1921.

Our Lord and our God:

Send Your peace, O Lord, which is perfect and everlasting, that our souls may radiate peace.

Send Your peace, O Lord, that we may think, act and speak harmoniously.

Send Your peace, O Lord, that we may be contented and thankful for Your bountiful gifts.

Send Your peace, O Lord, that amidst our worldly strife, we may enjoy Your bliss.

• Send Your peace, O Lord, that we may endure all, tolerate all, and in the thought of Your grace and mercy.

Send Your peace, O Lord, that our lives may become a Divine vision and in Your light, all darkness may vanish.

Send Your peace, O Lord, our Father and Mother, that we, Your children of this nation, may all unite in one family.

Amen.

### ROLL CALL

**The President.** The Secretary will please call the roll.

**The Secretary, reading:**

Senator Edgardo J. Angara ..... Present  
Senator Teresa Aquino-Oreta ..... \*\*  
Senator Joker P. Arroyo ..... Present

Senator Robert Z. Barbers ..... Present  
Senator Rodolfo G. Biazon ..... Present\*  
Senator Renato L. *Compañero* Cayetano ... Present  
Senator Noli "Kabayan" De Castro ..... Present  
Senator Luisa "Loi" P. Ejercito Estrada ..... Present  
Senator Juan M. Flavier ..... Present  
Senator Gregorio B. Honasan ..... Present  
Senator Robert S. "JAWO" Jaworski ..... Present  
Senator Panfilo M. Lacson ..... Present  
Senator Loren B. Legarda Leviste ..... Present  
Senator Ramon B. Magsaysay Jr. . . . . Present  
Senator John Henry R. Osmeña ..... Present  
Senator Sergio R. Osmeña III ..... Present  
Senator Francis N. Pangilinan ..... Present  
Senator Aquilino Q. Pimentel Jr. .... Present  
Senator Ralph G. Recto ..... Present  
Senator Ramon B. Revilla ..... Present  
Senator Vicente C. Sotto III ..... Present  
Senator Manuel B. Villar Jr. .... Absent  
The President ..... Present

**The President.** With 20 senators present, there is a quorum.

The Majority Leader is recognized.

### THE JOURNAL

**Senator Legarda Leviste.** Mr. President, I move that we dispense with the reading of the *Journal* of the 10th session, August 19, 2002, and consider it approved.

**The President.** Is there any objection? [*Silence*] There being none, the motion is approved.

### ACKNOWLEDGMENT OF THE OFFICIAL VISIT OF NURSING STUDENTS FROM EMILIO AGUINALDO COLLEGE, MEMBERS OF THE VARIOUS NURSING ASSOCIATIONS IN THE PHILIPPINES AND DELEGATES TO THE 29TH SHIP SOUTHEAST ASIAN YOUTH PROGRAM

**Senator Legarda Leviste.** Mr. President, we would like to acknowledge the nursing students from the Emilio Aguinaldo College, the Philippine Nursing Association members, the members of the Board of Nursing, the National League of Government Nurses, the Mother and Child Nurses' Association of the Philippines, the Military Nurses Association and the Operating Room Nurses Association who are present in the hall today.

Also, we would like to acknowledge the presence of the delegates to the 29th Ship for Southeast Asian Youth Program or

\* Arrived after the roll call

\*\* On official mission

Resolution Nos. 24 and 88, concerning the ongoing demand of Filipino comfort women for an apology and postwar legal compensation from the Japanese government.

**The President.** Senator Ejercito Estrada may proceed.

**MOTION OF SENATOR EJERCITO ESTRADA**  
(Referral of P. S. Res. Nos. 24 and 88 Secondly to Youth, Women and Family Relations Committee)

**Senator Ejercito Estrada.** Mr. President, please note that during the previous Congress, then Senator Francisco Tatad, filed a similar resolution, Proposed Senate Resolution No. 446, that was primarily referred to the Committee on Youth, Women and Family Relations; and secondarily referred to the Committee on Foreign Relations.

Mr. President, considering that the import of the two resolutions involves women issues, may I therefore move that Proposed Senate Resolution Nos. 24 and 88 be secondarily referred to the Committee on Youth, Women and Family Relations.

Thank you.

**The President.** The Majority Leader is recognized.

#### SUSPENSION OF SESSION

**Senator Legarda Leviste.** Mr. President, I move that we suspend the session for one minute.

**The President.** The session is suspended for one minute, if there is no objection. *[There was none.]*

*It was 4:06 p.m.*

#### RESUMPTION OF SESSION

*At 4:09 p.m., the session was resumed.*

**The President.** The session is resumed. The Majority Leader is recognized.

**Senator Legarda Leviste.** Yes, Mr. President. The two resolutions requested by Senator Ejercito Estrada, I move that they be referred to her committee—Youth, Women and Family Relations—as a secondary referral.

**The President.** Can the Chair have the motion of Senator Ejercito Estrada?

**Senator Legarda Leviste.** There is a motion to refer secondarily the two resolutions she mentioned to her committee—Youth, Women and Family Relations.

**The President.** So, it is referred to the Committee on Youth, Women and Family Relations as a secondary committee. Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING

**S. No. 2101 — Instituting a *Balikbayan* Program**  
(Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2101 as reported out under Committee Report No. 38, the amendments on the *balikbayan* privilege program.

**The President.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 2101 is now in order.

**Senator Legarda Leviste.** This is a certified measure, Mr. President. May we request the Secretary to read the certification.

**The President.** The Secretary will read the certification.

**The Secretary.**

August 9, 2002

HON. FRANKLIN M. DRILON  
Senate President  
Philippine Senate  
Pasay City

Dear Senate President Drilon:

Pursuant to the provisions of Article VI, Section 26 (2) of the 1987 Constitution, I hereby certify to the necessity of the immediate enactment of Senate Bill No. 2101, under Committee Report No. 38, entitled

AN ACT AMENDING REPUBLIC ACT NO. 6768, ENTITLED "AN ACT INSTITUTING A *BALIKBAYAN* PROGRAM," BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO *BALIKBAYAN* AND FOR OTHER PURPOSES,

to address the urgent need to strengthen the economic standing as well as the moral fibre of *balikbayans* and their families by providing them the opportunity to avail of the necessary privileges, benefits and training to enable them to become economically self-reliant and productive members of the community upon their return, counting them as responsible and invaluable pillars of our society.

Best wishes.



Very truly yours,

(Sgd.) GLORIA MACAPAGAL ARROYO

cc. HON. JOSE C. DE VENECIA JR.

Speaker  
House of Representatives  
Quezon City

#### BILL ON THIRD READING

S. No. 2101 — Instituting a *Balikbayan* Program

**Senator Legarda Leviste.** Mr. President, in view of the certification, I move that we vote on Third Reading on Senate Bill No. 2101.

**The President.** Is there any objection? [*Silence*] There being none, voting on Third Reading on Senate Bill 2101 is now in order.

The Secretary will please read only the title of the bill.

**The Secretary.** Senate Bill No. 2101, entitled

AN ACT AMENDING REPUBLIC ACT NO. 6768,  
ENTITLED "AN ACT INSTITUTING A  
BALIKBAYAN PROGRAM," BY PROVIDING  
ADDITIONAL BENEFITS AND PRIVILEGES TO  
BALIKBAYAN AND FOR OTHER PURPOSES

**The President.** We will now vote on the bill and the Secretary will call the roll.

**The Secretary.** Senators

Angara .....	Yes
Aquino-Oreta .....	
Arroyo .....	Yes
Barbers .....	Yes
Biazon .....	Yes
Cayetano .....	Yes
De Castro .....	Yes
Ejercito Estrada .....	Yes
Flavier .....	Yes
Honasan .....	Yes
Jaworski .....	Yes
Lacson .....	Yes
Legarda Leviste .....	Yes
Magsaysay Jr. ....	Yes
Osmeña (J.) .....	Yes
Osmeña III .....	Yes
Pangilinan .....	Yes
Pimentel Jr. ....	Yes

Recto .....	Yes
Revilla .....	Yes
Sotto III .....	Yes
Villar Jr. ....	
The President .....	Yes

**The President.** With 21 affirmative votes, no negative vote, and no abstention, Senate Bill No. 2101 is hereby approved on Third Reading.

The Majority Leader is recognized.

#### BILL ON SECOND READING

S. No. 2292 — The Philippine Nursing Act of 2002  
(Continuation)

**Senator Legarda Leviste.** Mr. President, I move that we resume consideration of Senate Bill No. 2292 as reported out under Committee Report No. 68.

**The President.** Is there any objection? [*Silence*] There being none, resumption of consideration of Senate Bill No. 2292 is now in order.

**Senator Legarda Leviste.** We are now in the period of interpellations. I ask that Sen. Juan M. Flavie, the sponsor, be recognized.

**The President.** Sen. Juan M. Flavie is recognized.

**Senator Legarda Leviste.** And to interpellate, I ask that Sen. Edgardo J. Angara be recognized.

**The President.** Sen. Edgardo J. Angara is recognized.

**Senator Angara.** Thank you, Mr. President.

Mr. President, will the dynamic former secretary of Health and our leading doctor in the House answer some questions for clarification?

**Senator Flavie.** With pleasure, Mr. President, to the author of landmark medical health bills in the Senate and the senior author of the Philippine Nursing Act of 2002.

**Senator Angara.** With that, Mr. President, I would like to sit down and terminate my interpellation. [*Laughter*]

Mr. President, we must really commend the distinguished author and sponsor for this modernization and updating of the Philippine Nursing Law. We had the opportunity to author the original one, but I am very happy that the version that we are now discussing will replace that old one and in a way incorporate some basic provisions that would modernize the whole profession.

## RECORD OF THE SENATE

MONDAY, SEPTEMBER 2, 2002

### OPENING OF THE SESSION

*At 4:19 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.*

**The President.** The 15th session of the Second Regular Session of the Twelfth Congress is hereby called to order.

Let us all rise for the prayer to be led by Sen. Loren B. Legarda Leviste.

After the prayer, the House of Representatives Choir will lead us in the singing of the national anthem.

*Everybody rose for the prayer.*

### PRAYER

**Senator Legarda Leviste.** I will read the prayer by the late national artist for literature, Francisco Arcellana, who passed away only recently and was interred at the *Libingan ng mga Bayani*.

Close all open things, Lord.

Open all closed things.

All those who have long received, let them give.

All those who have long given, let them receive.

All those too long apart, let them come together.

All those too long together, sunder them.

Let the wise be fools for once, Lord.

And let the fools speak their mind.

Affirm the long-denied, Lord.

Fulfill the unfulfilled.

Amen.

### NATIONAL ANTHEM

*Everybody remained standing for the singing of the national anthem.*

**The President.** Thank you very much to the choir from the House of Representatives. They will now sing for us *Duyan*.

### ROLL CALL

The Secretary will please call the roll.

**The Secretary, reading:**

Senator Edgardo J. Angara .....	Present
Senator Teresa Aquino-Oreta .....	Present
Senator Joker P. Arroyo .....	Present
Senator Robert Z. Barbers .....	Present
Senator Rodolfo G. Biazon .....	Present
Senator Renato L. <i>Compañero</i> Cayetano .....	Absent**
Senator Noli "Kabayan" De Castro .....	Present
Senator Luisa "Loi" P. Ejercito Estrada .....	Present
Senator Juan M. Flavies .....	*
Senator Gregorio B. Honasan .....	Present
Senator Robert S. "JAWO" Jaworski .....	Present
Senator Panfilo M. Lacson .....	Present
Senator Loren B. Legarda Leviste .....	Present
Senator Ramon B. Magsaysay Jr. ....	Present
Senator John Henry R. Osmeña .....	Present
Senator Sergio R. Osmeña III .....	Present
Senator Francis N. Pangilinan .....	Present
Senator Aquilino Q. Pimentel Jr. ....	Present
Senator Ralph G. Recto .....	Present
Senator Ramon B. Revilla .....	Absent
Senator Vicente C. Sotto III .....	Present
Senator Manuel B. Villar Jr. ....	Present
The President .....	Present

**The President.** With 20 senators present, the Chair declares the presence of a quorum.

The Majority Leader is recognized.

**Senator Legarda Leviste.** There is a question about the *Journal*, Mr. President. I ask that we recognize the Minority Leader.

**The President.** The Minority Leader is recognized.

**Senator Sotto.** Mr. President, if the Chair would not mind, I move that the approval of the *Journal* be taken up later.

**The President.** There is no motion yet. Anyway, we can defer the approval.

### THE JOURNAL (Consideration Deferred)

**Senator Legarda Leviste.** Mr. President, I move that we defer the consideration and approval of the *Journal* of Session No. 14 of August 27 and 28, 2002.

\* On official mission

\*\* On account of illness

OFTEN RESULTING TO LOSS OF THE NEEDED FUND TO SUPPORT ITS OPERATION AND STRENGTHEN THE SECURITY MECHANISMS OF FINANCIAL INSTITUTIONS IN DETECTING SUCH ILLEGAL ACTIVITIES

Introduced by Senator Lacson

**The President.** Referred to the Committees on Banks, Financial Institutions and Currencies; Finance; and Ways and Means

**The Secretary.** Proposed Senate Resolution No. 428, entitled

RESOLUTION DIRECTING THE DEPARTMENT OF FOREIGN AFFAIRS TO UTILIZE APPROPRIATE DIPLOMATIC CHANNELS TO ASSIST FILIPINO COMFORT WOMEN TO PURSUE THEIR CLAIMS AGAINST THE GOVERNMENT OF JAPAN FOR THE SEXUAL VIOLATIONS AND ATROCITIES THEY GREATLY SUFFERED DURING THE SECOND WORLD WAR

Introduced by Senator Pimentel Jr.

**The President.** Referred to the Committees on Foreign Relations; and Youth, Women and Family Relations

The Majority Leader is recognized.

CONFERENCE COMMITTEE REPORT ON  
S. NO. 2101/H. NO. 4534  
(Instituting A *Balikbayan* Program)

**Senator Legarda Leviste.** Mr. President, we are in receipt of the Bicameral Conference Committee Report on the disagreeing provisions of Senate Bill No. 2101 and House Bill No. 4534. I ask that we recognize Sen. Noli "Kabayan" De Castro, chairman of the Committee on Tourism, to present his Bicameral Conference Committee Report.

**The President.** Consideration of the Bicameral Conference Committee Report on the disagreeing provisions of Senate Bill No. 2101 and House Bill No. 4534 is in order. We now recognize Sen. Noli "Kabayan" De Castro to submit the report to the Chamber.

REPORT OF SENATOR DE CASTRO

**Senator De Castro.** Maraming salamat, Ginoong Pangulo. Ako po ay narito ngayon para isumite ang kinahinatnan ng isinagawang Bicameral Conference Committee noong nakaraang Huwebes. Aming tinalakay sa naturang conference ang magkakaibang puntos ng Senate Bill No. 2101 at ng House Bill No. 4534 na tumutukoy sa batas na nagsusug sa Republic

Act No. 6768 na may titulong, "An Act Instituting a *Balikbayan* Program by Providing Additional Benefits and Privileges to *Balikbayan* and for Other Purposes."

Mula po sa dalawang version na magkaiba ang probisyon, isang version ang naging bunga ng masusing talakayan at kumprehensibong diskusyon, at ngayon ay napagbigyan tayo para ihain ito sa kapulungan para ma-ratipikahan.

Ang highlights po ng naturang meeting ay:

1. Ang Senate version ang ginamit bilang working draft;
2. There was an omnibus amendment na pinapalitan ang term na "tax-free" to TAX-EXEMPT sa reconciled version;
3. An omnibus amendment was also adopted to change the phrase "government-owned and controlled Duty Free Shops" to GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS;

4. In Section 3, subparagraph (a) of the Senate and the House versions were consolidated and adopted to read as follows:

"(a) Tax-EXEMPT maximum purchase in the amount of One thousand FIVE HUNDRED United States dollars (US\$1,500.00) or its equivalent IN PHILIPPINE PESO AND in other acceptable foreign currencies at ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS subject to the limitations contained in Section 4 hereof;"

5. In the same section, subparagraph (G) of the Senate version was modified and adopted to read as follows:

"(G) *KABUHAYAN* SHOPPING PRIVILEGE THROUGH AN ADDITIONAL TAX-EXEMPT PURCHASE IN THE MAXIMUM AMOUNT OF TWO THOUSAND UNITED STATES DOLLARS (US\$2,000.00) OR ITS EQUIVALENT IN PHILIPPINE PESO AND OTHER ACCEPTABLE FOREIGN CURRENCIES, EXCLUSIVELY FOR THE PURCHASE OF LIVELIHOOD TOOLS AT ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS.

THE TOTAL AMOUNT OF TAX-EXEMPT MAXIMUM PURCHASE AS MENTIONED IN SUB-PARAGRAPHS (A) AND (G) OF THIS SECTION MAY BE USED FOR THE *KABUHAYAN* PROGRAM, SUBJECT TO THE LIMITATIONS CONTAINED IN SECTION 4 HEREOF.

6. In Section 4, subparagraph (c) of the final version, the Senate and the House versions on absentee buying were consolidated and adopted to read as follows:

(C) The privilege is non-transferable; purchases shall be made personally by the balikbayan; *PROVIDED*, THAT A *BALIKBAYAN* WHO HAS GONE BACK ABROAD MAY STILL AVAIL OF THE *KABUHAYAN* SHOPPING WITHIN A MAXIMUM PERIOD OF ONE (1) YEAR FROM THE DATE OF ARRIVAL IN THE COUNTRY, AND THAT IMMEDIATE FAMILY MEMBERS OF THE *BALIKBAYAN* SHALL BE ALLOWED TO CLAIM THE *KABUHAYAN* TOOLS PURCHASED; *PROVIDED, FURTHER*, THAT AN OVERSEAS FILIPINO WORKER (OFW), DULY CERTIFIED AS SUCH BY THE PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA), PHILIPPINE OVERSEAS LABOR OFFICER OR BY THE EMBASSY/CONSULATE OF THE PHILIPPINES IN THE COUNTRY WHERE HE OR SHE HAD BEEN DEPLOYED, TAKING INTO CONSIDERATION THE EVIDENCE OF REMITTANCE, MAY OPT TO ENDORSE IN WRITING THE *KABUHAYAN* SHOPPING PRIVILEGE TO HIS OR HER IMMEDIATE FAMILY MEMBERS WITHIN THE SECOND DEGREE OF CONSANGUINITY OR AFFINITY RESIDING IN THE PHILIPPINES ONCE WITHIN TWO (2) YEARS FROM THE DATE OF EFFECTIVITY OF HIS OR HER CONTRACT AND ONLY DURING THE DURATION OF THE SAME.

7. Sections 1, 2, 5, 6, 8, 9 and 10 of the Senate version were likewise adopted in the reconciled version with some minor modifications; and

8. The title of the Senate version was adopted, to read as:

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED, "AN ACT INSTITUTING A "BALIKBAYAN PROGRAM," BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO BALIKBAYAN AND FOR OTHER PURPOSES.

In case of conflict between the statements/amendments stated in this explanatory statement and that of the reconciled version in the accompanying conference committee report, the provisions of the latter shall prevail.

This statement was signed by Cong. Krisel Lagman-Luistro, chairperson of the House panel, and yours truly as chairman of the Committee on Tourism of the Senate panel.

Ito po ang mga isyung binigyan ng resolusyon at napagkasunduan ng Senate at House of Representatives kaugnay sa pagsasabatas ng panukalang ito para sa ating mga balikbayan.

Ginoong Pangulo, ako ay humihingi ng pahintulot upang pasalamatan ang mga mambabatas na naging mahalaga ang kontribusyon sa pagpasa nito: Sa mga miyembro ng Senate panel sa pangunguna ni Minority Leader Sen. Vicente C. Sotto III, Sen. Luisa "Loi" Ejercito Estrada, Sen. Ramon B. Magsaysay Jr. at Sen. Robert S. "JAWO" Jaworski. Maraming salamat din po sa inyong ipinakitang suporta, Ginoong Pangulo. Ganoon din po sa lahat ng ating kasamahan sa Senado, salamat po sa inyong pakikiisa at mahalagang kontribusyon sa panukalang ito.

Ang pagsasabatas po ng panukala ay ating maagang pamaskong handog sa milyun-milyon nating kababayan, lalo na sa ating mga overseas Filipino workers na alam nating lahat na malaki ang naitutulong sa ating ekonomiya. Sa katunayan po, nag-increase pa ang kanilang ipinapadalang dolyar o remittances sa ating bansa. Isang paraan ito upang ating masuklian ang kanilang kahanga-hangang kasipagan, tiyaga at kontribusyon sa ating bayan. At ako po ay nakasisiguro na labis-labis din ang magiging pasasalamat ng ating mga overseas Filipino worker sapagkat mararamdaman nila, sa pamamagitan po ng mga nakapaloob na mga benepisyo at tulong sa panukalang-batas na ito, na ang kanilang kapakanan ay pinahalalagahan at itinataguyod ng mga senador.

Nais ko rin pong iparating ang pagkilala sa tulong na ibinigay ng technical staff ng ibang senador, ang committee secretary at gayundin sa Secretariat para sa kanilang technical support.

Hangad po natin na makatulong ang Kabuhayan Program sa balikbayan sa paggarantiya ng maganda at mabuting kinabukasan ng ating mga overseas Filipino worker. At muli, ang aking taos-pusong pasasalamat, Ginoong Pangulo.

Salamat po.

APPROVAL OF CONFERENCE COMMITTEE REPORT  
ON S. NO. 2101/H. NO. 4534

The President. Thank you. All right. There is a motion to approve the Bicameral Conference Committee Report. Is there any objection? *[Silence]* There being none, the motion is approved.

*The following is the whole text of the Conference Committee Report:*

#### JOINT EXPLANATORY STATEMENT

The Conference Committee on the disagreeing provisions of Senate Bill No. 2101 and House Bill No.

4534, after having met and fully discussed the subject matter, hereby report to their respective Houses the following, that:

1. The Senate version was adopted as the working draft;
2. In Section 1, the Senate version was refined and adopted as Section 1 of the final version;
3. In Section 2, the Senate version was modified and adopted as Section 2 of the reconciled version;
4. In the same section, sub-paragraph (a) of the Senate version was modified and adopted to read as:

“(a) The term “*balikbayan*” shall mean a Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year, a Filipino overseas worker, or a former Filipino citizen and his OR HER family, as this term is defined hereunder, who had been naturalized in a foreign country and comes or returns to the Philippines; [and]

5. Sections 3 and 1 of the Senate and House versions, respectively, were consolidated, amended and adopted as Section 3 of the final version;
6. There was an omnibus amendment changing the term “tax-free” to “tax-exempt” in the reconciled version;
7. In Section 3, sub-paragraphs (a) of the Senate and the House versions were merged and adopted to read as follows:

“(a) Tax[free] EXEMPT maximum purchase in the amount of One thousand FIVE HUNDRED United States dollars [(US \$1,000)] (US \$1,500.00) or its equivalent IN PHILIPPINE PESO AND in other acceptable foreign currencies at [Philippine duty free shops] ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS subject to the limitations contained in Section 4 hereof;”

8. An omnibus amendment was also adopted to change the phrase “government-owned and

controlled Duty Free Shops” to “government-owned and controlled/operated Duty Free Shops”;

9. In the same section, sub-paragraph (G) of the Senate version was modified and adopted to read as follows:

“(G) *KABUHAYAN* SHOPPING PRIVILEGE THROUGH AN ADDITIONAL TAX-EXEMPT PURCHASE IN THE MAXIMUM AMOUNT OF TWO THOUSAND UNITED STATES DOLLARS (US\$2,000.00) OR ITS EQUIVALENT IN PHILIPPINE PESO AND OTHER ACCEPTABLE FOREIGN CURRENCIES, EXCLUSIVELY FOR THE PURCHASE OF LIVELIHOOD TOOLS AT ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS.

THE TOTAL AMOUNT OF TAX-EXEMPT MAXIMUM PURCHASE AS MENTIONED IN SUB-PARAGRAPHS (A) AND (G) OF THIS SECTION MAY BE USED FOR THE *KABUHAYAN* PROGRAM, SUBJECT TO THE LIMITATIONS CONTAINED IN SECTION 4 HEREOF.

10. Sections 4 and 2 of the Senate and the House versions, respectively, were consolidated, modified and adopted as Section 4 of the reconciled version;
11. In Section 4, sub-paragraph (C) of the final version, the Senate and the House versions on absentee buying were consolidated and adopted to read as follows:

(C) [(d)] The privilege is non-transferable; purchases shall be made personally by the *balikbayan* [for himself]; *PROVIDED, THAT A BALIKBAYAN WHO HAS GONE BACK ABROAD MAY STILL AVAIL OF THE KABUHAYAN SHOPPING WITHIN A MAXIMUM PERIOD OF ONE (1) YEAR FROM DATE OF ARRIVAL IN THE COUNTRY, AND THAT IMMEDIATE FAMILY MEMBERS OF THE BALIKBAYAN SHALL BE ALLOWED TO CLAIM THE KABUHAYAN TOLLS PURCHASED; PROVIDED, FURTHER, THAT AN OVERSEAS FILIPINO WORKER (OFW),*

DULY CERTIFIED AS SUCH BY THE PHILIPPINE OVERSEAS LABOR OFFICER OR BY THE EMBASSY/CONSULATE OF THE PHILIPPINES IN THE COUNTRY WHERE HE OR SHE HAD BEEN DEPLOYED, TAKING INTO CONSIDERATION THE EVIDENCE OF REMITTANCE, MAY OPT TO ENDORSE IN WRITING THE *KABUHAYAN* SHOPPING PRIVILEGE TO HIS OR HER IMMEDIATE FAMILY MEMBERS WITHIN THE SECOND DEGREE OF CONSANGUINITY OR AFFINITY RESIDING IN THE PHILIPPINES ONCE WITHIN TWO (2) YEARS FROM THE DATE OF EFFECTIVITY OF HIS OR HER CONTRACT AND ONLY DURING OF THE SAME.

12. In the same, sub-paragraph (D) of the reconciled version was a consolidation of both versions to read as follows:

(D) [(e)] Only a *balikbayan* of majority age under Philippine laws can enjoy the privilege: *Provided, however, That FAMILY MEMBERS WHO ARE minors shall continue to be entitled to purchase privileges not exceeding [Two hundred fifty United States dollars (US\$250.00)] THE ALLOWABLE TAX-EXEMPT LIMIT FOR ARRIVING PASSENGERS; and*

13. Section 5 of the Senate version was modified with the insertion of the phrase "AS FAR AS PRACTICABLE, WHETHER BY DIRECT PURCHASE OR CONCESSION" between the words SHALL" and "BE" to read as follows:

"SEC. 5. *PHILIPPINE-MADE PRODUCTS IN DUTY-FREE SHOPS.* - ALL GOVERNMENT-OWNED AND CONTROLLED/ OPERATED DUTY-FREE SHOPS SHALL EFFECTIVELY SHOWCASE PHILIPPINE CULTURE, CRAFTSMANSHIP AND INDUSTRY. THEREFORE, A MINIMUM OF TEN PERCENT (10%) OF THE GOODS BEING SOLD IN DUTY-FREE SHOPS SHALL, AS FAR AS PRACTICABLE, WHETHER BY DIRECT PURCHASE OR CONCESSION, BE SOURCED FROM PHILIPPINE-BASED MANUFACTURERS. FOR THIS PURPOSE, THE DEPARTMENT OF TOURISM (DOT) SHALL COORDINATE WITH THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IN THE SELECTION OF GOODS AND

PRODUCTS MADE IN THE PHILIPPINES, TAKING INTO CONSIDERATION, COMPETITIVENESS, DESIGN, EXCELLENCE, MARKETABILITY, REGIONAL REPRESENTATION AND WORLD CLASS APPEAL.

14. Section 3 of the House version was adopted as Section 7 of the final version to read as follows:

SEC. 7. Section 6 of the same Republic Act, as renumbered, is hereby amended to read as follows:

"Sec. [6] 8. *Semi-annual Reports.* - The Department of Tourism shall submit semi-annual reports to the President through the Secretary of Finance and to both Houses of Congress, which reports shall contain a statement of the quantities and the value of the goods SOLD BY THE GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS, [as classified] in accordance with the classification categories in the Tariff and Customs Code OF THE PHILIPPINES, AS AMENDED [sold by the Philippine duty-free shops]."

15. Sections 8, 9 and 10 of the Senate version were likewise adopted as Sections 8, 9 and 10 of the reconciled version with some minor modifications; and
16. The title of the Senate version was adopted, to read as:

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A "BALIKBAYAN PROGRAM," BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO BALIKBAYAN AND FOR OTHER PURPOSES

In case of conflict between the statements/ amendments stated in this Joint explanation and that of the provisions of the reconciled version in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

(Sgd.) REP. KRISSEL LAGMAN-LUISTRO  
*Chairperson, House Panel*

(Sgd.) SEN. NOLI "KABAYAN" DE CASTRO  
*Chairman, Senate Panel*

CONFERENCE COMMITTEE REPORT

The Conference Committee on the disagreeing provisions of Senate Bill No. 2101, entitled

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A BALIKBAYAN PROGRAM", BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO BALIKBAYAN AND FOR OTHER PURPOSES

an House Bill No. 4534, entitled

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A BALIKBAYAN PROGRAM,"

after having met and discussed the subject matter in full and free conference, has agreed and does hereby recommend to their respective Houses that Senate Bill No. 2101, in consolidation with House Bill No. 4534, be approved in accordance with the attached copy of the bill as reconciled and approved by the Conferees.

CONFEREES ON THE PART OF THE  
HOUSE OF REPRESENTATIVES:

(Sgd.) REP. KRISSEL LAGMAN-LUISTRO  
*Chairperson*

(Sgd.) REP. ROSELLER L. BARINAGA

(Sgd.) MAURICIO G. DOMOGAN

REP. GABRIELLE V. CALIZO

(Sgd.) REP. EDGAR M. CHATTO

REP. CYNTHIA A. VILLAR

(Sgd.) REP. SOLOMON R. CHUNGALAO

CONFEREES ON THE PART  
OF THE SENATE:

(Sgd.) SEN. NOLI "KABAYAN" DE CASTRO  
*Chairman*

(Sgd.) SEN. ROBERT S. JAWORSKI

(Sgd.) SEN. RAMON B. MAGSAYSAY JR.

(Sgd.) SEN. LUISA "LOI" P. EJERCITO ESTRADA

(Sgd.) SEN. VICENTE C. SOTTO III

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A BALIKBAYAN PROGRAM", BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO BALIKBAYAN AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. Section 1 of Republic Act Numbered 6768 is hereby amended to read as follows:

"Section 1. *Balikbayan Program.* - A *Balikbayan Program* is hereby instituted under the administration of the Department of Tourism to attract and encourage overseas Filipinos to come and visit their motherland. This is in recognition of their contribution to the economy of the country through the foreign exchange inflow AND REVENUES that they generate.

THE PROGRAM SHALL INCLUDE A KABUHAYAN SHOPPING PRIVILEGE ALLOWING TAX-EXEMPT PURCHASE OF LIVELIHOOD TOOLS AND PROVIDING THE OPPORTUNITY TO AVAIL OF THE NECESSARY TRAINING TO ENABLE THE *BALIKBAYAN* TO BECOME ECONOMICALLY SELF-RELIANT MEMBERS OF SOCIETY UPON THEIR RETURN TO THE COUNTRY. THE PROGRAM SHALL LIKEWISE SHOWCASE COMPETITIVE AND OUTSTANDING FILIPINO-MADE PRODUCTS."

SEC. 2. Section 2 of the same Republic Act is hereby amended to read as follows:

SEC. 2. *Definition of Terms.* - For purposes of this Act:

- (a) The term "*balikbayan*" shall mean a Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year, a Filipino overseas worker, or a former Filipino citizen and his OR HER family, as this term is defined hereunder, who had been naturalized in a foreign country and comes or returns to the Philippines; [and]
- (b) The term "family" shall mean the spouse and the children of the *balikbayan* who are not *balikbayan* in their own right traveling with the latter to the Philippines; AND

- (c) THE TERM "LIVELIHOOD TOOLS" SHALL MEAN INSTRUMENTS USED BY HAND OR BY MACHINE NECESSARY TO A PERSON IN THE PRACTICE OF HIS OR HER TRADE, VOCATION OR PROFESSION, SUCH AS HAND TOOLS, POWER TOOLS, PRECISION TOOLS, FARM TOOLS, TOOLS FOR DRESS-MAKING, SHOE REPAIR, BEAUTY PARLOR, BARBER SHOP AND THE LIKE, AS MAY BE DETERMINED BY THE OVERSEAS WORKERS WELFARE ADMINISTRATION (OWWA). FOR PURPOSES OF THIS ACT, A COMPUTER UNIT AND ITS ACCESSORIES SHALL LIKEWISE BE CONSIDERED AS LIVELIHOOD TOOLS."

SEC. 3. Section 3 of the same Republic Act is hereby amended to read as follows:

"SEC. 3. *Benefits and Privileges of the Balikbayan.* - The *balikbayan* and his OR HER family shall be entitled to the following BENEFITS AND PRIVILEGES:

- (a) Tax-[free] EXEMPT maximum purchase in the amount of One thousand FIVE HUNDRED United States dollars [(US \$1,000)] (US \$1,500.00) or its equivalent IN PHILIPPINE PESO AND in other acceptable foreign currencies at [Philippine duty free shops] ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS subject to the limitations contained in Section 4 hereof;
- (b) [The national flag carrier] ALL DOMESTIC CARRIERS shall establish a special promotional/incentive program for the *balikbayan*;
- (c) [For foreign passport holders with the exception of restricted nationals, v] Visa-free entry to the Philippines for a period of one (1) year FOR FOREIGN PASSPORT HOLDERS, WITH THE EXCEPTION OF RESTRICTED NATIONALS;
- (d) Travel tax exemption as provided under Presidential Decree No. 1183, Executive Order No. 283, and other allied laws; [and]

- (e) Especially designated reception areas at the authorized ports of entry for the expeditious processing of documents;
- (f) ACCREDITED TRANSPORTATION FACILITIES THAT WILL ENSURE THEIR SAFE AND CONVENIENT TRIPS UPON ARRIVAL. THE DEPARTMENT OF TOURISM AND THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS AND OTHER CONCERNED GOVERNMENT AGENCIES ARE HEREBY MANDATED TO IMPLEMENT THE PROGRAM FOR THIS PARTICULAR PURPOSE; AND
- (g) *KABUHAYAN* SHOPPING PRIVILEGE THROUGH AN ADDITIONAL TAX-EXEMPT PURCHASE IN THE MAXIMUM AMOUNT OF TWO THOUSAND UNITED STATES DOLLARS (US\$2,000.00) OR ITS EQUIVALENT IN PHILIPPINE PESO AND OTHER ACCEPTABLE FOREIGN CURRENCIES, EXCLUSIVELY FOR THE PURCHASE OF LIVELIHOOD TOOLS AT ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS.

THE TOTAL AMOUNT OF TAX-EXEMPT MAXIMUM PURCHASE AS MENTIONED IN SUB-PARAGRAPHS (A) AND (G) OF THIS SECTION MAY BE USED FOR THE *KABUHAYAN* PROGRAM, SUBJECT TO THE LIMITATIONS CONTAINED IN SECTION 4 HEREOF.

The privileges granted under this Act shall be in addition to the benefits enjoyed by the *balikbayan* under existing laws, rules and regulations."

SEC. 4. Section 4 of the same Republic Act is hereby amended to read as follows:

"SEC. 4. *Limitations on Tax[Free] EXEMPT Purchases AT ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS.* - The tax-[free] EXEMPT purchase privilege shall be subject to the following limitations:

- [(a) Purchase shall only be made in United States dollars or other acceptable foreign currencies;]



(A) [(b)] Purchases shall be made within FIFTEEN (15) CALENDAR DAYS [forty-eight (48) hours] from the date of arrival: *PROVIDED*, THAT DURING THE CHRISTMAS SEASON, RECKONED FROM NOVEMBER 15 TO JANUARY 15, THE PRIVILEGE IS EXTENDED TO THIRTY (30) CALENDAR DAYS FROM THE DATE OF ARRIVAL: *PROVIDED, FURTHER*, THAT SAID PRIVILEGE SHALL BE AVAILED OF ON A ONE-TIME SHOPPING BASIS ONLY: *PROVIDED, FINALLY*, THAT IN THE CASE OF SENIOR CITIZENS AND HANDICAPPED *BALIKBAYAN*, THEY SHALL BE ALLOWED TO ENJOY THE PRIVILEGE WITHIN ONE (1) YEAR FROM DATE OF ARRIVAL IN THE COUNTRY.

(B) [(c)] The privilege can be availed of by the *balikbayan* only once a year;

(C) [(d)] The privilege is non-transferable; purchases shall be made personally by the *balikbayan* [for himself]; *PROVIDED*, THAT A *BALIKBAYAN* WHO HAS GONE BACK ABROAD MAY STILL AVAIL OF THE *KABUHAYAN* SHOPPING WITHIN A MAXIMUM PERIOD OF ONE (1) YEAR FROM DATE OF ARRIVAL IN THE COUNTRY, AND THAT IMMEDIATE FAMILY MEMBERS OF THE *BALIKBAYAN* SHALL BE ALLOWED TO CLAIM THE *KABUHAYAN* TOOLS PURCHASED; *PROVIDED, FURTHER*, THAT AN OVERSEAS FILIPINO WORKER (OFW), DULY CERTIFIED AS SUCH BY THE PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA), PHILIPPINE OVERSEAS LABOR OFFICER OR BY THE EMBASSY/CONSULATE OF THE PHILIPPINES IN THE COUNTRY WHERE HE OR SHE HAD BEEN DEPLOYED, TAKING INTO CONSIDERATION THE EVIDENCE OF REMITTANCE, MAY OPT TO ENDORSE IN WRITING THE *KABUHAYAN* SHOPPING PRIVILEGE TO HIS OR HER IMMEDIATE FAMILY MEMBERS WITHIN THE SECOND DEGREE OF CONSANGUINITY OR AFFINITY RESIDING IN THE PHILIPPINES ONCE WITHIN TWO (2) YEARS FROM THE DATE OF EFFECTIVITY OF HIS OR HER

CONTRACT AND ONLY DURING THE DURATION OF THE SAME.

(D) [(e)] Only a *balikbayan* of majority age under Philippine laws can enjoy the privilege: *Provided, however*, that FAMILY MEMBERS WHO ARE minors shall continue to be entitled to purchase privileges not exceeding [Two hundred fifty United States dollars (US \$250.00)] THE ALLOWABLE TAX-EXEMPT LIMIT FOR ARRIVING PASSENGERS; and

(E) [(f)] In addition to existing limitations on the number of consumables purchased, a *balikbayan* shall be entitled to buy only one (1) item of every product category of non-consumables whose selling price exceeds Two Hundred United States dollars (US\$200.00)."

SEC. 5. New sections are hereby added after Section 4 of the same Republic Act to be denominated as Sections 5 and 6 to read as follows:

"SEC. 5. *PHILIPPINE-MADE PRODUCTS IN DUTY-FREE SHOPS*. - ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS SHALL EFFECTIVELY SHOWCASE PHILIPPINE CULTURE, CRAFTSMANSHIP AND INDUSTRY. THEREFORE, A MINIMUM OF TEN PERCENT (10%) OF THE GOODS BEING SOLD IN DUTY-FREE SHOPS SHALL, AS FAR AS PRACTICABLE, WHETHER BY DIRECT PURCHASE OR CONCESSION, BE SOURCED FROM PHILIPPINE-BASED MANUFACTURERS. FOR THIS PURPOSE, THE DEPARTMENT OF TOURISM (DOT) SHALL COORDINATE WITH THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IN THE SELECTION OF GOODS AND PRODUCTS MADE IN THE PHILIPPINES, TAKING INTO CONSIDERATION, COMPETITIVENESS, DESIGN, EXCELLENCE, MARKETABILITY, REGIONAL REPRESENTATION AND WORLD CLASS APPEAL.

SEC. 6. *TRAINING PROGRAMS*. - THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE), THROUGH THE OWWA, IN COORDINATION WITH THE TECHNOLOGY AND LIVELIHOOD RESOURCE CENTER (TLRC), TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA), LIVELIHOOD CORPORATION AND OTHER