

WEDNESDAY, FEBRUARY 3, 1998

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Sponsorship by Senator Herrera

(Approved on Second Reading)

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Sponsorship by Senator Herrera

(Approved on Second Reading)

TUESDAY, FEBRUARY 3, 1998

OPENING OF THE SESSION

*At 3:42 p.m., Hon. Orlando S. Mercado, acting as the presiding officer, called the session to order.*

The Presiding Officer [Sen. Mercado]. The 55th session of the Senate in the Third Regular Session of the Tenth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Juan M. Flavio.

*Everybody rose for the prayer.*

PRAYER

Senator Flavio. Mr. President, I am reading from a prayer that was published in a *Herald* magazine, entitled

DISTURB US, O LORD

Disturb us, O Lord  
when we are too well-pleased with  
ourselves;  
when our dreams have come true  
because we have dreamed too little;  
when we have arrived in safety  
because we sailed too close to the  
shore.

Disturb us, O Lord  
when with the abundance of things we  
possess  
we have lost our thirst for the water of life;  
when we have fallen in love with time  
we have ceased to dream of eternity;  
and in our efforts to build a new earth,  
we have allowed our visions for the  
new to grow dim.

Stir us, O Lord  
to dare more boldly  
to venture on wider seas  
where storms shall show thy mastery  
where losing sight of land  
we shall find the stars.

This we pray in the name of Him  
who pushed back the horizons of our hopes  
and invited the brave to follow Him.

Amen.

## ROLL CALL

The Presiding Officer [Sen. Mercado]. The Secretary will please call the roll.

The Secretary, *reading*:

Senator Meherson T. Alvarez.....	Present*
Senator Edgardo J. Angara.....	Present*
Senator Anna Dominique M.L. Coseteng.....	Present
Senator Franklin M. Drilon .....	Present*
Senator Juan Ponce Enrile.....	Present
Senator Marcelo B. Fernan.....	Present*
Senator Juan M. Flavies.....	Present
Senator Ernesto F. Herrera.....	Present
Senator Gregorio B. Honasan.....	Present
Senator Gloria M. Macapagal.....	Present*
Senator Ernesto M. Maceda.....	Present
Senator Ramon B. Magsaysay Jr.....	Present*
Senator Orlando S. Mercado.....	Present
Senator Blas F. Ople.....	Absent
Senator Sergio R. Osmeña III.....	Present
Senator Ramon B. Revilla.....	**
Senator Raul S. Roco.....	Present
Senator Alberto G. Romulo.....	Present
Senator Miriam Defensor Santiago.....	Present
Senator Leticia R. Shahani.....	Present
Senator Vicente C. Sotto III.....	Present*
Senator Francisco S. Tatad.....	Present
Senator Freddie N. Webb.....	Present*
The President.....	Present

The Presiding Officer [Sen. Mercado]. With 14 Senators being present, the Chair declares the presence of a quorum.

## THE JOURNAL

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

Senator Tatad. Mr. President, I move that we proceed to the Reference of Business.

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

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\* Arrived after the roll call

\*\* On official mission

The Secretary will read the Reference of Business.

REFERENCE OF BUSINESS

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on January 27, 1998 passed House Bill No. 6607, entitled:

"AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL  
IN THE MUNICIPALITY OF CANTILAN, PROVINCE  
OF SURIGAO DEL SUR, TO BE KNOWN AS THE  
CANTILAN NATIONAL HIGH SCHOOL, AND  
APPROPRIATING FUNDS THEREFOR"

to which it requests the concurrence of the Senate.

Very truly yours,

(Sgd). ROBERTO P. NAZARENO  
Secretary General

The Presiding Officer [*Sen. Mercado*]. Referred to the Committees on Education, Arts and Culture; and Finance.

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on January 27, 1998 passed House Bill No. 6951, entitled:

"AN ACT PENALIZING CREDIT CARD FRAUD,  
PRESCRIBING PENALTIES THEREFOR AND FOR  
OTHER PURPOSES"

to which it requests the concurrence of the Senate.

Very truly yours,

(Sgd). ROBERTO P. NAZARENO  
Secretary General

The Presiding Officer [Sen. Mercado]. Referred to the  
Committee on Rules.

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the  
House of Representatives on January 27, 1998 passed  
House Bill No. 9549, entitled:

"AN ACT STRENGTHENING THE DEVELOPMENT BANK OF  
THE PHILIPPINES, AMENDING FOR THE PURPOSE  
EXECUTIVE ORDER NO. 81"

to which it requests the concurrence of the Senate.

Very truly yours,

(Sgd). ROBERTO P. NAZARENO  
Secretary General

The Presiding Officer [Sen. Mercado]. Referred to the  
Committee on Rules.

The Secretary.

January 29, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on January 29, 1998 passed House Bill No. 10468, entitled:

"AN ACT GRANTING THE CROWN MULTIMEDIA AND INFORMATION SERVICES CORPORATION FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES A DIRECT TRANSMITTING SATELLITE SYSTEM IN THE PHILIPPINES"

to which it requests the concurrence of the Senate.

Very truly yours,

(Sgd). ROBERTO P. NAZARENO  
Secretary General

The Presiding Officer [Sen. Mercado]. Referred to the Committee on Public Services.

#### SUSPENSION OF SESSION

Senator Tatad. May I ask for a one-minute suspension of the session, Mr. President.

The Presiding Officer [Sen. Mercado]. The session is suspended for one minute, if there is no objection. [*There was none*].

*It was 3:47 p.m.*

#### RESUMPTION OF SESSION

*At 3:47 p.m., the session was resumed.*

The Presiding Officer [Sen. Mercado]. The session is resumed.

The Majority Leader is recognized.

#### CONFERENCE COMMITTEE REPORT ON S. NO. 1793/H. NO. 9806 (Regulating the Practice of Mechanical Engineering in the Philippines)

Senator Tatad. Mr. President, I move that we now consider the Bicameral Conference Committee Report on the disagreeing provisions of Senate Bill No. 1793 and House Bill No. 9806.

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

Senator Tatad. I ask that the distinguished lady Senator from Quezon City, Iloilo and Negros Occidental be recognized.

## REPORT OF SENATOR COSETENG

The Presiding Officer [Sen. Mercado]. Senator Coseteng is recognized.

Senator Coseteng. Mr. President, as the former Chairperson of the Committee on Civil Service and Government Reorganization, I would like to report to this Body the Joint Explanatory Statement of the Bicameral Conference Committee concerning Senate Bill No. 1793, entitled "An Act Regulating the Practice of Mechanical Engineering in the Philippines and Prescribing for Licensing and Registration of the Operating Personnel in Mechanical Plants and For Other Purposes," in House Bill 9806, entitled "An Act Further Amending Commonwealth Act Number Two Hundred and Nine Four, as Amended by Republic Act Numbered Fifty-Three Hundred and Thirty Six, Regulating the Practice of Mechanical Engineering in the Philippines, Providing for the Licensing and Registration of Mechanical Engineers, and For Other Purposes."

In Section 2, on the "Statement of Policy," the conferees adopted Section 2 of the House version.

In Section 3, on the "Definition of Terms," the conferees adopted Section 2 of the Senate version, with a few modifications.

Under subsection (a), the phrase "in the form of" was deleted and replaced with the phrase WHEN HE PERFORMS THE FOLLOWING:

Still on Section 3, subsection (a) (7), the phrase "a professional mechanical engineer, registered mechanical engineer, a certified plant mechanic" together with the phrase "shall be deemed in the practice of mechanical engineering" was reworded as follows: EMPLOYMENT IN GOVERNMENT AS A PROFESSIONAL MECHANICAL ENGINEER, REGISTERED MECHANICAL ENGINEER, OR CERTIFIED PLANT MECHANIC SHALL BE DEEMED IN THE PRACTICE OF MECHANICAL ENGINEERING IF THE NATURE AND CHARACTER OF HIS WORK IS IN LINE WITH HIS PROFESSION, REQUIRING PROFESSIONAL KNOWLEDGE OF THE SCIENCE OF MECHANICAL ENGINEERING.

Section 4, on the "Composition of the Board of Mechanical Engineering," the conferees adopted Section 4 of the House version.

Section 5, on the "Qualifications of Members of the Board," the conferees adopted Section 4 of the Senate version with some modifications pertaining to minimum age, professional experience and moral fitness.

Section 6, on the "Term of Office", the conferees adopted Section 6 of the House version.



Section 7, on the "Compensation of the Board Members", the conferees adopted Section 10 of the House version. The phrase "AS MAY BE PROVIDED FOR IN THE GENERAL APPROPRIATIONS" was added.

Section 8, on the "Supervision of the Board", the conferees adopted Section 7 of the House version.

Section 9, on the "Powers and Duties of the Board", the conferees consolidated Section 8 of the House version and Section 6 of the Senate version.

Section 10, on the "Annual Report", the conferees adopted Section 13 of the House version with some modifications. The Board is enjoined to submit its Annual Report to the PRESIDENT OF THE PHILIPPINES through the Professional Regulations Commission.

Section 11, on the "Removal of Board Member", the conferees adopted Section 9 of the House version with some modifications.

As regards Section 12, the conferees adopted Section 12 of the Senate version. However, the phrase "except as otherwise allowed under the provision of this Act" was deleted.

Section 13, on the "Categories of Mechanical Engineers", the conferees adopted Section 14 of the Senate version.

As regards Section 14, the conferees consolidated Section 17 of the House version and Section 15 of the Senate version.

As regards Section 15, the conferees adopted Section 18 of the House version with some modifications. The phrase "or a foreign country qualified to take the examination under Section 34 of the Act" was deleted from subsection (a).

Section 16, on the "Qualifications of Applicants for Certified Plant Mechanic", the conferees adopted Section 19 of the House version with some modifications.

Section 17, on the "Scope of Examination", the conferees adopted Section 20 of the House version with minor modifications. The sentence "THE SAID SUBJECTS AND THEIR SYLLABI MAY BE AMENDED BY THE BOARD SO AS TO CONFORM TO TECHNOLOGICAL CHANGES BROUGHT ABOUT BY CONTINUING TRENDS IN THE PROFESSION" was inserted after the word "purpose".

Section 18, on the "Ratings", the conferees adopted Section 21 of the House version. However, the provision on conditional failure was removed.

Section 19, on the "Report of Ratings", the conferees adopted Section 22 of the House version with some modifications. Instead of ten (10) days, the period for the release of the ratings was extended to fifteen (15) days. The phrase "UNLESS EXTENDED FOR JUST CAUSE" was introduced after the word "examinations".

Section 20, on "Re-examination", Section 20 of the Senate version was adopted with some modifications.

Section 21, on the "Oath," the conferees introduced this provision to compel successful examinees to take an oath of profession prior to engaging in the practice of mechanical engineering.

As regards Section 22, the conferees adopted Section 23 of the House version with minor revisions.

As regards Section 23, the conferees adopted Section 24 of the House version with minor revisions. The sentence "The existing accredited organization of mechanical engineers shall hereinafter be considered now as voluntary organization of mechanical engineers" was deleted.

As regards Section 24, the conferees adopted Section 23 of the Senate version.

As regards Section 25, the conferees adopted Section 26 of the House version.

As regards Section 26, the conferees adopted Section 26 of the Senate version with some modifications. After the phrase "or dishonorable conduct", the conferees inserted the phrase AND FOR VIOLATION OF THE CODE OF ETHICS FOR MECHANICAL ENGINEERS AND CERTIFIED PLANT MECHANICS.

Section 27, on the Grounds for Suspension and Revocation of License, Cancellation of Temporary/Special Permit," the conferees introduced this new section which shall read as follows:

THE BOARD SHALL HAVE THE POWER, UPON DUE NOTICE AND HEARING, TO REVOKE OR SUSPEND THE LICENSE OF MECHANICAL ENGINEERS, OR TO CANCEL A TEMPORARY/SPECIAL PERMIT FOR ANY CAUSE SPECIFIED IN THE PRECEDING SECTIONS, INCLUDING BUT NOT LIMITED TO: THE USE OR PERPETUATION OF ANY FRAUD OR DECEIT IN OBTAINING A CERTIFICATE OF REGISTRATION, OR FOR INCOMPETENCE, NEGLIGENCE, OR FOR ABETMENT OF THE ILLEGAL PRACTICE OF MECHANICAL ENGINEERING, VIOLATION OF THE PROVISIONS OF THIS ACT, ITS IMPLEMENTING RULES AND REGULATIONS AND/OR VIOLATIONS OF POLICIES OF THE BOARD INCLUDING THE CODE OF ETHICS FOR MECHANICAL ENGINEERING; *PROVIDED, HOWEVER*, THAT SUCH ACTION OF THE BOARD SHALL BE SUBJECT TO AN APPEAL WITHOUT PREJUDICE TO THE RIGHT OF THE AGGRIEVED PARTY TO APPLY WITH THE PROPER REGIONAL TRIAL COURT FOR APPROPRIATE RELIEF.

Section 28, on the "Reinstatement and Replacement of the Certificates", Section 28 of the House version was adopted.

Section 29, on the "Renewal of License", Section 29 of the House version was adopted. However, the phrase "and upon compliance with the requirements of the CFE program, unless the

license has been exempted therefrom" was deleted.

In Section 30, the conferees introduced the following provision: VESTED RIGHTS: AUTOMATIC REGISTRATION OF PRACTICING MECHANICAL ENGINEERS - ALL PRACTICING MECHANICAL ENGINEERS WHO ARE REGISTERED AT THE TIME THIS ACT TAKES EFFECT, SHALL AUTOMATICALLY BE REGISTERED.

As regards Section 31, the conferees adopted Section 29 of the Senate version with some modifications. The words "Exemption from Registration - Registration under this Act may not be required for the following persons:" were replaced with the following: COVERAGE OF TEMPORARY/SPECIAL PERMITS - THE FOLLOWING SHALL BE REQUIRED TO SECURE A TEMPORARY/SPECIAL PERMIT FROM THE BOARD SUBJECT TO THE APPROVAL BY THE COMMISSION. Subsection b(3) was deleted.

In Section 32, the conferees introduced the following: *INDICATION OF LICENSE AND PROFESSIONAL TAX RECEIPT* - THE MECHANICAL ENGINEER SHALL BE REQUIRED TO INDICATE HIS PROFESSIONAL LICENSE NUMBER, THE DURATION OF VALIDITY, INCLUDING THE PROFESSIONAL TAX RECEIPT NUMBER ON THE DOCUMENTS HE SIGNS, USES OR ISSUES IN CONNECTION WITH THE PRACTICE OF HIS PROFESSION.

As regards Section 33, the conferees adopted Section 30 of the Senate version on the "Field of Action Authorized for Each Category".

Section 34, on the "Personnel Required in Mechanical Plant", the conferees adopted Section 31 of the Senate version.

Section 35, on the "Preparation of Plans and Supervision of Construction by Licensed Engineers", Section 32 of the Senate version was adopted.

As regards Section 36, the conferees consolidated Section 31 of the House version and Section 33 of the Senate version which shall read as follows: *PRACTICE NOT ALLOWED FOR FIRMS AND CORPORATIONS* - THE PRACTICE OF MECHANICAL ENGINEERING IS A PROFESSIONAL SERVICE, ADMISSION TO WHICH SHALL BE DETERMINED UPON THE BASIS OF AN INDIVIDUAL'S PERSONAL QUALIFICATIONS.

NO FIRM, COMPANY PARTNERSHIP, ASSOCIATION OR CORPORATION MAY BE REGISTERED OR LICENSED AS SUCH FOR THE PRACTICE OF MECHANICAL ENGINEERING; *PROVIDED, HOWEVER*, THAT PERSONS PROPERLY REGISTERED AND LICENSED AS MECHANICAL ENGINEERS AND ANY OTHER ALLIED PROFESSIONALS MAY FORM AND OBTAIN REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION OF A FIRM, PARTNERSHIP OR ASSOCIATION USING THE TERM "MECHANICAL ENGINEERS," AND/OR "ARCHITECT AND MECHANICAL ENGINEERS" BUT NOBODY SHALL BE A MEMBER, PARTNER OR ASSOCIATE UNLESS HE IS A DULY REGISTERED AND LICENSED MECHANICAL ENGINEER, AND THE MEMBERS WHO ARE MECHANICAL ENGINEERS SHALL ONLY RENDER WORK AND SERVICES PROPER FOR MECHANICAL ENGINEERS AS DEFINED IN THIS ACT."

Section 34 was adopted from the Senate version.

Section 38, on the "Roster of Engineers and Mechanics", the conferees adopted Section 35 of the Senate version.

Section 39, on "Foreign Reciprocity", Section 34 of the House version was adopted.

Section 40, on the "Enforcement of the Act by the Officers of the Law", the conferees introduced the following provision before the phrase "It shall be the duty" of Section 37 of the Senate version: "THE PROFESSIONAL REGULATIONS COMMISSION SHALL BE THE ENFORCEMENT AGENCY OF THE BOARD. AS SUCH, THE COMMISSION SHALL IMPLEMENT THE CONCERNED PROVISIONS OF THIS ACT, ENFORCE ITS IMPLEMENTING RULES AND REGULATIONS AS ADOPTED BY THE BOARD, CONDUCT INVESTIGATIONS ON COMPLAINTS INCLUDING VIOLATIONS OF THE CODE OF CONDUCT OF THE PROFESSION AND PROSECUTE WHEN SO WARRANTED."

Section 41, the conferees adopted Section 38 of the Senate version with some modifications. After the provision "a Master's or Doctorate Degree in mechanical engineering holder", the conferees agreed to insert the phrase WITH A REGISTERED MECHANICAL ENGINEER'S LICENSE.

Section 42, on the "Penalties", the conferees amended Section 37 of the House version and Section 40 of the Senate version which shall now read as follows: IN ADDITION TO THE ADMINISTRATIVE SANCTIONS IMPOSED UNDER THIS ACT, ANY PERSON WHO VIOLATES ANY OF THE PROVISIONS OF THIS ACT AND ITS RULES AND REGULATIONS SHALL, UPON CONVICTION, BE PENALIZED BY A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) NOR MORE THAN TWO HUNDRED THOUSAND (P200,000.00), OR IMPRISONMENT OF NOT LESS THAN SIX (6) MONTHS NOR MORE THAN THREE (3) YEARS, OR BOTH FINE AND IMPRISONMENT AT THE DISCRETION OF THE COURT.

Section 43, the conferees introduced this section on the "Implementing Rules and Regulations" which shall read as follows: THE BOARD SHALL FORMULATE AND ISSUE THE IMPLEMENTING RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS ACT.

As regards Section 44, the conferees adopted Section 38 of the House version.

In Section 45, Section 41 of the Senate version was adopted.

In Section 46, the conferees adopted Section 42 of the Senate version with some modifications. After the phrase "Commonwealth Act No. 294", the conferees agreed to insert the phrase AS AMENDED BY REPUBLIC ACT NO. 5336.

As regards Section 47, the conferees adopted Section 43 of the Senate version with some modifications.

In subsection (b) the term "two (2) years" was increased to

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FIVE (5) years. The conferees introduced a subsection (c) which shall read as follows: THE PRESENT BOARD SHALL CONTINUE TO FUNCTION IN THE INTERIM UNTIL SUCH TIME AS THE NEW BOARD SHALL HAVE BEEN CONSTITUTED.

Mr. President, honorable colleagues, this is the Bicameral Conference Committee Report.

The Presiding Officer [Sen. Mercado]. The Majority Leader is recognized.

APPROVAL OF CONFERENCE COMMITTEE REPORT  
ON S. NO. 1793/H. NO. 9806

Senator Tatad. Mr. President, I move for the approval of the Conference Committee Report.

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

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*The following is the full text of the Conference Committee Report.*

(Insert)

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CONFERENCE COMMITTEE REPORT ON S. NO. 2120/H. NO. 9274  
(Animal Welfare Act of 1998)

Senator Tatad. Mr. President, I move that we now consider the Bicameral Conference Committee Report on the disagreeing provisions of Senate Bill No. 2120 and House Bill No. 9274.

The Presiding Officer [Sen. Mercado]. Is there any objection? [Silence] There being none, the motion is approved. Senator Tatad. I ask that the distinguished lady Senator from Pangasinan be recognized.

The Presiding Officer [Sen. Mercado]. Senator Shahani is recognized.

REPORT OF SENATOR SHAHANI

Senator Shahani. Thank you, Mr. President.

Mr. President, I have the honor to present before this Chamber the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2120 and House Bill No. 9274, entitled "An Act to Promote Animal Welfare in the Philippines, otherwise known as the Animal Welfare Act of 1998."

Mr. President, this report is very short. Fortunately, there were not many points of disagreement. The conferees agreed to adopt Senate Bill No. 2120 as the working draft.

Section 1 of the Senate version was amended by inserting the words SUPERVISING AND between the words "by" and "regulating" in the first sentence.

Paragraphs 2 and 3 of Section 6 were amended to include animals such as carabaos, horses, deer and crocodiles among those which can be lawfully killed.

The title of Senate Bill No. 2120 was amended by changing the year "1997" to 1998, such that the new title is: AN ACT TO PROMOTE ANIMAL WELFARE IN THE PHILIPPINES, OTHERWISE KNOWN AS THE ANIMAL WELFARE ACT OF 1998.

Mr. President, it was also agreed that in case of a conflict between the statements and amendments stated in this joint explanation and the provisions of the consolidated bill in the accompanying the Conference Committee Report, the provisions of the latter shall prevail.

Thank you, Mr. President.

Senator Maceda. Mr. President.

The Presiding Officer [Sen. Mercado]. The Minority Leader is recognized.

Senator Maceda. Mr. President, I do not know whether this is—I was trying to look at the signatures because the first original report does not seem to carry a third signature, but then it is on another page.

May we have the original copy of this Conference Committee Report?

The Presiding Officer [Sen. Mercado]. The Secretary is requested to furnish the Senator the said copy.

#### SUSPENSION OF SESSION

Senator Maceda. May we request for a one-minute suspension of the session.

The Presiding Officer [Sen. Mercado]. The Chair declares a one-minute suspension of the session, if there is no objection. *[There was none.]*

*It was 4:07 p.m.*

#### RESUMPTION OF THE SESSION

*At 4:10 p.m., the session was resumed.*

The Presiding Officer [Sen. Mercado]. The session is resumed.

Senator Maceda is recognized.

Senator Maceda. Mr. President, I guess the matter really involves a procedural matter as to whether a fax transmission from the House of Representatives of a separate signature on a Conference Committee Report, the original of which does not contain the required number of signatures, is valid. But so as not to prolong the proceedings--fortunately, the missing signature belongs to Congressman Enrique B. Aumentado of Bohol and he is in the Session Hall right now--may we just ask him to sign the original Conference Committee Report to cure the problem.

I have no questions on the report. Thank you.

Senator Tatad. Mr. President, I would like to express our appreciation to the Minority Leader for that.

APPROVAL OF CONFERENCE COMMITTEE REPORT  
ON S. NO. 2120/H. NO. 9274

I move for the approval of the Conference Committee Report.

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

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*The following is the full text of the Conference Committee Report.*

(Insert)

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CONFERENCE COMMITTEE REPORT ON S. NO. 2051/H. NO. 6951  
(Access Devices Regulations Act of 1998)

Senator Tatad. Mr. President, I move that we now consider the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2051 and House Bill No. 6951.

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

Senator Tatad. I ask that the distinguished Chairman of the Committee on Banks, Currencies and Financial Institutions, Sen. Franklin M. Drilon, be recognized.

The Presiding Officer [Sen. Mercado]. Senator Drilon is recognized.

REPORT OF SENATOR DRILON

Senator Drilon. Thank you, Mr. President.

This is the report on the Access Devices Regulations Act of 1998. The conferees agreed to use the Senate version as the working draft of the conference, Mr. President.

Sections 1 to 7 of the Senate version were adopted *in toto*.

Likewise, Sections 9 to 12 of the Senate version were adopted and renumbered as Sections 10 to 13 of the reconciled version.

Section 8(a) of the Senate version was deleted and converted into Section 8 of the reconciled version to read as follows:

SEC. 8. *Failure to Disclose.* - Credit card companies which shall fail to disclose the information required under Sections 4, 5 and 7 of this Act, after due notice and hearing, shall be subject to suspension or cancellation of their authority to issue credit cards by the *Bangko Sentral ng Pilipinas*, Securities and Exchange Commission and such other government agencies.

There are no other amendments in the Senate version except on the renumbering.

With that, Mr. President, may we ask that the Conference Committee Report be approved?

APPROVAL OF CONFERENCE COMMITTEE REPORT  
ON S. NO. 2051/H. NO. 6951

Senator Tatad. Mr. President, I move for the approval of the Conference Committee Report.

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

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*The following is the full text of the Conference Committee Report.*

(Insert)

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CONFERENCE COMMITTEE REPORT ON S. NO. 2242/H. NO. 9549  
(Revised Charter of the Development Bank of the Phils.)

Senator Tatad. Mr. President, I move that we now consider the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2242 and House Bill No. 9549.

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



Senator Tatad. I ask that the distinguished Chairman of the Committee on Banks, Sen. Franklin M. Drilon, be recognized once more.

The Presiding Officer [Sen. Mercado]. Senator Drilon is recognized.

#### REPORT OF SENATOR DRILON

Senator Drilon. Thank you, Mr. President.

The conferees agreed to use the House version as the working draft for this conference.

Under Section 1 of the bill, the conferees agreed on the authorized capital of Thirty Five Billion Pesos (P35 billion).

Sections 2, 3 and 4 of the House version were adopted *in toto* as Sections 2, 3, and 4 of the reconciled version.

Section 12 of the Charter was amended and adopted as Section 5 of the reconciled version, principally to transfer the power to appoint the head of the Legal Department from the chairman of the board to the president of the bank.

The other sections were renumbered accordingly and the conferees agreed to use the title of the House version.

Senator Maceda. Mr. President.

The Presiding Officer [Sen. Mercado]. The Minority Leader is recognized.

Senator Maceda. Just for clarification with regard to Section 5. Are the financial institutions under our existing law subject to coverage by the Government Corporate Counsel?

Senator Drilon. As far as I recall, Mr. President, the Charter of the Government Corporate Counsel says so.

Senator Maceda. And is it the intention of this Section 5 to take DEP out of the statutory coverage of the Government Corporate Counsel?

Senator Drilon. No, Mr. President. The Charter of the Government Corporate Counsel is not being amended, so he continues to exercise that authority.

Senator Maceda. But in addition to that, DEP may also avail of the legal services of any government legal office?

Senator Drilon. That is correct, Mr. President.

Senator Maceda. So what is the meaning of that, Mr. President? Other than the government corporate counsel, what

other legal offices can DBP avail of?

It seems to me that the import of this statement was really meant to be that when the word "may" is used, it may give DBP a discretion as to whether they allow the Government Corporate Counsel to impose his jurisdiction or it may plead that because of this section, that is already optional on its part. I just want to clarify the situation. I have no strong feelings about this. It is just for the record.

Senator Drilon. It is optional on the part of the legal counsel. But let me state, for the record, that this particular paragraph was not touched. This is an original provision and this has been in existence. I understand the practice is really that it is optional on the part of the legal counsel to avail or to use other government counsels.

Senator Maceda. That is correct. It is optional but I just want to clarify. Let us put it the other way around. The Government Corporate Counsel, as it sometimes does, cannot insist that, let us say, contracts entered into by the DBP are subject to review and approval by the Government Corporate Counsel.

Senator Drilon. That is correct, Mr. President.

Senator Maceda. He cannot insist.

Senator Drilon. He cannot insist, Mr. President.

Senator Maceda. Thank you, Mr. President.

APPROVAL OF CONFERENCE COMMITTEE REPORT ON  
S. NO. 2242/H. NO. 9549

Senator Drilon. May I now move for the approval of the Conference Committee Report, Mr. President.

The Presiding Officer [Sen. Mercado]. Are there any objections to the approval of the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2242 and House Bill No. 9549? [Silence] There being none, the motion is approved.

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*The following is the full text of the Conference Committee Report.*

(Insert)

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CONFERENCE COMMITTEE REPORT ON H. NO. 4728  
(Vicente Sotto Memorial Medical Center)

Senator Tatad. Mr. President, I move that we now consider the Conference Committee Report on the disagreeing provisions on House Bill No. 4728.

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

Senator Tatad. I ask that the distinguished Chairman of the Committee on Health and Demography, Sen. Freddie N. Webb, be recognized.

The Presiding Officer [Sen. Mercado]. Senator Webb is recognized.

#### REPORT OF SENATOR WEBB

Senator Webb. Mr. President, the conferees met on the disagreeing provisions of House Bill No. 4728, entitled "AN ACT INCREASING THE BED CAPACITY OF THE VICENTE SOTTO MEMORIAL MEDICAL CENTER, LOCATED IN CEBU CITY FROM FOUR HUNDRED (400) TO EIGHT HUNDRED (800) BED CAPACITY, AND APPROPRIATING FUNDS THEREFOR."

The signatories on the part of the Senate panel are Senators Flavio Soto, Osmeña and this representation. The signatories on the part of the House panel are Representatives Ty, Raul Del Mar, who is the proponent of this very important measure, and John Osmeña.

#### APPROVAL OF CONFERENCE COMMITTEE REPORT ON H. NO. 4728

Mr. President, I move that this particular Conference Committee Report be approved.

Thank you, Mr. President.

Senator Tatad. I so move, Mr. President.

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

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*The following is the full text of the Conference Committee Report.*

(Insert)

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#### CONFERENCE COMMITTEE REPORT ON H. NO. 9065 (Civil Aeronautics Board)

Senator Tatad. Mr. President, I move that we consider the Conference Committee Report on the disagreeing provisions on House Bill No. 9065.

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

Senator Tatad. I ask that the distinguished Chairman of the Committee on Public Services, Sen. Ernesto F. Herrera, be recognized.

The Presiding Officer [Sen. Mercado]. Senator Herrera is recognized.

#### REPORT OF SENATOR HERRERA

Senator Herrera. Thank you, Mr. President.

It is my privilege to report the result of the Conference Committee meetings on the disagreeing provisions on House Bill No. 9065.

In the conference, Mr. President, the conferees agreed to use the House version as the working draft, and we agreed on the following:

On page 1, line 6, the word "mails" was changed to MAIL;

On page 2, line 8, the word "finding" was changed to FINDINGS;

On the same page, line 11, between the words "used" and "for", the word SOLELY was inserted;

The title of Section 2 was amended to read as: *CIVIL AERONAUTICS BOARD*;

On the same page, the entries on lines 17 to 22 were deleted and on page 3, the entries on lines 1 and 2 were deleted, and in lieu thereof, the following paragraph was inserted:

ALL AIRCRAFT USED BY THE GRANTEE INCLUDING THEIR ACCESSORIES AND EQUIPMENT SHALL AT ALL TIMES BE AIRWORTHY AND THE CREW MEMBERS SHALL BE LICENSED BY THE GOVERNMENT OF THE PHILIPPINES. THEY SHALL BE EQUIPPED WITH RADIO COMMUNICATIONS, SAFETY AND OTHER EQUIPMENT AND SHALL BE OPERATED AND MAINTAINED IN ACCORDANCE WITH THE REGULATIONS AND TECHNICAL REQUIREMENTS OF THE AIR TRANSPORTATION OFFICE OR SUCH OTHER REGULATORY BODIES THE GOVERNMENT MAY PRESCRIBE FOR THIS PURPOSE.

The title of Section 4 was amended to read as: *RATES FOR SERVICES.*;

On page 4, lines 2 to 5, the following were deleted: "the approval of this Act, unless sooner revoked or canceled. In the event that the grantee fails to operate continuously for two (2) years, this franchise shall be deemed *ipso facto* revoked", and in lieu thereof, the following paragraphs were inserted:

EFFECTIVITY OF THIS ACT, UNLESS SOONER REVOKED OR CANCELED. THIS FRANCHISE SHALL BE DEEMED *IPSO FACTO* REVOKED IN THE EVENT THE GRANTEE FAILS TO COMPLY WITH ANY OF THE FOLLOWING CONDITIONS:

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(A) COMMENCE OPERATIONS WITHIN ONE (1) YEAR FROM THE APPROVAL OF ITS PERMIT BY THE CIVIL AERONAUTICS BOARD;

(B) OPERATE CONTINUOUSLY FOR TWO (2) YEARS; AND

(C) COMMENCE OPERATIONS WITHIN TWO (2) YEARS FROM THE EFFECTIVITY OF THIS ACT.

New Sections 6 and 7 were inserted which read as follows:

SEC. 6. *ACCEPTANCE AND COMPLIANCE.* - ACCEPTANCE OF THIS FRANCHISE SHALL BE GIVEN IN WRITING WITHIN SIXTY (60) DAYS AFTER THE EFFECTIVITY OF THIS ACT. UPON GIVING SUCH ACCEPTANCE, THE GRANTEE SHALL EXERCISE THE PRIVILEGES GRANTED UNDER THIS ACT. NONACCEPTANCE SHALL RENDER THE FRANCHISE VOID.

SEC. 7. *BOND.* - THE GRANTEE SHALL FILE A BOND ISSUED IN FAVOR OF THE CIVIL AERONAUTICS BOARD, WHICH SHALL DETERMINE THE AMOUNT, TO GUARANTEE THE COMPLIANCE WITH AND FULFILLMENT OF THE CONDITIONS UNDER WHICH THIS FRANCHISE IS GRANTED. IF AFTER THREE (3) YEARS FROM THE DATE OF THE APPROVAL OF ITS PERMIT BY THE BOARD, THE GRANTEE SHALL HAVE FULFILLED THE SAME, THE BOND SHALL BE CANCELED BY THE BOARD. OTHERWISE, THE BOND SHALL BE FORFEITED IN FAVOR OF THE GOVERNMENT AND THE FRANCHISE *IPSO FACTO* REVOKED.

Consequently, the old Sections 6 and 7 were renumbered accordingly.

On the same page, lines 10 and 11, the following were deleted: "prescribed, and reciprocally", and in lieu thereof, the following were inserted: IMPOSE: *PROVIDED*, THAT;

On the same page, line 16, between the words "upon" and "terms", the word SUCH was inserted;

On the same page and line, the words "to be" were deleted, and in lieu thereof, the words AS MAY BE were inserted;

On the same page, line 18, the word "such" was deleted;

On the same page, line 21, the word "who" was deleted, and in lieu thereof, the word WHICH was inserted;

Section 8 was renumbered as the new Section 10 and was amended to read as:

SEC. 10. *RIGHT OF GOVERNMENT.* - A SPECIAL RIGHT IS HEREBY RESERVED TO THE PRESIDENT OF THE PHILIPPINES, IN TIMES OF WAR, REBELLION, PUBLIC PERIL, CALAMITY, EMERGENCY, DISASTER OR DISTURBANCE OF PEACE AND ORDER, TO TEMPORARILY TAKE OVER AND OPERATE THE FACILITIES OR EQUIPMENT OF THE GRANTEE, TO TEMPORARILY SUSPEND THE OPERATION OF ANY FACILITY OR EQUIPMENT IN THE INTEREST OF PUBLIC SAFETY, SECURITY AND PUBLIC WELFARE, OR TO AUTHORIZE THE TEMPORARY USE AND OPERATION THEREOF BY ANY AGENCY

OF THE GOVERNMENT, UPON DUE COMPENSATION TO THE GRANTEE FOR THE USE OF SAID FACILITIES OR EQUIPMENT DURING THE PERIOD WHEN THEY SHALL BE SO OPERATED;

Section 9 was renumbered as Section 14 and was amended to read as:

SEC. 14. *DISPERSAL OF OWNERSHIP.* - IN ACCORDANCE WITH CONSTITUTIONAL PROVISIONS TO ENCOURAGE PUBLIC PARTICIPATION IN PUBLIC UTILITIES, THE GRANTEE SHALL OFFER AT LEAST THIRTY PERCENTUM (30%) OF ITS OUTSTANDING CAPITAL STOCK OR A HIGHER PERCENTAGE THAT MAY HEREAFTER BE PROVIDED BY LAW IN ANY SECURITIES EXCHANGE IN THE PHILIPPINES WITHIN FIVE (5) YEARS FROM THE COMMENCEMENT OF ITS OPERATIONS. NONCOMPLIANCE THEREWITH SHALL RENDER THE FRANCHISE *IPSO FACTO* REVOKED.

Section 10 was renumbered as Section 12;

Section 11 was amended to read as follows:

SEC. 11. *TAX PROVISIONS.* - THE GRANTEE, ITS SUCCESSORS OR ASSIGNS, SHALL BE LIABLE TO PAY THE SAME TAXES ON THEIR REAL ESTATE, BUILDINGS AND PERSONAL PROPERTY, EXCLUSIVE OF THIS FRANCHISE, AS OTHER PERSONS OR CORPORATIONS ARE NOW OR HEREAFTER MAY BE REQUIRED BY LAW TO PAY. IN ADDITION THERETO, THE GRANTEE, ITS SUCCESSORS OR ASSIGNS, SHALL PAY THE VALUE ADDED TAX UNDER REPUBLIC ACT NO. 7716 OR A FRANCHISE TAX OF TWO PERCENT (2%) PER ANNUM OR AT SUCH PERCENTAGE AS MAY BE PRESCRIBED BY LAW, ON ALL GROSS RECEIPTS OF ITS AIR TRANSPORT BUSINESS TRANSACTED UNDER THIS FRANCHISE, WHICHEVER IS HIGHER: *PROVIDED*, THAT THE GRANTEE, ITS SUCCESSORS OR ASSIGNS, SHALL CONTINUE TO BE LIABLE FOR INCOME TAXES PAYABLE UNDER TITLE II OF THE NATIONAL INTERNAL REVENUE CODE PURSUANT TO SECTION 2 OF EXECUTIVE ORDER NO. 72, UNLESS THE LATTER ENACTMENT IS AMENDED OR REPEALED, IN WHICH CASE THE AMENDMENT OR REPEAL SHALL BE APPLICABLE THERETO.

THE GRANTEE SHALL FILE THE RETURN WITH AND PAY THE TAXES DUE THEREON TO THE COMMISSIONER OF INTERNAL REVENUE OR HIS DULY AUTHORIZED REPRESENTATIVES IN ACCORDANCE WITH THE NATIONAL INTERNAL REVENUE CODE AND THE RETURN SHALL BE SUBJECT TO AUDIT BY THE BUREAU OF INTERNAL REVENUE.

IN THE EVENT THAT ANY COMPETING INDIVIDUAL, PARTNERSHIP OR CORPORATION RECEIVES OR ENJOYS TAX PRIVILEGES AND OTHER FAVORABLE TERMS WHICH TEND TO PLACE THE HEREIN GRANTEE AT ANY DISADVANTAGE, THEN SUCH PROVISIONS SHALL BE DEEMED *IPSO FACTO* PART HEREOF AND SHALL OPERATE EQUALLY IN FAVOR OF THE GRANTEE.

Section 12 was renumbered as Section 15 and was amended to read as:

SEC. 15. *INTERPRETATION OF FRANCHISE.* - THIS FRANCHISE SHALL NOT BE INTERPRETED TO MEAN AS AN EXCLUSIVE GRANT OF THE PRIVILEGES HEREIN PROVIDED FOR. HOWEVER, IN THE EVENT THAT ANY COMPETING INDIVIDUAL, PARTNERSHIP OR CORPORATION SHALL RECEIVE A

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SIMILAR PERMIT, AUTHORITY OR FRANCHISE WITH TERMS AND/OR PROVISIONS MORE FAVORABLE THAN THOSE HEREIN GRANTED OR WHICH TEND TO PLACE HEREIN GRANTEE AT ANY DISADVANTAGE, THEN SUCH TERMS AND/OR PROVISIONS SHALL BE DEEMED PART HEREOF AND SHALL OPERATE EQUALLY IN FAVOR OF THE HEREIN GRANTEE.

Section 13 was amended to read as:

SEC. 13. *SALE, LEASE, TRANSFER, USUFRUCT, ETC.* - THE GRANTEE SHALL NOT LEASE, TRANSFER, GRANT THE USUFRUCT OF, SELL NOR ASSIGN THIS FRANCHISE OR THE RIGHTS AND PRIVILEGES ACQUIRED THEREUNDER TO ANY PERSON, FIRM, COMPANY, CORPORATION OR OTHER COMMERCIAL OR LEGAL ENTITY, NOR MERGE WITH ANY OTHER CORPORATION OR ENTITY, NOR SHALL THE CONTROLLING INTEREST OF THE GRANTEE BE TRANSFERRED, WHETHER AS A WHOLE OR IN PARTS AND WHETHER SIMULTANEOUSLY OR CONTEMPORANEOUSLY, TO ANY SUCH PERSON, FIRM, COMPANY, CORPORATION OR ENTITY WITHOUT THE PRIOR APPROVAL OF THE CONGRESS OF THE PHILIPPINES. ANY PERSON OR ENTITY TO WHICH THIS FRANCHISE IS SOLD, TRANSFERRED OR ASSIGNED SHALL BE SUBJECT TO THE SAME CONDITIONS, TERMS, RESTRICTIONS AND LIMITATIONS OF THIS ACT.

Section 14 was renumbered as Section 17 and was amended to read as:

SEC. 17. *REPEALABILITY AND NON-EXCLUSIVITY CLAUSE.* - THIS FRANCHISE SHALL BE SUBJECT TO AMENDMENT, ALTERATION OR REPEAL BY THE CONGRESS OF THE PHILIPPINES WHEN THE PUBLIC INTEREST SO REQUIRES AND SHALL NOT BE INTERPRETED AS AN EXCLUSIVE GRANT OF THE PRIVILEGES HEREIN PROVIDED FOR.

Section 15 was renumbered as Section 16 and was amended to read as:

SEC. 16. *SEPARABILITY CLAUSE.* - IF ANY OF THE SECTIONS OR PROVISIONS OF THIS ACT IS HELD INVALID, ALL THE OTHER PROVISIONS NOT AFFECTED THEREBY SHALL REMAIN VALID.

Section 16 was deleted.

A new Section 18 was inserted which reads as:

SEC. 18. *REPORTORIAL REQUIREMENT.* - THE GRANTEE SHALL SUBMIT AN ANNUAL REPORT TO THE CONGRESS OF THE PHILIPPINES ON ITS COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE FRANCHISE AND ON ITS OPERATIONS WITHIN SIXTY (60) DAYS FROM THE END OF EVERY YEAR.

Section 17 was renumbered as Section 19.

Mr. President, the Conference Committee Report was signed by all members of the Senate panel headed by this representation and Senators Webb and Gonzales. On the part of the House of Representatives, it was signed by all the members of the House panel headed by Congressman Eleandro Jesus F. Madrona as chairman, and Congressmen Jose Ma. Zubiri, Jr., Alfredo G.

Marañon, and Mariano M. Yulo as members.

Mr. President, I would like to ask for the approval of this Conference Committee Report.

The Presiding Officer [Sen. Mercado]. Is there any objection to the approval of this Conference Committee Report?

Senator Maceda. Mr. President.

The Presiding Officer [Sen. Mercado]. The Minority Leader, Senator Maceda, is recognized.

Senator Maceda. May we be furnished a copy of the Conference Committee Report. And I also ask that the Assistant Minority Leader be also furnished a copy, Mr. President.

#### SUSPENSION OF SESSION

The Presiding Officer [Sen. Mercado]. The session is suspended, if there is no objection. *[There was none.]*

*It was 4:30 p.m.*

#### RESUMPTION OF SESSION

*At 4:30 p.m., the session was resumed.*

The Presiding Officer [Sen. Mercado]. The session is resumed.

Senator Maceda is recognized.

Senator Maceda. Mr. President, I am constrained to stand up in view of the crash of the Cebu Pacific Airways.

I have always had some reservations about our easy creation and grant of franchise to these new airlines, especially in the light of the fact that I think most of them are grossly undercapitalized. Because of that, the tendency is to acquire the cheapest available old equipment--in the case of Cebu Pacific, the 20, 30-year old DC-9s from an Indonesian airline--and with the creativeness of Filipino mechanics, just to allow them to fly, sometimes they are just trying to use whatever spare parts are available.

To begin with, Mr. President, may we again know who are the main incorporators and stockholders of Philippine Eagle Airlines and how much is its authorized and paid-up capital?

Senator Herrera. The authorized capital is P1 billion and the paid-up capital..... We will provide the gentleman the data, Mr. President. My staff is just getting the record.

The principal incorporator is Mr. Jose Go of the...



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Senator Maceda. Of the Gotesco.

Senator Herrera. Of the Gotesco.

Senator Maceda. Mr. President, since the crash of the stock market two months ago--although the last four days, it has recovered some of it--the scuttlebutt in the stock market is that Mr. Jose Go is technically bankrupt and, as a matter of fact, may have sold his holdings. Does the committee have any knowledge as to whether the ownership of Philippine Eagle Airlines is still with the same original owners?

Senator Herrera. As far as I know, Mr. President, the ownership is still with the original owner. In the case of the Gotesco Group of Companies, what is offered for sale is the property development. I understand that there is an ongoing negotiation with the company of Lucio Tan, but it has nothing to do with the other investments of Gotesco companies. It is only the real estate development which they are planning to sell for P5 billion.

Senator Maceda. I would like to thank the gentleman for that answer, Mr. President.

May I again ask the same question which, I think, I have asked once or twice before, but which I will ask now with more emphasis: What assurance do we now have that if we give this franchise to Philippine Eagle Airlines, it will be able to put up an operation that is sufficiently capitalized, with sufficient technical and qualified personnel, including maintenance personnel and with the sufficient safety guarantees for the riding public?

Senator Herrera. First, Mr. President, the Philippine Eagle Airlines, in its feasibility study, will embark on a cargo handling just for Mindanao. And under the franchise that we have approved, it is given one year to commence or to start the operations. Failure to do so, the franchise will self-destruct. So, that is our assurance that all these franchises we are granting to certain firms will really be used because of that provision that the franchise will just self-destruct once it will not be used within one year.

Senator Maceda. Mr. President, I just wanted to raise that point. I will leave the question of the long provision on taxes to the distinguished Assistant Minority Leader.

All I can do at this time is hope and pray that these businessmen who are putting up airlines are not minded just to put up airlines, because it is always glamorous to say that "We own an airline," even if we know that an airline really requires very large commitments of equity and capital. I have always warned--and as I am warning now--that most of these new airlines may not be safe for passage.

As a matter of fact, I have issued a statement today recommending that all these old planes, these DC-9s---they are even using still YS-11s which are already out of use even in Japan---be now grounded.

If the distinguished gentleman will recall, when ValuJet DC-9 crashed in the Miami Everglades, the FAA grounded all the 30 or so DC-9s of ValuJet for, I think, three or four months. I am really quite worried and concerned that if the ATO does not get its act together, that this crash in Claveria, Misamis Oriental will not be the last one.

Thank you, Mr. President.

Senator Herrera. Mr. President, I think it is very timely that the distinguished gentleman raised these points because of this incident involving the Cebu Pacific Airlines. That is why I have emphasized that this particular airline will focus more on cargo handling for Mindanao.

Senator Enrile. Mr. President.

The Presiding Officer [Sen. Mercado]. Senator Enrile is recognized.

Senator Enrile. Mr. President, may I ask some questions with respect to this Committee Report in its relation to the air transport industry of the country?

Senator Herrera. Gladly, Mr. President.

Senator Enrile. Mr. President, today, how many domestic airlines are operating in the country?

Senator Herrera. We have the Philippine Airlines, the Cebu Pacific Air, the Air Philippines, and there are small planes for chartering, Mr. President.

Senator Enrile. What is the total passenger lifting capacity of the air industry assets of the Republic, domestically, Mr. President?

Senator Herrera. We do not have the data right now. But I recall, Mr. President, that when we discussed it in one of our hearings here, this point was also raised. Probably we can look at it from the standpoint of viability of the airlines.

For the domestic operations, it is only the Cebu Pacific Air that is making money; that even the Philippine Airlines is not making money. So that if we will use that as the standard or the important factor in the granting of franchise, then I would admit that viability in terms of passenger transport may not be optimistic.

Senator Enrile. Does the gentleman not think, Mr. President, that it is germane, relevant and, in fact, necessary for Congress to consider the economic potential of these franchise holders when we consider the grant of franchise to them? Because if we do grant franchises indiscriminately, we could cause a ruinous competition among the franchise holders.

Senator Herrera. Yes. In fact, that is one of the important factors that we always consider when we discuss applications for franchises like this.

In fact, Mr. President, I also consider that an important responsibility of the government to help the industry in terms of maximizing the utilization of aircrafts and by improving airports which have potential in terms of business viability.

That is why, if we look at the 1998 General Appropriations Act, one of the big items appropriated there is the development of certain airports that can be used for 24 hours. Because the complaint of the airline industry is that the aircrafts are not fully utilized; that we do not have the necessary number of airports that can handle the number of aircrafts that we have. That this would certainly affect the viability of the operations of the airlines.

Senator Enrile. Mr. President, do we know or does the distinguished gentleman know that almost all the domestic airline companies are losing tremendous amounts of money in their domestic operations?

Senator Herrera. I know about it, Mr. President, except in the case of Cebu Pacific Air. But that is the point why we are very careful in granting franchises to airlines.

In the case of Philippine Eagle Airlines, Mr. President, the primary objective or purpose of this airline company is to engage in cargo handling in Mindanao.

In its business study for the next five years, it will develop the cargo handling in Mindanao and later in the EAGA. The passenger transport is not given a high priority by the airline company.

*At this juncture, Sen. Orlando S. Mercado relinquished the Chair to the Senate President.*

Senator Enrile. Nevertheless, Mr. President, the franchise of this company says "Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to Philippine Eagle Airlines, Inc., hereunder referred to as the grantee, its successors or assigns, a franchise to establish, operate and maintain transport services for the carriage of passengers, goods, mails, and property by air, both domestic and international, and other allied services."

Mr. President, I do not know whether the gentleman agrees with me on what I have heard or what I know that some of these airline companies like GrandAir, Air Philippines and several other airlines are about to fold up.

In fact, in the case of GrandAir, one of its airplanes was seized in Taiwan for nonpayment of rentals, and some of its airplanes are cannibalized to provide spare parts for their operating airplanes.

In the case of this Cebu Pacific, or whatever is the name, I understand that it is using secondhand airplanes, refurbished, repowered, and one of them now crashed somewhere in the Misamis Oriental area. Having been an airline lawyer--I handled the Philippine Airlines for a long, long time--an air crash like that could start the downfall of an airline as it did in the case of the Philippines Airlines when the Mt. Baco accident happened in Mindoro.

Does the gentleman not think that it is rather improvident and too easy for us to be granting franchises to domestic airline operators that may not have the experience nor the financial capability to put up a really honest-to-goodness airline which provides airworthy and safe passage of persons and cargoes in our land?

Senator Herrera. I agree with the distinguished gentleman one hundred percent, Mr. President. In fact, it is very wise on the part of the Philippine Eagle Airlines to focus more on cargo handling for the next five years.

As regards the aircrafts that it will be using, these are all brand new, according to the testimony of General Tanega of the ATO. In fact, it was the pilots of the ATO who inspected the aircrafts produced in Communist China. Six aircrafts are intended for cargo as its first fleet to operate cargo handling for Mindanao and later, the EAGA.

Mr. President, I have a strong feeling that the reason why the company is focused on cargo handling is that there is less competition, especially in the EAGA-Mindanao area.

Senator Enrile. So the planes that are going to be utilized by this franchise holder are made by the People's Republic of China?

Senator Herrera. Communist China, and these are all brand new.

Senator Enrile. What is the cost per plane, Mr. President?

Senator Herrera. I do not have right now the cost. But in the hearing, General Tanega testified that it was their pilots who inspected these planes, and these are all brand-new. There are six of them, Mr. President.

Senator Enrile. When was the hearing conducted, Mr. President? Before the depreciation of the peso or after?

Senator Herrera. I think there was already the currency problem. I am not so sure at that time whether there was already a stiff fall of the peso. I think it was before that, but the peso has already started to deteriorate in relation to its value with the dollar.

Senator Enrile. Mr. President, I asked this question because, according to the statement of the distinguished sponsor, the franchise holder has an authorized capital of P1 billion. Assuming all of that will be paid, translated into US dollars, this will be less than US\$25 million. How many planes can US\$25 million buy today, considering the very heavy cost of aircraft, let alone the training cost of pilots?

This is not like a jeepney where a driver will just get in and drive. They have to train their pilots, acclimatize them with avionics, the mechanical devices and electronic devices of the plane, and so forth and so on.

May I ask the distinguished gentleman whether this US\$25 million will be sufficient to provide this company with enough capital to put up a viable operation?

Senator Herrera. I suppose so, Mr. President, because I am not very familiar with the arrangement of the supplier of the aircraft. But the principal owners are longtime businessmen and they have vast investments. I suppose they might have taken this into consideration, considering that under this franchise, they are given only one year to operate; otherwise, this will self-destruct. I suppose they might have considered all these.

Senator Enrile. I agree that these people are businessmen. But, precisely, they are involved in the property development business. They went hammer and tongs in that area. And now they are folding up because they miscalculated.

Second, I understand that the Go brothers are fighting among themselves over the assets left by their forebears. And so it is unlikely that they will be able to carry on this business.

But assuming that they do, Mr. President, the question is, airline business is capital-intensive. Not even Mr. Lucio Tan can handle it. In fact, I understand he has canceled some of his orders for airplanes, and I doubt whether this franchise holder will be able to make a go of this.

Nonetheless, I would like to bring out all of these points to put them into the record. Mr. Gatchalian is a very astute businessman, but he is having a financial hemorrhage because of Air Philippines. And so does Dr. Rebecca Panlilio, an operator of a hotel organization, a golf course owner, a hard-nosed

businessman. They miscalculated. So the fact that these are hard-nosed businessmen does not necessarily mean that they know all the answers to the economic viability of a business like airline operation.

Now, I come to the question of the tax obligation of this franchise holder under the franchise. How come that the rate is only 2% or VAT, whichever is higher?

Senator Herrera. The Philippine Airlines is enjoying a 2% franchise tax. That is the complaint of those who are applying for new franchise.

I understand that when the Philippine Airlines was owned by the government, we gave them a special rate of 2%. But now that Philippine Airlines is privatized, there is no reason why we should discriminate the other airlines.

Senator Enrile. So this is a uniform rate?

Senator Herrera. This is a uniform rate to all franchises, Mr. President.

May I just correct some impression, Mr. President. It is not true that the company is in the process of declaring insolvency. The fact that they are selling their Property Development Corporation is because that is their business. They have been involved in that business. I am sure that the gentleman must have noticed or must have seen one of their investments which is there in Nasugbu. It is one of the best that we have in the country, and that is part of the development.

Senator Enrile. I understand that that is being sold, Mr. President, including Evercrest.

Senator Herrera. No, not yet. In fact, they just inaugurated it the other day.

Senator Tatad. Mr. President.

The President. With the permission of the two gentlemen on the Floor, the Majority Leader is recognized.

#### SUSPENSION OF SESSION

Senator Tatad. May I ask for a one-minute suspension of the session.

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

*It was 4:53 p.m.*

RESUMPTION OF SESSION

*At 4:53 p.m., the session was resumed.*

The President. The session was resumed.

Senator Enrile is recognized.

Senator Enrile. Mr. President, I just want to ask one more question.

Mr. President, may I know if there are other pending bills calling for the grant of a franchise to operate an airline business in the country?

Senator Herrera. There are two, Mr. President. But I do not think we have time for that, because the CAB, during the Committee hearings, did not give a clearance, did not endorse the approval of the franchise, although there was an approval by the ATO. So the Committee decided not to report that out.

Senator Enrile. Thank you, Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, I reiterate my motion for the approval of the report.

The President. Senator Roco is recognized.

Senator Roco. Thank you, Mr. President.

Will the gentleman yield for some questions?

The President. If Senator Herrera so desires.

Senator Herrera. Yes, Mr. President, to my *pinsan* who will soon be the president of this country.

Senator Roco. Thank you, Mr. President. May the gentleman have the lips of an angel.

Mr. President, I notice that this particular report has a lot of additions that do not seem to be in the original report as approved by the Senate.

Senator Herrera. As I stated earlier, Mr. President, the reason for this is that many of the applicants complained about the Philippine Airlines enjoying certain privileges. At the time this privilege was granted by the government, the Philippine Airlines was owned by the government. We wanted to correct this in order to level the playing field. That is why there are privileges under these provisions which will be enjoyed not only by the Philippine Airlines but also by other grantees of airline franchise.

Senator Roco. Mr. President, will that amount, in fact, to leveling the playing field when Philippine Airlines has spent much more than presumably this company that is called Philippine Eagle Airlines? I mean, is there any parity between the expenses of Philippine Eagle Airlines and PAL?

Senator Herrera. But we also have to consider, Mr. President, that the Philippine Airlines dominates the big portion in the market compared to these new players. I feel that it is the responsibility of the government not only to level the playing field but to see to it that the entire industry will not only survive but will progress. Certainly, the difference of 8% against 2% which is being enjoyed by PAL is a very substantial amount that can really determine the growth or death of the airline.

Senator Roco. But why the sudden concern for this Philippine Eagle Airlines? It does not seem to have anything going for it. Why all of a sudden all these provisions guaranteeing that any changes in anybody's charter,—not just PAL—any improvements or any benefits that can be received by any airline now or in the future will always be beneficial to them? What has this company done in particular, for the country or for the people, which deserves such tremendous protection under this franchise?

Senator Herrera. This is not only unique in the case of the Philippine Eagle Airlines. All the three or four franchises that we have approved in this Chamber have this provision, Mr. President.

If the gentleman will recall, when there was a change of command or chairmanship of the Committee on Public Services, part of the agreement was to adopt the form that was adopted by the previous Chairman of the Committee. Among the duly formed provisions are provisions like these.

Senator Roco. I have no problems with that agreement, Mr. President. All I am saying is that I heard the observations of the Minority Leader that in view of the crash, we may not want to be so eager to be granting franchises with such blanket protection when they have nothing to offer right now. Would the gentleman tell us whether the Philippine Eagle Airlines has, at least, one airline that is operating?

Senator Herrera. They cannot operate until they have this franchise. Mr. President, part of the requirements is that, when they apply for a franchise, there should already be a contract to purchase aircrafts. And ATO is required to make a report. As reported by General Tanega during the committee hearings, their own pilot inspected these aircrafts that are being negotiated for purchase from China. These are brand-new aircrafts manufactured in Communist China.



Senator Roco. The gentleman is talking of six aircrafts...

Senator Herrera. These are not intended for passengers transport but for cargoes. Because the plan of the company is to focus on cargo-handling in the Mindanao-EAGA area for the next five years.

Senator Roco. The explanation of the gentleman, Mr. President, does not satisfactorily justify the extreme privileges enjoyed. If they are already enjoyed by others, then bully for them. Here, we have approved tax measures imposing new taxes on people, but here, it is totally new. They will enjoy a franchise tax of 2%; they are guaranteed protection against any competition practically, because any competition, if they could get franchises, will always benefit these owners and we have nothing to show for the existence of this company.

May we know why we have to approve this then in the last three days?

Senator Herrera. As I pointed out, Mr. President, this is not just peculiar to Philippine Eagle Airlines. This particular provision will be enjoyed by all airlines. What happens is that in the provisions of all these franchises that we have already approved, there is that equality clause, as the gentleman has pointed out.

So, those airlines will be enjoying the same privilege because these provisions are also found on those airlines that we have approved, except for the 2% franchise tax. Because of this equality clause, the other airlines will also be enjoying these privileges being enjoyed by the Philippine Airlines to level the playing field. This is not just a privilege. This is to level the playing field because Philippine Airlines is enjoying these benefits.

The President. With the permission of the two gentlemen on the Floor, may the Chair seek some clarification on this particular point that the equality principle may not be justified by the language of this bill. That is the second paragraph of Section 11. Because actually the equality provision applies only to the herein grantee. It does not extend to all firms or establishments that have been given an airline franchise.

Senator Herrera. But the franchise, for instance, of Air Philippines, there is also a provision which says that it will enjoy the benefits that will be granted to succeeding airlines. That is why this particular provision becomes uniform in terms of enjoyment by the airlines.

The President. So, the effect is that even if, let us say, Philippine Airlines or GrandAir or any other airlines are supposed to pay a franchise tax of 5%, now, by virtue of this provision, they will pay only 2%.

Senator Herrera. Two percent, Mr. President.

The President. That is all.

Senator Roco may continue interpellating the sponsor.

Senator Roco. In which case, Mr. President, it is even more objectionable that there is now tremendous benefit of taxes to unnamed and unidentified individuals just carried as a rider, practically, in a franchise bill. That seems to be a very serious matter. After we have passed a comprehensive tax reform program seeking to increase the revenues of the government, we cannot just by misdirection, omission or inattention have new tax exemptions through a franchise bill.

So, Mr. President, in view of this and the recent crash, may we just ask for the suspension of consideration of this bill for now.

Senator Herrera. Mr. President, I will certainly object because the opinion of the gentleman from Bicol does not mean that that is already the universal truth.

The point here, Mr. President, is, there is also that provision on the franchise that we approved for the Air Philippines and the GrandAir Philippines. Ang nangyari lamang, because the Philippine Airlines is enjoying 2% and we are imposing, in effect, 8% for the other airlines, we are killing these airlines and that has to be corrected.

Senator Roco. I thought, Mr. President,---

Senator Herrera. Now on the issue of whether this can be defended from the constitutional point of view, it is not for us to decide on this matter.

I would then ask, Mr. President, that we vote on this particular Conference Committee Report.

#### SUSPENSION OF SESSION

Senator Tatad. I ask for a one-minute suspension of the session, Mr. President.

The President. The Chair declares a one-minute suspension of the session, if there is no objection. *[There was none.]*

*It was 5:05 p.m.*

#### RESUMPTION OF SESSION

*At 5:11 p.m., the session was resumed.*

The President. The session is resumed.

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The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF H. NO. 9065

Senator Tatad. Mr. President, I move that we suspend consideration of the Bicameral Conference Committee Report on this particular franchise.

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

MOTION OF SENATOR TATAD

(That the Additional Second and Third References of Business be Considered as Read and that the Same be Inserted into the Record)

Senator Tatad. Mr. President, with the consent of the Body, I ask that the Additional Second and Third References of Business for today's session pertaining to Messages from the House of Representatives and from the Office of the President consisting of seven pages be considered as read, without prejudice to inserting into the *Record* the whole text thereof.

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

The Additional Reference of Business as well as the Second Additional Reference of Business are considered inserted into the *Record* without prejudice to putting therein the contents thereof.

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*The following is the whole text of the Additional Second and Third References of Business:*

ADDITIONAL REFERENCE OF BUSINESS

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on January 27, 1998, reconsidered the approval of Senate Bill No. 2121 as an amendment to House Bill No. 10260, entitled:

"AN ACT ESTABLISHING A SPECIAL ECONOMIC ZONE AND FREE PORT IN THE MUNICIPALITY OF SAN JOSE AND IN THE MUNICIPALITIES OF BOBON AND CATARMAN, ALL IN THE PROVINCE OF NORTHERN SAMAR, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES:

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that in view of the disagreeing provisions of House Bill No. 129, entitled:

"AN ACT PROHIBITING THE REGISTRATION AND OPERATION OF RIGHT-HAND DRIVE MOTOR VEHICLES AND FOR OTHER PURPOSES"

which was passed by the House on December 11, 1997 and Senate Bill No. 1568, entitled:

"AN ACT BANNING THE IMPORTATION AND USE OF VEHICLES WITH RIGHT-HAND STEERING WHEEL IN ANY PRIVATE OR PUBLIC STREET, ROAD OR HIGHWAY, PROVIDING PENALTIES THEREFOR AND FOR OTHER PURPOSES"

which was passed by the Senate on March 10, 1997, the House of Representatives requests a conference on these two bills and has elected Jerome V. Paras, Antonio E. Bengson III, Danilo E. Suarez, Eleandro Jesus Madrona, Jovito O. Claudio and Edgar R. Lara as its conferees.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that in view of the disagreeing provisions of House Bill No. 7981, entitled:

"AN ACT EXEMPTING THE PROPERTY COVERED BY PRESIDENTIAL PROCLAMATION NO. 478, SERIES OF 1965, FROM SALE AND/OR TRANSFER FOR THE CAPITALIZATION OF THE BASES CONVERSION DEVELOPMENT AUTHORITY, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7227, AS AMENDED"

which was passed by the House on August 26, 1997 and Senate Bill No. 2404, entitled:

"AN ACT FURTHER AMENDING SECTION 8 OF REPUBLIC ACT NO. 7227, OTHERWISE KNOWN AS 'AN ACT ACCELERATING THE CONVERSION OF MILITARY RESERVATIONS INTO OTHER PRODUCTIVE USES, CREATING THE BASES CONVERSION AND DEVELOPMENT AUTHORITY FOR THIS PURPOSE, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES', AS AMENDED BY REPUBLIC ACT NO. 7917"

which was passed by the Senate on January 9, 1998, the House of Representatives requests a conference on these two bills and has elected Carmelo F. Lazatin, Rodolfo B. Albano, Oscar S. Rodriguez, Danilo E. Suarez and Zenaida Cruz-Ducut as its conferees.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that in view of the disagreeing provisions of House Bill No. 9549, entitled:

"AN ACT STRENGTHENING THE DEVELOPMENT BANK OF THE PHILIPPINES, AMENDING FOR THE PURPOSE EXECUTIVE NO. 81"

which was passed by the House on January 27, 1998 and Senate Bill No. 2242, entitled:

"AN ACT AMENDING SECTION 7 AND SECTION 13 OF EXECUTIVE ORDER NO. 81, OTHERWISE KNOWN AS THE 1986 REVISED CHARTER OF THE DEVELOPMENT BANK OF THE PHILIPPINES"

which was passed by the Senate on January 19, 1998, the House of Representatives requests a conference on these two bills and has elected Victorico L. Chaves, Julio A. Ledesma IV, Santiago P. Respicio, Junie E. Cua, Ronaldo B. Zamora, Bellaflor Angara-Castillo and Carlos M. Padilla as its conferees.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that in view of the disagreeing provisions of House Bill No.

10260, entitled:

"AN ACT ESTABLISHING A SPECIAL ECONOMIC ZONE AND FREE PORT IN THE MUNICIPALITY OF SAN JOSE AND IN THE MUNICIPALITIES OF BOBON AND CATARMAN, ALL IN THE PROVINCE OF NORTHERN SAMAR, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

which was passed by the House on November 10, 1997 and Senate Bill No. 2121, entitled:

"AN ACT ESTABLISHING A SPECIAL ECONOMIC ZONE AND FREE PORT IN THE MUNICIPALITY OF SAN JOSE AND IN THE MUNICIPALITIES OF BOBON AND CATARMAN, ALL IN THE PROVINCE OF NORTHERN SAMAR, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

which was passed by the Senate on January 9, 1998, the House of Representatives requests a conference on these two bills and has elected Felicitio C. Payumo, Raul A. Daza, Exequiel B. Javier, Eric D. Singson, and Bellaflor J. Angara-Castillo as its conferees.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that in view of the disagreeing provisions of House Bill No. 10399, entitled:

"AN ACT ESTABLISHING A NATIONAL MUSEUM SYSTEM, PROVIDING FOR ITS PERMANENT HOME, AND FOR OTHER PURPOSES"

which was passed by the House on January 12, 1998 and Senate Bill No. 1889, entitled:

"AN ACT ESTABLISHING A NATIONAL MUSEUM SYSTEM,  
PROVIDING FOR ITS PERMANENT HOME AND FOR  
OTHER PURPOSES"

which was passed by the Senate on April 28, 1997, the House of Representatives requests a conference on these two bills and has elected Jose Carlos V. Lacson, Allen S. Quimpo, Bellaflor Angara-Castillo, Feliciano R. Belmonte Jr. and Ramon S. Bagatsing Jr. as its conferees.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

The Secretary.

January 28, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on January 27, 1998 elected Representatives Sergio A.F. Apostol, Raul M. Gonzalez, Reginaldo N. Tilanduca, Temistocles S. Dejon Sr. and Antonio M. Abaya as conferees should the Senate ask for a conference upon approval of its counterpart version of House Bill No. 1241, entitled:

"AN ACT AMENDING RULE 116 AND RULE 133 OF THE  
RULES OF COURT"

which was earlier approved on November 20, 1997.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

The Secretary.

January 28, 1998



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The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on January 27, 1998 elected Representatives Victorico L. Chaves, Julio A. Ledesma IV, Santiago P. Respicio, Junie E. Cua, Ronaldo B. Zamora, Bellaflor Angara-Castillo and Carlos M. Padilla as conferees should the Senate ask for a conference upon approval of its counterpart version of House Bill No. 6951, entitled:

"AN ACT PENALIZING CREDIT CARD FRAUD, PRESCRIBING PENALTIES THEREFOR AND FOR OTHER PURPOSES"

which was earlier approved on January 27, 1998.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

#### SECOND ADDITIONAL REFERENCE OF BUSINESS

#### MESSAGES OF THE PRESIDENT OF THE PHILIPPINES

The Secretary.

January 28, 1998

The Honorable Senate President:

I have the honor to forward herewith the Instrument of Acceptance of the *Fourth Protocol to the General Agreement on Trade in Services on Basic Telecommunications Services* that was adopted in Geneva on 15 April 1997 and opened for acceptance by World Trade Organization (WTO) members until 30 November 1997.

The Philippines was a member of the Negotiating Group on Basic Telecommunications Services (NOBT) that formulated this Protocol, otherwise known as General Agreement for Trade in Basic Telecommunications

Services, and was one of the 71 countries that tabled an offer for the conclusion of the WTO-NGBT on 14 February 1997.

The Philippine participation in the WTO-NGBT has enhanced the country's image as a showcase of having one of the most liberalized telecommunications regimes, demonstrating its commitment to competition by allowing multiple operators in partnership with firms of varying nationalities in most segments of the domestic telecommunications market.

Pursuant to Section 21, Article VII of the Constitution, I hereby submit, for the consideration and concurrence of the Senate, the *Fourth Protocol to the General Agreement on Trade in Services on Basic Telecommunications Services*.

A draft of the Senate Resolution giving its concurrence in the ratification of the Agreement is also enclosed.

(Sgd.) FIDEL V. RAMOS

The Honorable Senate President  
Congress of the Philippines  
Pasay City

The President. Referred to the Committee on Foreign Relations.

The Secretary.

January 28, 1998

The Honorable Senate President:

I have the honor to submit a certified true copy of the Patent Cooperation Treaty (PCT), for the Senate's consideration and concurrence.

The Treaty aims to facilitate procedures for obtaining legal protection for inventions and disseminate technical information including the organization of technical assistance particularly for developing countries. It seeks to simplify and to render more effective and more economical - in the interest of the applicants and the patent offices - the previously established means of applying in several countries for patent protection for invention.

In particular, our country's patent agents and industry would benefit substantially from the filing in

the Philippines of PCT applications if the Philippines become a PCT member state. The increased input of patent applications would expand the need for patent agent services, and the utilization of more patented inventions by Philippine industry would enhance the economy in general.

Article 63 of the Treaty provides that the Treaty shall enter into force three (3) months after the date on which it has deposited its Instrument of Accession with the Director General of the World Intellectual Property Organization (WIPO).

In view of the foregoing and pursuant to Section 21, Article VII of the 1987 Constitution, I am submitting the enclosed drafts of the Instrument of Accession and the Senate Resolution giving its concurrence to the Philippine Accession to the Treaty, for the Senate's consideration.

(Sgd.) FIDEL V. RAMOS

The Honorable Senate President  
Congress of the Philippines  
Pasay City

The President. Referred to the Committee on Foreign Relations.

The Secretary.

January 28, 1998

The Honorable Senate President:

I have the honor to forward herewith one (1) certified true copy of the Information Technology Agreement (ITA) that was signed by signatories accounting for eighty (80) percent of world trade in information technology products during the First WTO Ministerial Conference held in Singapore on 13 December 1996.

The Government of the Philippines has considered ITA among Members of the World Trade Organization (WTO) which consists of the Ministerial Declaration on Trade in Information Technology products adopted at the WTO Ministerial Conference on 13 December 1996 held in Singapore together with said Declaration's Annex entitled "Modalities and Products Coverage" as well as Attachments A and B of said Annex.

The ITA provides for the binding and elimination

of customs duties and other duties and charges within the meaning of Article II: 1 (b) of the General Agreement on Tariff and Trade of 1994 (GATT 94), on Information Technology (IT) products specified in Attachments A and B of the Annex by the year 2000 on a Most-Favoured-Nation (MFN) basis to be "staged" in four equal reductions of twenty five percent (25%) at each stage, starting on 1 July 1997, then on 1 January 1998, next 1 January 1999 and finally 1 January 2000; it also encourages the autonomous elimination of customs duties prior to these dates.

The ITA provides that the actions foreseen in the Declaration will be implemented when participants representing approximately ninety percent (90%) of world trade in the information technology sector shall have notified their acceptance of the Declaration and its Annex by 1 April 1997. As of 26 March 1997, forty (4) governments agreed to implement the Declaration, thus bringing the total trade accounted for by these members at ninety-two and a half percent (92.5%) of world trade in the information technology sector.

(Sgd.) FIDEL V. RAMOS

The Honorable Senate President  
Congress of the Philippines  
Pasay City

The President. Referred to the Committee on Foreign Relations.

### THIRD ADDITIONAL REFERENCE OF BUSINESS

### MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Secretary.

January 30, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on January 30, 1998 passed House Bill No. 9962, entitled:

AN ACT PRESCRIBING CERTAIN CONDITIONS IN THE  
INVESTIGATION AND TRIAL OF RAPE CASES AND  
PROVIDING FOR RAPE CRISIS CENTERS

to which it requests the concurrence of the Senate.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

The Secretary.

January 30, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that in view of the disagreeing provisions of House Bill No. 9967, entitled:

"AN ACT PRESCRIBING CERTAIN CONDITIONS IN THE  
INVESTIGATION AND TRIAL OF RAPE CASES AND  
PROVIDING FOR RAPE CRISIS CENTERS"

which was passed by the House on January 30, 1998 and Senate Bill No. 2280, entitled:

"AN ACT PROVIDING ASSISTANCE AND PROTECTION FOR  
RAPE VICTIMS, ESTABLISHING FOR THE PURPOSE A  
RAPE CRISIS CENTER IN EVERY PROVINCE AND  
CITY, AUTHORIZING THE APPROPRIATION OF FUNDS  
THEREFOR, AND FOR OTHER PURPOSES"

which was passed by the Senate on January 29, 1991, the House of Representatives requests a conference on these two bills and has elected Representatives Luz Cleto R. Bakunawa, Teresa Aquino-Oreta, Erasmo B. Damasing, Nilagros Laurel-Trinidad, Thelma Z. Almaric, Hernani A. Braganza and Bellaflor Angara-Castillo as its conferees.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committee on Rules.

#### COMMITTEE REPORT

The Secretary. Committee Report No. 974 submitted by the Committee on Local Government on House Bill No. 5446 introduced by Representative Montilla, et. al., entitled

AN ACT REPEALING SECTION 3 OF REPUBLIC ACT NUMBER 7901 AND  
TO RETURN THE PROVINCE OF SULTAN KUDARAT TO REGION XII  
AND FOR OTHER PURPOSES

recommending its approval without amendment.

Sponsor: Senator Sotto III

The President. To the Calendar for Ordinary Business.

#### SUSPENSION OF SESSION

Senator Tatad. Mr. President, may I ask for a one-minute suspension of the session.

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

*It was 5:12 p.m.*

#### RESUMPTION OF SESSION

*At 5:14 p.m., the session was resumed.*

The President. The session is resumed.

The Majority Leader is recognized.

#### BILL ON SECOND READING

H. No. 2524 - Increasing the Bed Capacity of  
Zamboanga City Medical Center  
*(Continuation)*

Senator Tatad. Mr. President, I move that we resume consideration of House Bill No. 2524 as reported out under Committee Report No. 786, entitled "An Act Increasing the Minimum Bed Capacity of the Zamboanga City Medical Center from Two Hundred Fifty (250) to Five Hundred (500), Amending for the Purpose Section 2 of Republic Act No. 7272."

The President. Is there any objection? *[Silence]* There being none, resumption of consideration of House Bill No. 2524 is now in order.

Senator Tatad. Mr. President, we are now in the period of interpellations.

When we suspended, the Minority Leader was interpellating. I understand the Minority Leader is prepared to make a statement.

The Minority Leader is done with the interpellation. As there are no further interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. Mr. President, as there are no committee amendments, I move that the period of committee amendments be closed.

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

Senator Tatad. Mr. President, as there are no individual amendments, I move that the period of individual amendments be closed.

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

#### APPROVAL OF H. NO. 2524 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 2524.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 2524.

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

Several Members. Aye.

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

House Bill No. 2524 is approved on Second Reading.

#### BILL ON SECOND READING

S. No. 2398 - Surigao State College of Technology  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 2398 as reported out under Committee Report No. 828.

The President. Is there any objection? [Silence] There being none, resumption of consideration of Senate Bill No. 2398 is now in order.

Senator Tatad. Mr. President, we are still in the period of interpellations. I move that the period of interpellations be closed.

Senator Roco. Mr. President.

The President. Sen. Raul S. Roco is recognized.

Senator Roco. Mr. President, just to find out what we are approving.

Senator Tatad. This is "An Act Converting the Surigao del Norte School of Arts and Trade and the Malimuno School of Fisheries into a State College to be Known as the Surigao State College of Technology, and Appropriating Funds Therefor."

Senator Maceda. Mr. President.

The President. The Minority Leader is recognized.

Senator Maceda. Mr. President, we have no objection to the measure as our contribution to the senatorial candidacy of Secretary Barbers.

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

Senator Tatad. Since there are no committee amendments, I move that the period of committee amendments be closed.

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

Senator Tatad. Since there are no individual amendments, I move that the period of individual amendments be closed.

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

#### APPROVAL OF S. NO. 2398 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on Senate Bill No. 2398.

The President. Is there any objection? *[Silence]* There being none, we shall now vote on Second Reading on Senate Bill No. 2398.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. *[Silence]*

Senate Bill No. 2398 is approved on Second Reading.



BILL ON SECOND READING  
H. No. 1760 - Adiong Memorial Polytechnic State College  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of House Bill No. 1760 as reported out under Committee Report No. 610.

The President. Is there any objection? [Silence] There being none, resumption of consideration of House Bill No. 1760 is now in order.

Senator Tatad. Mr. President, we are still in the period of interpellations. I move that the period of interpellations be closed.

The President. Is there any objection? [Silence] There being none, the period of interpellations is closed.

Senator Tatad. As there are no committee amendments, I move that the period of committee amendments be closed.

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

Senator Tatad. There are no individual amendments. I move that the period of individual amendments be closed.

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

APPROVAL OF H. NO. 1760 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 1760.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 1760.

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

Several Members. Aye.

As many as are against the bill, say nay. [Silence]

House Bill No. 1760 is approved on Second Reading.

Senator Maceda. Mr. President, parliamentary inquiry.

The President. The Minority Leader is recognized.

PARLIAMENTARY INQUIRY OF SENATOR MACEDA  
(On the Revised Agenda Guide for the Week)

Senator Maceda. Mr. President, earlier today, the Office of the Majority Leader released a revised Agenda Guide for this week's remaining session. I see here 11 bills of national importance for sponsorship and 11 bills of national importance in the period of interpellations. My impression was that we would allow some local bills to be taken up yesterday and today. But at the end of the sessions, after we have taken up bills of national importance, there are so many people in the gallery waiting for the bill on the lifting of the ad ban, as well as all the other bills. I notice that we are now, it seems, riding a Catanduanes railroad of local bills.

May I be informed whether we are still going to take up these bills of national importance or is it the suggestion that for the rest of the week, we shall now only take up bills of local import?

Senator Tatad. Mr. President, we fully intend to adhere to the proposed Agenda Guide as much as we can. For this afternoon, we had intended to call House Bill No. 8489 under Committee Report No. 972 as a first priority, but we had to await the arrival of the sponsor. After a couple of local bills, we had intended to call this particular measure. And we also have the Merchant Marine Profession Act which has been on the list of bills under the period of interpellations, the Real Estate Commission Act and, of course, the Lifting of the Ban on Election Propaganda.

Unfortunately, as the Minority Leader is too familiar with, sometimes the concerned member of the Senate is not in the Hall and, therefore, we just have to proceed to take advantage of the time that we have to fill in the gaps.

Senator Maceda. I understand and I accept the explanation, Mr. President. I just wanted to put on record what is going to be the scheduling. At any rate, the distinguished Senator from Isabela has arrived. I think he is one of those we are awaiting.

Thank you, Mr. President.

Senator Tatad. Thank you very much, Mr. President.

The President. Let the records also show that the Leadership has requested the Majority Leader to give utmost priority to the Bicameral Conference Committee Reports which we did at the start of the session.

BILL ON SECOND READING  
H. No. 8489 - Amending ODA ACT OF 1996

Senator Tatad. Mr. President, I move that we consider House Bill No. 8489 as reported out under Committee Report No. 972.

The President. Is there any objection? [Silence] There

being none, the motion is approved.

Consideration of House Bill No. 8489 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. House Bill No. 8489, entitled

AN ACT AMENDING REPUBLIC ACT NO. 8182, AND FOR OTHER PURPOSES

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

House Bill No. 8489  
(Insert)

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairman of the Committee on Economic Affairs, the gentleman from Isabela, be recognized.

The President. Senator Alvarez is recognized.

SPONSORSHIP SPEECH OF SENATOR ALVAREZ

Senator Alvarez. Mr. President, distinguished colleagues of this august Chamber:

The enactment of Republic Act No. 8182, the Official Development Assistance Act of 1996, has facilitated the absorption and optimized the utilization of highly concessional development assistance by the Philippine government. The Act enables the President to secure much needed financing for major national development programs and projects which carry out the country's social and economic development objectives.

Mr. President, the ODA Act of 1996 enabled the President, last year, to obtain the commitment of bilateral and multilateral funding agencies for projects amounting to US\$2.62 billion in both loans and grants. The amount includes ODA loan-assisted projects which were supposed to have been made effective in 1996.

Mr. President, the serious financial burdens that besiege many Asian countries may slow down the pace of the Philippines' economic growth. This possibility, however, is more imminent among our neighbors in Thailand, Malaysia and Indonesia. The continuing availability of ODA to the country, however, ensures a steady source of concessional funds for development programs and projects that could provide the capability to be able to attend to the financial crisis.

Access to ODA, however, is not confined to the Philippines.

Our neighbors are also expected to rely more heavily on these concessional facilities. In view of these developments, I urge this Chamber to favorably consider the proposed amendments to the sections of ODA Act of 1996 which continue to be a source of serious concern among the donor community and a cause of delay in accessing ODA loans.

Through the proposed amendments, we are clarifying that the express congressional approval of ODA loans may be obtained through the appropriations process, and the congressional approval of the General Appropriations Act constitutes approval of ODA project loans under Republic Act No. 8182 which have been included in the General Appropriations Act.

As Section 4 is presently worded, however, it can be unduly interpreted to mean, contrary to the intent of Congress, that a separate approving process for project loans is necessary. And if this were the case, we can certainly expect delays in the processing and approval of vital projects, including particularly those intended to meet emergencies.

Such a requirement, if interpreted as applicable to that stage prior to the negotiation of an ODA loan, can also curtail that constitutional power of the President to contract foreign loans subject to prior approval only of the Monetary Board in accordance with the general limitations prescribed by Congress. Without this amendment, therefore, we face the possibility of the entire law being struck down for being unconstitutional and this is why we propose that the subject provision be deleted. Under our constitutional system, the power and responsibility to appropriate the proceeds of foreign loans remain vested in us, in Congress.

The amendment of Section 11 of the Act, on the other hand, would assert in no uncertain terms that the President has the power to waive, in the national interest, preferences or restrictions imposed by law on the procurement of goods and services. Most donors subscribe to international competitive bidding procedures practice globally applied to borrowing countries, and one which is not inconsistent with our own thrust for global competitiveness.

The utilization of the services of qualified Filipino citizens or corporations or associations owned by such citizens in the implementation of projects prosecuted under this Act, however, shall be preferred on the basis of the standards set for the project.

Mr. President, please note that Sections 4 and 11 of the ODA Law of 1996 have been the source of delays that hinder the immediate effectivity of loans contracted through the Act. I would like to emphasize four important points to highlight the Philippines continuing need to access highly concessional ODA funds.

First, compared to commercial loans, ODA is relatively cheap source of investment funds. ODA is considered concessional because interest rates are kept at a minimum, ranging from 0.0 percent to 6.5 percent. In addition, commercial sources of funds usually offer only short-term financing. ODA loans are, in contrast, long-term in nature. They usually extend up to 40 years.

Second, ODA instills stability in the balance of payments position. Proceeds from ODA have directly contributed to our foreign exchange reserves. The use of ODA further minimizes pressure on the level of reserves. Many of our public investments require the importation of capital equipment and other goods. By tapping concessional funds from abroad, we are able to save on our foreign exchange reserves.

Third, by rowing ODA money, the government no longer has to compete with our local investors for much needed investment funds. In effect, we are able to provide the necessary public investments without penalizing the private sector which relies on domestic capital resources.

Finally, the use of ODA funds allows great complementarity between private and public investments. Many infrastructure projects traditionally funded by government have become financially viable undertakings for the private sector. In recent years, the private sector has become increasingly interested in financing, implementing and maintaining various infrastructure facilities such as urban toll roads and bridges.

Mr. President, may I underscore that the Executive's interpretation of the ODA Act of 1996 as embodied in the Department of Justice's Opinion No. 85, series of 1996 is consistent with the legislative intent in enacting this law. These proposed amendments would provide a clear legislative confirmation of that interpretation, and therefore allay all doubts in the minds of many of our development partners.

The bill, Mr. President, will fully achieve the purposes of the ODA Act of 1996; that is, facilitate the absorption and optimize the utilization of highly concessional ODA loans. This is particularly significant in the light of the fact that ODA resources have dwindled over the past years, while new market economies have emerged to compete for these resources. Moreover, this measure assumes utmost urgency and relevance in the midst of the financial turmoil in the Asian region which undoubtedly heightened the competition for this concessional source of funds.

The immediate enactment of this bill, therefore, is earnestly urged.

Thank you, Mr. President.

Senator Roco. Mr. President.

The President. Senator Roco is recognized.

Senator Roco. Mr. President, will the gentleman yield for some questions?

Senator Alvarez. With pleasure, Mr. President, to the gentleman from Camarines del Norte.

Senator Roco. Camarines Sur.

Senator Alvarez. Bicolandia, to be sure, Mr. President.

Senator Roco. The bill brings about tremendous changes in a law that was approved only in 1996. Republic Act No. 8182 was, according to this sheet of paper, the ODA Act of 1996. Is that correct, Mr. President?

Senator Alvarez. That is right, Mr. President.

Senator Roco. And that change allows the President to waive and modify the application of any provision of law. May we ask first why we want to grant the President such a power today?

Senator Alvarez. Mr. President, that power was already available to the President. But under the Foreign Borrowings Act, the restriction or the ceiling of US\$10 million was imposed. This ceiling was provided in 1969, a ceiling wholly unrealistic with the changes of the times and with the modernization of the economy.

Senator Roco. But that is not what the bill says, Mr. President. The bill does not refer to a law approved in 1969. The bill refers to a law approved in 1996.

Will the gentleman tell us what happened between 1996 and today that now requires him to authorize the President to waive application of any provision of law? Whatever happened between 1996 and today, February 1998?

Senator Alvarez. Mr. President, the Department of Justice had provided an opinion that even under the ODA Act, under RA No. 8182, there is no specific mention of the power of the President. However, that power may be availed of by the President.

But in order to reassure the lenders or the participant countries that this will not be contested in court, we thought that, perhaps, we should stabilize this legal condition by providing this amendment under Section 11-A.

Senator Roco. So the intention, firstly, Mr. President, is to express distrust for the opinion of the Department of Justice. Because if we can trust the opinion of the Department of Justice, then there is no reason for this proposed law.

Secondly, in the words of our distinguished friend from

Isabela, so that this matter cannot be contested in court.

Now, will the approval of this bill, Mr. President, prevent this matter from being questioned in court?

Senator Alvarez. Mr. President, we have been known to be a litigious society and no one can really prevent anyone from going to the courts.

However, what we are trying to say here is, we want to be able to reassure in black and white statutory guarantee that, indeed, that power is there.

Senator Roco. So we are retracting. Are we saying, Mr. President, that the intention of this bill is not to prevent it from being contested in court, but to now assure the President that the power is there?

What makes the gentleman doubt that the power is there?

Senator Alvarez. Because it is not reproduced in the ODA Act. That nonreproduction, however, has been filled in with the gap of the Department of Justice's interpretation which the gentleman thinks we distrust. He may put it that way, but we could say that we wish to be able to reinforce that opinion of the Department of Justice with specific provision of law.

Senator Roco. Are we saying, Mr. President, that the Senate will now be utilized to put an *imprimatur* to opinions of the Department of Justice? Is this what we have come to--that the Chamber will now be utilized as a way of putting an *imprimatur* on opinions of the Department of Justice?

Senator Alvarez. We need not be adversarial in all cases, Mr. President. If an opinion subserves the highest interest of the country, it is good policy, there is no reason why this Chamber should not put its *imprimatur*. Here, we see a gap and we want to fill that gap. Then, definitely, we are affirming that opinion.

Senator Roco. Why should it be good, Mr. President, that the President will have the power to waive application of any provision of law when under a system of rule of law and constitutionalism, laws are supposed to be followed and executed by the President and not waived in application?

Why should that be good, Mr. President?

Senator Alvarez. Because here, Mr. President, we are trying to pursue a policy. It is not doing away with the requirement of law, but making the law serve the needs of the nation in reality. If the ODA funds will not be modified in its grant and the contracts will be too demanding or too difficult without the flexibility and the exercise of judgment of the Executive, we might end up without our share of these ODA funds which have

become very competitive. There are other countries that need the fund, aside from the fact that there are certain circumstances which serve the national interest for which the President can exercise judgment, and that is what the law is seeking to serve.

Senator Roco. Mr. President, will the gentleman kindly tell us what are these laws that could possibly be set aside so that at least we know what in heaven's name we are granting the President?

Senator Alvarez. The waiver applies to laws imposing restriction on procurement of goods or services.

Senator Roco. Please enumerate. Tell us what these laws are.

Senator Alvarez. This is embodied in Section 4 of Republic Act 4860, Mr. President. If I may extract some extant portions relevant for the information of the gentleman, although I can provide him a copy of this particular Act.

Senator Roco. Yes, we will appreciate that, Mr. President.

Senator Alvarez. "Waive or modify application of any law granting preferences in connection with or imposing restrictions to the procurement of goods or services, including among others xxx" et cetera. Act No. 4239, Commonwealth Act No. xxx. "provisions on constructions primarily for national defense, security purposes xxx" et cetera. Republic Act 912. "Provided, however, That as far as practicable, utilization of the services of the qualified domestic firms in the prosecution of projects financed under this Act shall be encouraged: *Provided, further,* That the matter of preference in favor of articles, materials or supplies of the growth production or manufacture of the Philippines, including the method of procedure in the comparison of bids for purposes therefor shall be subject to agreement between the Philippine government and the lending institution."

Senator Roco. These are also general provisions, Mr. President. These in fact, are repeated in this text.

So what is the restriction that is sought to be waived that handicaps the President now since 1969?

Mr. President, I can remember that the Foreign Borrowings Act has been abused since then, and now we are expanding the waiver capacity of the President for what reason? So that it can be further abused?

Senator Alvarez. I would rather proceed into assumption that public men do their jobs in accordance with their assigned duty and a provision of law that grants power to the President. The assumption that I would rather take, Mr. President, is that this power would be exercised in accordance with the policy sought to be fulfilled by law.





comparison of bids, shall be subject to agreement between the Philippine government and the lending institution."

So we now allow the President to waive provisions of law and allow a foreign lending institution to come in and subject us to impositions by the lending institution, depending on what the President may waive or may agree to. Therefore, this law tends to remove protection for the Filipinos, and that should not be allowed.

I think we are being paid our salaries by the Filipino people and we are supposed to make laws that protect the Filipino people and not the lending institutions.

Senator Alvarez. Mr. President, let me restate. The general rule still is to favor Filipinos. But when there should be, in the perception of the Executive, a need to waive certain conditions which will stand on the way of having access to these funds because the standard of practicability is not fulfilled, the definition of national interest in this particular instance will have to be set by the Chief Executive.

When we say a particular Filipino will have to be protected, we must see it on the view that when the President seeks to fulfill a certain goal like accessing loans, the national interest is also sought to be protected because capital formation definitely contributes to modernization and development. We know, I reiterate, that capital formation is a principal developmental need.

Senator Roco. Mr. President, all I see and have heard is that this bill is necessary to confirm a Department of Justice opinion. But in so doing, it thwarts the law.

Mr. President, I ask that we suspend consideration of this bill in the meantime and for the distinguished sponsor to kindly furnish us the specific laws that may be specifically waived or the preferences that can be waived, and to furnish us an explanation on how qualified Filipino citizens are treated fairly and what are the legislative standards for which the President will follow under the last proviso of Section 11 (a).

May we request that, Mr. President. If they are ready to give this representation, maybe we can take this up again later.

#### SUSPENSION OF SESSION

Senator Alvarez. Mr. President, I move that we suspend the proceedings for a few minutes.

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

*It was 5:49 p.m.*

RESUMPTION OF SESSION

At 5:56 p.m., the session was resumed.  
The President. The session is resumed.

The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF H. NO. 8489

Senator Tatad. Mr. President, to allow the sponsor to produce the documents being requested by our distinguished colleague from Camarines Sur and Bohol, I move that we temporarily suspend consideration of House Bill No. 8489.

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

BILL ON SECOND READING

S. No. 2394--Merchant Marine Profession Act  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 2394 as reported out under Committee Report No. 826.

The President. Is there any objection? [Silence] There being none, resumption of consideration of Senate Bill No. 2394 is now in order.

Senator Tatad. Mr. President, we are still in the period of interpellations. I ask that the distinguished former chairperson of the Committee on Civil Service and Government Reorganization, the lady Senator from Quezon City, Iloilo, and Negros Occidental, Sen. Anna Dominique M.L. Coseteng, be recognized for any interpellation.

The President. Senator Coseteng is recognized.

Senator Tatad. Unless there are any interpellations, I move that we close the period of interpellations.

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

Senator Tatad. Mr. President, there are no committee amendments on this bill. I move that the period of amendments be closed.

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

Senator Tatad. Since there are no individual amendments on this bill, Mr. President, I move that the period of individual amendments be closed.

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

#### APPROVAL OF S. NO. 2394 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on Senate Bill No. 2394.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on Senate Bill No. 2394.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

Senate Bill No. 2394 is approved on Second Reading.

#### SUSPENSION OF SESSION

Senator Tatad. Mr. President, I move that we suspend the session.

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

*It was 5:58 p.m.*

#### RESUMPTION OF SESSION

*At 6:00 p.m., the session was resumed.*

The President. The session is resumed.

The Majority Leader is recognized.

#### BILL ON SECOND READING

##### S. No. 1509 - Financing Company Act

Senator Tatad. Mr. President, I move that we consider Senate Bill No. 1509 as reported out under Committee Report No. 811.

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

Consideration of Senate Bill No. 1509 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. 1509, entitled

AN ACT AMENDING REPUBLIC ACT 5980, OTHERWISE KNOWN AS  
REGULATING THE ORGANIZATION AND OPERATION OF  
FINANCING COMPANIES, AND FOR OTHER PURPOSES

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The following is the whole text of the bill:

Senate Bill No. 1509

(Insert)

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairperson of the Committee on Banks, Financial Institutions and Currencies be recognized.

The President. Senator Drilon is recognized.

SPONSORSHIP SPEECH OF SENATOR DRILON

Senator Drilon. Mr. President, I rise to submit for this Chamber's consideration Committee Report No. 811 which recommends the approval, with amendments, of Senate Bill No. 1509, introduced by Senator Roco, entitled "An Act Amending Republic Act 5980, Otherwise Known as An Act Regulating the Organization and Operation of Financing Companies, and for other Purposes."

Mr. President, we recommend the immediate passage of Senate Bill No. 1509 for two reasons.

First, it will finally complete the liberalization of the financial sector which has already seen the passage of similar legislation for banks, investment houses, thrift banks, pawnshops, and other financial institutions. This bill is the last component of this bipartisan effort to liberalize the financial sector.

This is a priority bill of the administration, and I believe we can all fully support the same in the interest of economy and for the good of the country. A similar bill, I understand, has been passed by the House of Representatives on Third Reading.

The second reason why we are recommending the approval of this bill, Mr. President, is the modernization and updating of the financing industry.

As we all know, Republic Act No. 5980 was passed 30 years ago when the industry was in its infancy. Since then, there have been many significant developments which have made the law inadequate or almost obsolete in some material respects.

The most important area that needs modernizing, Mr. President, is financial leasing. Financial leasing has proven to be a formidable engine of economic growth in many developing as

well as developed economies. It has been responsible for financing of as much as 20% of capital investments in many countries as compared to less than 1% in our country. Unfortunately, Republic Act No. 5980 only tangentially touches this area. Senate Bill No. 1509 proposes to remedy this deficiency in order to help marshal more capital investments.

The rationale for each individual amendment to Republic Act No. 5980 proposed by Senate Bill No. 1509 will be explained by the principal author, Senator Roco, who will deliver, I understand, a cosponsorship speech. We believe it is not necessary to go over this again at this time as Senator Roco will explain the same.

Our Committee has conducted public hearings on this bill where representatives of Bangko Sentral ng Pilipinas, the Securities and Exchange Commission and the Philippine Finance Association, the industry association were present. Together they suggested certain amendments which this Committee has adopted and introduced them in Senate Bill No. 1509.

Allow us to briefly discuss these proposed committee amendments.

In Section 3, on the "Definition of Terms", we have suggested that the phrase "except those regulated by the Bangko Sentral ng Pilipinas, Insurance Commission and Cooperative Development Authority" be deleted and in its place the following be inserted: EXCEPT BANKS, INVESTMENT HOUSES, SAVINGS AND LOANS ASSOCIATIONS, INSURANCE COMPANIES, COOPERATIVES AND OTHER FINANCIAL INSTITUTIONS ORGANIZED OR OPERATING UNDER SPECIAL LAWS.

The rationale for this proposed amendment is to make fully clear the legal boundaries between financing companies and other financial institutions by particularly naming them instead of the applicable regulatory agencies and to include financial institutions created or organized after Republic Act No. 5980, as well as those which may come under existence after Senate Bill No. 1509 becomes a law.

We have also proposed an amendment in Section 4 regarding the grant of authority to the SEC by adding the following clause at the end of the section: WITH RESPECT TO FINANCING COMPANIES LICENSED TO PERFORM QUASI-BANKING FUNCTIONS, AND INsofar AS THE MONETARY BOARD HAS AUTHORITY TO PRESCRIBE FINANCING COMPANY RATES AND CHARGES UNDER SECTION 5 HEREOF.

The rationale, Mr. President, is to reconcile the grant of authority to the SEC and the authority of the BSP under existing regulations.

The Committee proposes that Section 5 be amended by changing the name of "Central Bank of the Philippines" to BANGKO SENTRAL NG PILIPINAS, and including financing companies as among those to be consulted in the prescription of the maximum rates or rates of

purchase discount. We also included lease rentals as among those which can be regulated.

This amendment would give the Monetary Board authority to fix finance company rates and charges in line with similar grants of authority to all other financing institutions.

The Committee proposed that Section 6 be reworded to read as follows: "Financing companies shall be organized in the form of stock corporations at least FORTY percent (40%) of the VOTING STOCK of which is owned by citizens of the Philippines and shall have a paid-up capital of not less than TEN MILLION PESOS (P10,000,000) IN CASE THE FINANCING COMPANY IS LOCATED IN METRO MANILA AND OTHER FIRST-CLASS CITIES, FIVE MILLION PESOS (P5,000,000) IN OTHER CLASSES OF CITIES AND TWO MILLION FIVE HUNDRED THOUSAND PESOS (P2,500,000) IN MUNICIPALITIES; Provided, however, THAT NO FOREIGN NATIONAL MAY BE ALLOWED TO OWN STOCK IN ANY FINANCING COMPANY UNLESS THE COUNTRY OF WHICH HE IS A NATIONAL ACCORDS THE SAME RECIPROCAL RIGHTS TO FILIPINOS IN THE OWNERSHIP OF FINANCING COMPANIES OR THEIR COUNTERPART ENTITIES IN SUCH COUNTRY, AND PROVIDED FURTHER, that the financing companies duly existing and in operation before the EFFECTIVITY of this Act shall comply with the MINIMUM CAPITAL requirements within one (1) year from the date of the said EFFECTIVITY.

It is noted that, first, the amount of capital available, as well as the size of the market, differs from one locality to another. A graduated capital requirement taking this factor into account is recommended by the Committee, Mr. President.

Second, we recommend that the limitation of 60% for maximum foreign equity be provided. This is also the same limit given to other financial institutions.

Third, we propose and recommend the adoption of the reciprocity principle we all wish to be respected may be made clearer and more easily implementable with the suggested amendment.

Section 9 was reworded in recognition of the applicability of certain laws as well as Bangko Sentral's authority to regulate or supervise the exercise of the rights and powers enumerated in this section.

As regards Section 8, we suggest that this be rewritten to make it less sweeping in scope and more in accordance with the apparent intent of the law by providing: "WHEN PROVIDING MEDIUM AND LONG-TERM CREDIT TO SMALL/MEDIUM ENTERPRISES, FINANCING COMPANIES SHALL ENJOY SUCH OTHER RIGHTS, POWERS, BENEFITS AND PRIVILEGES AS MAY BE GRANTED BY LAW OR REGULATION TO OTHER NONBANK FINANCIAL INSTITUTIONS WHEN THEY PROVIDE SIMILAR CREDIT TO SUCH ENTERPRISES."

Mr. President, allow me to reiterate that these amendments, along with the rest, have been unanimously endorsed by the Bangko

Central ng Filipinas, Securities and Exchange Commission and the Philippine Finance Association, Inc. It is our submission and belief that once we are able to pass this law, it will go a long way in liberalizing our financial sector.

With that, Mr. President, we move for the approval of this bill.

Thank you.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, there will be a second sponsorship speech from the gentleman from Camarines Sur and Bohol, Sen. Raul S. Roco. I ask that he be recognized.

The President. Senator Roco is recognized.

#### SPONSORSHIP SPEECH OF SENATOR ROCO

Senator Roco. Thank you, Mr. President.

Mr. President, we wish to put on record the Explanatory Note and then some aspects that should be highlighted as regards the bill.

Republic Act No. 5980 or the Financing Company Act was passed in 1949. Since then, many developments in the economy and in the world of finance have made the financing company outdated. Today, there are changes that are needed to make the financing companies more responsive to present-day demands and expectations.

A critical example is the industry's ability to provide adequate financial leasing to an economy which needs tremendous investments in equipment and capital goods. The statistics would show that there are advantages in leasing. And leasing can be a formidable engine of economic growth. That is so in other lands and it can become so in the Philippines.

The Financing Company Act's narrow focus on consumer financing activities of financing companies should now be broadened to give at least equal emphasis to financial leasing. Financial leasing provides medium to long-term facilities by which business enterprises, especially small and medium-size firms, can favorably obtain the use of production equipment and capital goods. As such, it should be encouraged and promoted, as it is encouraged and promoted in Korea, Japan and other countries.

We must also consider recent trends involving economic liberalization, Mr. President, although probably we should start reviewing the policy impact of economic liberalization.

By way of highlighting, Mr. President, since the main



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sponsor has referred the matter to me, may I just call attention to certain sections that are totally new.

Section 9, for instance, provides for issuance by the BSF of quasi-banking license to qualify the finance companies whose capital is at least P150 million.

Section 10 is also new. Under present law and regulations, some benefits are lost to business firms or individuals when they finance their purchases or acquisitions through financial leasing rather than through borrowing, and this Section tries to address that problem.

Section 11, the parity clause, is new but it adopts the principles we introduced in the Thrift Bank Act, the purpose being to provide credit to small and medium enterprises as fully as other financial institutions.

Section 12, on the liability of lessors, is also new. This recognizes the problem of a lessor being owner and the lessee having control of the property.

There are other new sections, Mr. President, but in terms of registration of financial leases, they basically adhere to the Chattel Mortgage Registry Law.

Those are among the provisions that are sought to be introduced by Senate Bill No. 1509. We join the Chairman of the Committee on Banks, Financial Institutions and Currencies in seeking the approval of the Body and we hope it meets with the collective judgment and acceptance of the Chamber.

Thank you, Mr. President.

The President. The Majority Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF S. NO. 1509

Senator Tatad. Mr. President, to allow our colleagues to prepare for the interpellations, I move that we suspend consideration of Senate Bill No. 1509.

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

#### BILL ON SECOND READING

S. No. 2394 - Philippine Merchant Marine Officers Law  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 2394 as reported out under Committee Report No. 826.

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

The Chair would like to know whether this is a certified bill.

Senator Tatad. I understand this is a certified measure. I move that the Secretary read the Certification from the Office of the President.

#### SUSPENSION OF SESSION

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

*It was 6:17 p.m.*

#### RESUMPTION OF SESSION

*At 6:18 p.m., the session was resumed.*

The President. The session is resumed.

The Secretary will please read the Certification from the Office of the President.

The Acting Secretary [Atty. Raval].

Honorable NEPTALI A. GONZALES  
Senate President  
Senate, Pasay City

Dear President Gonzales,

Pursuant to the provision of Section 26(2), Article IV of the 1987 Constitution, I hereby endorse as an urgent administration measure Senate Bill No. 2394, entitled

"AN ACT AMENDING PRESIDENTIAL DECREE NO. 97, OTHERWISE KNOWN AS THE PHILIPPINE MERCHANT MARINE OFFICERS LAW, AS AMENDED, AND FOR OTHER PURPOSES"

in order to meet the public emergency consisting of the urgent need to promote and ensure the safety of life, and property at sea, protect and preserve the marine environment and ecology, and prevent marine pollution and accident at sea, by complying with the Standards of Training, Certification and Watchkeeping for Seafarers, 1978, to which the Philippines is a signatory. This would facilitate the inclusion of the Philippines in the International Maritime Organization "whitelist". The deadline of August 1, 1998 is set for our government to comply with the STCW provisions.

Best regards.

(Sgd.) FIDEL V. RAMOS  
President

cc.: Hon. Speaker Jose C. de Venecia  
Speaker  
House of Representatives  
Quezon City

• BILL ON THIRD READING  
S. No. 2394 - Philippine Merchant Marine Officers Law

Senator Tatad. Mr. President, I move that we vote on Third Reading on Senate Bill No. 2394.

The President. Is there any objection? [Silence] There being none, voting on Third Reading on Senate Bill No. 2394 is now in order.

The Secretary will please read only the title of the bill.

The Secretary. Senate Bill No. 2394, entitled

AN ACT REGULATING THE PRACTICE OF THE MERCHANT MARINE  
PROFESSION IN THE PHILIPPINES

Senator Maceda. Mr. President.

The President. The Minority Leader is recognized.

PARLIAMENTARY INQUIRY OF SENATOR MACEDA  
(Roll Call Vote on S. No. 2394)

Senator Maceda. Parliamentary inquiry, Mr. President. The Majority Leader has called for a vote. Is there any discretion on the part of the Secretary not to call the roll?

The President. We shall now vote on the bill and the Secretary will call the roll.

The Acting Secretary. Senators

Alvarez.....	Yes
Angara .....	
Coseteng.....	Yes
Drilon.....	Yes
Enrile.....	Yes
Fernan.....	Yes
Flavier.....	
Herrera.....	Yes
Honasan.....	
Macapagal.....	
Maceda.....	Yes
Magsaysay, Jr. ....	
Mercado.....	Yes

Ople.....Yes  
 Osmena III.....Yes  
 Revilla.....Yes  
 Roco.....Yes  
 Romulo.....Yes  
 Defensor Santiago.....Yes  
 Shahani.....Yes  
 Sotto III.....Yes  
 Tatad.....Yes  
 Webb.....Yes  
 The President.....Yes

#### APPROVAL OF S. NO. 2394 ON THIRD READING

The President. With 14 affirmative votes, no negative vote, and no abstention, Senate Bill No. 2394 is approved on Third Reading.

#### BILL ON SECOND READING

S. No. 2493 - Philippine Science High School System

Senator Tatad. Mr. President, I move that we consider Senate Bill No. 2493 as reported out under Committee Report No. 935.

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

Consideration of Senate Bill No. 2493 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 Acting Secretary. Senate Bill No. 2493, entitled

AN ACT TO ESTABLISH THE PHILIPPINE SCIENCE HIGH SCHOOL  
 SYSTEM AND PROVIDING FUNDS THEREFOR

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

Senate Bill No. 2493  
 (Insert)

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Assistant Majority Leader, on behalf of the Committee on Education, Arts and Culture, be recognized.

The President. Senator Romulo is recognized.

#### SPONSORSHIP SPEECH OF SENATOR ROMULO

Senator Romulo. Mr. President, I have the honor to sponsor Senate Bill No. 2493, establishing the Philippine Science High

## School System.

In 1963, President Macapagal signed the Philippine Science High School Charter, providing free scholarship for qualified high school students in the sciences. Since then, other branches of the Philippine Science High School have been established in Davao City, in Iloilo City, and in Tacloban City.

The establishment of the science high school was in response to the advances in science and technology all over the world. Instead of science being just an optional course, Republic Act No. 3661 would put at center stage science and technology in the educational system. It is now time to rationalize the establishment of science high schools into a system, whose objective is to eventually produce the engineers, scientists and technologists required to industrialize the country.

A United Nations Science and Technology Committee has set the critical mass for science and technology experts at 380 per one million population. The US has 3,259 per million; South Korea, 2,102; and Singapore, 1,931. Japan has 6,269 science experts per million population.

According to the Department of Science and Technology, there are only 190 scientists, engineers and technologists per one million Filipinos, roughly half of the accepted optimum for sustaining and developing science and technology in the country. Compared to Japan's 6,269 science experts to the Philippines' 190 per million population, Japan is 33 times that of the Philippines.

Every year, around 15,000 elementary school graduates take the National Competitive Examination to qualify for entrance to the Philippine Science High School. Due to lack of resources, a mere 3.5 percent entered the system.

If we are to industrialize the country in the early part of the 21st century, there is urgency to improve the country's science and technology capability. To begin with, we need more graduates in science and technology to man our schools, laboratories, factories, plants, and industrial complexes. As the country moves toward the new millennium, the role of science and technology in attaining economic and social progress will become even more significant. Thus, it is imperative that we enhance our scientific and technological work force through a massive and focused S&T Human Resource Development Program.

Presently, we have the Philippine Science High School which has four campuses--the Diliman campus, the Eastern Visayas campus, the Western Visayas campus and the Mindanao campus. The last three campuses are relatively new and were established by special laws.

Since there is a need to coordinate more systematically the management of these campuses with the curriculum, faculty members

and facilities that are responsive to the dynamic innovations in S and T education, a PSHS system is important. Having a mechanism that will harmonize the policies and programs as well as implementation of the various administrative policies will undoubtedly enhance the sharing of resources among campuses.

The PSHS has graduated about 5,000 students in the last few years. However, the value of expanding its reach to a greater number of students whose orientation and inclination for S and T courses cannot be ignored.

As the model secondary institution for S and T oriented curriculum, the Philippine Science High School has received the recognition of foreign international experts and has sent observers to the classes. It is considered a center of excellence in S and T secondary education which has produced technologists and scientists in various disciplines, many of whom are recognized experts in their chosen profession.

The bill seeks to strengthen the participation of the campus directors through the establishment of an executive committee and the inclusion in the policy-making body, the board of trustees, representatives from the private sector coming from industry, agriculture, new technologies, higher education and education for the gifted. This will result in the infusion of novel and relevant policies which will meet the needs of the rapidly transforming and technology-driven manufacturing and industrial sectors. It is expected that the curriculum and facilities of the PSHS system will be as dynamic as the innovations in the changing agri-industrial scenario in the Philippines.

The students who will graduate from the PSHS will supply the core of highly talented scientists, technologists and researchers whose contributions to industrial development will permeate the Philippine society as they work in the academe, the government and the private sector.

We, therefore, seek our colleagues' support and approval of this bill which will strengthen the foundation of the Philippine science and technology development.

We ask the Body's unanimous vote. Thank you, Mr. President.

Senator Tatad. Mr. President, we would like to thank the Assistant Majority Leader for that sponsorship speech.

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

#### SUSPENSION OF CONSIDERATION OF S. NO. 2493

To allow our colleagues to prepare for the interpellation, I move to suspend consideration of Senate Bill No. 2493.

Senator Maceda. Mr. President.

The President. The Minority Leader is recognized.

QUESTION OF PRIVILEGE OF SENATOR MACEDA  
(On Omission of the Committee)

Senator Maceda. I have no objection, Mr. President, except to point out on a question of personal privilege since this is not the first time but the second time already.

This is again a committee report which, contrary to the practice in the Senate, the Minority Leader was not given a chance to look at, much less to sign the same, especially since out of the 15 regular members and three *ex officio* members, only nine senators signed this report.

I would like to inform all the members of the Senate again that there is still a Minority Leader in this Chamber.

Senator Tatad. Mr. President, we express our regrets on this particular omission of the committee. We would urge the Secretariat to make sure that this omission does not occur again.

The President. The Chair has been handed the original copy of Committee Report No. 935 which was filed with the Office of the Secretary on February 2, 1998 at 3:04 p.m. It indicates that it carries the signature of the Minority Leader.

Senator Tatad. Thank you very much, Mr. President.

BILL ON SECOND READING  
S. No. 2465--Amending Sec. 41(b) of RA 7160

Senator Tatad. Mr. President, I move that we consider Senate Bill No. 2465 as reported out under Committee Report No. 973 in relation to House Bill No. 10479.

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

Consideration of Senate Bill No. 2465 in relation to House Bill No. 10479 is now in order. 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. 2465, entitled

AN ACT AMENDING SECTION 41 OF REPUBLIC ACT NO. 7160,  
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF  
1991

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

Senate Bill No. 2465  
(insert)

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairman of the Committee on Local Government be recognized.

The President. Senator Sotto is recognized.

SPONSORSHIP SPEECH OF SENATOR SOTTO

Senator Sotto. Thank you, Mr. President.

It is my pleasure to report out to the Floor of the Senate, Committee Report No. 973 of the Committee on Local Government, recommending approval, without amendment, of Senate Bill No. 2465 in relation to House Bill No. 10479 authored by Congressman Maranon, entitled "AN ACT AMENDING SECTION 41(B) OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991."

The bill was introduced by Sen. Francisco S. Tatad, the Majority Leader.

As its title indicates, Senate Bill No. 2465 seeks to amend Section 41(b) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, by deleting in said section the phrase "as may be provided by law" and substituting it with the phrase AS FOLLOWS, and adding the following subparagraph:

FIRST AND SECOND CLASS PROVINCES SHALL HAVE TEN (10) REGULAR MEMBERS; THIRD AND FOURTH CLASS PROVINCES, EIGHT (8); AND FIFTH AND SIXTH CLASS PROVINCES, SIX (6): *PROVIDED*, THAT IN PROVINCES HAVING MORE THAN FIVE (5) LEGISLATIVE DISTRICTS, EACH DISTRICT SHALL HAVE AT LEAST TWO (2) SANGGUNIANG PANLALAWIGAN MEMBERS, WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 2 OF REPUBLIC ACT NO. 6637.

The proposed amendments are intended to provide for an equitable representation in the *Sangguniang Panlalawigan*, and rectify the present situation where there are provinces with lesser number of districts, but elect more number of regular members of the *Sangguniang Panlalawigan*, pursuant to the provisions of Section 2 of Republic Act No. 6637.

The proposed amendments will provide for a uniform number of regular members in the *Sangguniang Panlalawigan* of provinces belonging to the same class.

It is my pleasure, therefore, Mr. President, to present for appropriate consideration of this august Body, Committee Report No. 973 of the Committee on Local Government, recommending approval, without amendments, of Senate Bill No. 2465.

Thank you, Mr. President.



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Senator Maceda. Mr. President.

The President. The Minority Leader is recognized.

Senator Maceda. Mr. President, will the distinguished sponsor yield for a few questions?

Senator Sotto. Most willingly, Mr. President.

Senator Maceda. The bill, it seems to me, really seeks to favor or to provide for provinces having more than five legislative districts. Each district shall have at least two *Sangguniang Panlalawigan* members.

I am just wondering about the words "at least." Is it the intention of the Committee that it could be more than two?

Senator Sotto. No, Mr. President, that is not the intention of the Committee. The Minority Leader of course has eagle eyes as far as legislation is concerned. So, we would like to place on record the fact that we only wanted to provide two *Sangguniang Panlalawigan* members per legislative district.

Senator Maceda. As far as I can remember, it is only the provinces of Cebu and Pangasinan at the moment.

Senator Sotto. And Negros Occidental.

Senator Maceda. Negros Occidental, including the City of Bacolod?

Senator Sotto. Yes, Mr. President.

Senator Maceda. Is the City of Bacolod considered a separate legislative district? Does the City of Bacolod, being an urbanized city, vote for the governor?

Senator Sotto. No, Mr. President. Negros Occidental has only five districts.

Senator Maceda. Exactly.

Senator Sotto. The sixth district is...

Senator Maceda. The City of Bacolod.

Senator Sotto. The City of Bacolod.

Senator Maceda. So this particular....

Senator Sotto. I am sorry. I stand corrected, Mr. President. Negros Occidental, according to Senator Drilon who is from this place, has six districts. And the seventh district is Bacolod.

Senator Maceda. So there is no province where there are seven legislative districts appertaining to the province or to the constitution of the provincial board?

Senator Sotto. Yes. Aside from the three, there is none at the moment, Mr. President. But I understand that it is not farfetched that in the years to come, the Comelec might again create new districts in the area because of the election necessities.

Senator Maceda. So first- and second-class provinces shall have ten regular members. Is this the existing situation?

Senator Sotto. Yes, this is existing situation, Mr. President.

Senator Maceda. But it is capitalized in the sense that this is just formalizing into Republic Act No. 7160 an existing situation?

Senator Sotto. It is a repetition of Republic Act No. 6637 which says in Section 4, "First- and second-class provinces shall have ten (10) elective members for their respective *Sangguniang Panlalawigan*; third- and fourth-class provinces, eight (8); fifth- and sixth-class provinces, six (6) to be elected at large by the qualified voters therein."

Senator Maceda. That is the existing situation?

Senator Sotto. That is the existing situation. It is only Pangasinan, Negros Occidental and Cebu that have this problem at the moment. The people in the area have been clamoring for an equitable representation in the *Sanggunian*.

Senator Maceda. And Pangasinan is headed by an independent but Lakas-supported provincial governor. When he ran for office, he was supported by Lakas.

Senator Sotto. I think so. I am not so sure about it at present.

Senator Maceda. And, of course, the governors of Cebu and Negros Occidental are also Lakas provincial governors?

Senator Sotto. I am not sure about that also, Mr. President, especially in the case of Cebu. I understand that they have a local party.

Senator Maceda. So that besides that point, would it be fair to say that there is a request for this bill to accommodate the administration party in arranging the positions for so many graduating mayors who cannot run for reelection, and therefore must be accommodated in their provincial board tickets?

Candidly speaking, is it not the intention of this bill?

Senator Sotto. I do not think so, candidly, Mr. President. I think this is a legitimate request of the people in the area, especially the political leaders themselves. Because in the case of Pangasinan, there are six districts but there are only ten seats in the legislative district of Pangasinan in the *Sangguniang Panlalawigan*. So that there are two districts wherein they have only one representative. It is the same situation as far as Negros Occidental and Cebu are concerned. So I find it very legitimate.

Senator Maceda. Thank you. So if the intention is not to provide for political accommodations of graduating municipal mayors, would the sponsor then agree to make this bill effective after the May 11 elections?

#### SUSPENSION OF SESSION

Senator Sotto. May I have request that we suspend the session for a few minutes. I would want to confer with the author, Mr. President.

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

*It was 6:39 p.m.*

#### RESUMPTION OF SESSION

*At 6:43 p.m., the session was resumed.*

The President. The session is resumed.

Senator Maceda is recognized.

Senator Maceda. Mr. President, subject to the acceptance of the sponsor of an amendment at the proper time, we will terminate our interpellation.

My stand, Mr. President,--whether it is with regard to the Dasmariñas bill or the Novaliches bill, and now in the case of this bill--is that we should not be legislating at this time additional elective positions only for purposes of accommodating specific personalities.

I believe that while the intent of the bill is good, we can accept that. But we can avoid the political and partisan implication of it by providing that the elections for these additional seats should not be held exactly coincident with the May 11 elections.

Senator Tatad. Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, I move that we close the period of interpellations.

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

Senator Tatad. Mr. President, as there are no committee amendments, I move that the period of committee amendments be closed.

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

Senator Tatad. Mr. President, I move that we now consider the individual amendments.

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

Senator Maceda. Mr. President.

The President. The Minority Leader is recognized.

#### MACEDA AMENDMENTS

Senator Maceda. Mr. President, on the capitalized provisions referring to more than five legislative districts, "EACH DISTRICT SHALL HAVE AT LEAST TWO SANGGUNIANG PANLALAWIGAN MEMBERS," I move to delete the words "at least" between the word "HAVE" and "TWO".

The President. What does the sponsor say?

Senator Sotto. It is accepted, Mr. President.

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

Senator Maceda. May I now provide for a new Section 2 and a consequent renumbering of Sections 2, 3 and 4, subject to style: THE ELECTION OF ANY ADDITIONAL REGULAR MEMBERS TO THE SANGGUNIANG PANLALAWIGAN AS PROVIDED FOR BY THIS BILL SHALL BE HELD UPON A PETITION OF THE PROVINCIAL BOARD AND CALLED BY THE COMELEC NOT EARLIER THAN SIX (6) MONTHS AFTER MAY 11, 1998.

Senator Sotto. Mr. President, before I accept the amendment, may I just clarify one point.

Does this mean that we are also saying that by the year 2001, it shall be incorporated already, except for the 1998 elections?

Senator Maceda. We accept that amendment, Mr. President.

The President. Does it also mean that there will be a special election for the additional members?

Senator Maceda. Yes, Mr. President. Since it really involves only three provinces and it would only involve maybe two districts within the province, this will be a relatively small and inexpensive special election.

Senator Sotto. Subject to style, the amendment is accepted, Mr. President.

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

Senator Tatad. Mr. President, there being no further individual amendments, I move that the period of individual amendments be closed.

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

#### APPROVAL OF S. NO. 2465 SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on Senate Bill No. 2465, as amended.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on Senate Bill No. 2465, as amended.

As many as are in favor of the bill, say *Aye*.

Several Senators. *Aye*.

As many as are against the bill, say *Nay*. [Silence]

Senate Bill No. 2465, as amended, is approved on Second Reading.

#### BILL ON SECOND READING

H. No. 9739 - Creating Novaliches City  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of House Bill No. 9739 as reported out under Committee Report No. 854.

The President. Is there any objection? [Silence] There being none, resumption of consideration of House Bill No. 9739 is now in order.

Senator Tatad. Mr. President, we were in the period of interpellations. Since there are no further Interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. Mr. President, I move that we now consider the committee amendments.

I ask that the distinguished Chairman of the Committee on Local Government be recognized.

The President. Senator Sotto is recognized.

Senator Sotto. Mr. President, in view of the numerous amendments, especially the metes and bounds that we mentioned earlier, we have submitted them to the Bills and Index Service. The committee amendment is the substitute bill itself.

We have incorporated also in the substitute bill the two points that were brought up by the Minority Leader: There will be no legislative districts in Novaliches which will remain in the Second District of Quezon City; and a plebiscite will be held in the directly affected areas, that means the City of Novaliches, the barangays therein and Quezon City itself.

The President. So all the committee amendments are incorporated in the clean copy which is being offered as a bill in substitution.

Senator Sotto. Yes, Mr. President.

Senator Maceda. Mr. President.

The President. The Minority Leader is recognized.

Senator Maceda. But what has been distributed yesterday and even today is still House Bill No. 9739, creating the Municipality of Novaliches.

#### SUSPENSION OF SESSION

Could we have a suspension of the session so that we can reproduce this new bill which we have not received, Mr. President?

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

*It was 6:50 p.m.*

#### RESUMPTION OF SESSION

*At 6:55 p.m., the session was resumed.*

The President. The session is resumed.

Senator Maceda is recognized.

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Senator Maceda. Mr. President, I have not really gone over this new version, but we will take it on faith especially this matter of all these new boundaries.

As the gentleman has said, there are supposed to be 15 barangays now.

Senator Sotto. Yes, Mr. President.

Senator Maceda. On page 4, line 13, we have this specific exclusion, "excluding the La Mesa Dam Watershed".

Senator Sotto. Yes, Mr. President.

Senator Maceda. What are the areas and boundaries of the La Mesa Dam Watershed? How is that determined?

Senator Sotto. When the metes and bounds, the technical descriptions were incorporated in this substitute bill, Mr. President, in coordination with the Land Management Bureau, we made sure that the La Mesa Dam Watershed is not already included in the metes and bounds submitted here.

Senator Maceda. I hope that is so, because there are probably over a hundred boundary disputes between provinces and municipalities all over the country that up to now have caused a lot of controversy.

Senator Sotto. Yes, we made sure that it is not included, Mr. President, because that is the main objection of the city officials of Quezon City. We incorporate the normal amendments every time we approve the conversion of a municipality into a city in this Chamber.

#### MACEDA AMENDMENTS

Senator Maceda. On page 6, line 28, delete the words and figure "twenty-three (23)" and insert the words and figure TWENTY-FIVE (25).

Senator Sotto. We accept the amendment, Mr. President.

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

Senator Maceda. On page 9, line 18, to begin with, I think there is a typographical error here. It says, "Authorize official tips of city officials".

Senator Sotto. That should be "trips," Mr. President.

Senator Maceda. Not tips to restaurants, Mr. President.

Senator Sotto. No, Mr. President. I am sorry. That is a

typographical error. It is "trips".

The President. Is the amendment acceptable?

Senator Sotto. It is accepted, Mr. President.

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

Senator Maceda. Does it mean to say that for city officials to go from the City of Novaliches to Quezon City, they have to get an official authorization from the city mayor?

Senator Sotto. If they are going to stay there for more than a span of time, Mr. President, I understand that, normally, the local officials have to ask permission.

Senator Maceda. In the original municipality, the salary grade for vice mayor was grade 25. It is now up to grade 28, on page 13, line 19.

Is there a scale for salary ranges of city mayors and vice mayors depending on the class of the city?

Senator Sotto. Yes, Mr. President. It is in the Local Government Code.

Senator Maceda. And this grade 28 is based on it being a first-class city?

Senator Sotto. I understand that it is based on an independent city.

Senator Maceda. What does the Local Government Code say on the salaries of mayors and vice mayors?

Senator Sotto. May I just be given a few minutes, Mr. President. [Pause]

In the Local Government Code, Article II, Section 456(b), under "Powers, Duties and Compensation of the City Vice Mayors," it says:

The city vice mayor shall receive a monthly compensation corresponding to salary grade 28 for a highly urbanized city and salary grade 26 for a component city as prescribed under Republic Act 6758 and the implementing guidelines issued pursuant thereto.

Senator Maceda. It is a highly urbanized city with a congressman in the beginning.

Senator Sotto. It is qualified as a highly urbanized city, Mr. President, but we have proposed in the substitute bill that it be an independent city and not a component city. It cannot be



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a component city.

Senator Maceda. So, could we reduce the grade "28" to grade 26?

Senator Sotto. Yes, that is acceptable, Mr. President. It is accepted.

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

Senator Maceda. Now, with the creation of this new city carved out of the Second District of Quezon City, how much would be the remaining population of the Second District of Quezon City?

Senator Sotto. As of September 1, 1995, the population of the second congressional district of Quezon City is 942,074.

Senator Maceda. That looks a little high.

Senator Sotto. No, Mr. President. That is really the biggest district in the Philippines. But I am just checking if the 328,000 population of Novaliches is still within the 942,000.

The total is 942,074. The 15 barangays of Novaliches that will be carved out of the Second District of Quezon City is 328,880. So, the difference would be the total population of the Second District of Quezon City.

Senator Maceda. Just for my information. Will the gentleman read the population for the three other districts of Quezon City.

Senator Sotto. Mr. President, what I can present now would be the number of registered voters in the districts.

Senator Maceda. Yes, please. That would be fine.

Senator Sotto. Because we can just merely double it.

For the First District, the number of registered voters is 234,891; for the Third District, the number of registered voters is 168,256; and for the Fourth District, the total number of registered voters is 229,128.

Senator Maceda. And for the Second District?

Senator Sotto. It is 419,586.

Senator Maceda. That will go down to--how many of the registered voters pertaining to the 15 barangays are going to Novaliches?

Senator Sotto. Minus 177,853--this would be the total

number of registered voters in 15 barangays of Novaliches, not population. Of the total number of registered voters of 419,586 in the Second District of Quezon City, 177,853 is the total number of registered voters in 15 barangays of Novaliches.

Senator Maceda. Yes. All of these were really asked for a purpose and I am trying to determine in my mind the number of members of the *Sangguniang Panlungsod* that we shall allow. Because part of the problem of these new cities and/or municipalities is that they are immediately burdened with such a big number of local officials.

So on page 14, line 11, at the end of the line, delete the word "the" and insert the word and figure SIX (6).

Meaning to say, the regular districts of Quezon City only have six councilors each and they are even bigger than the voting population of Novaliches. That is the basis for that proposal.

Senator Sotto. Mr. President, the regular number of *Sanggunian* members per city is ten. The proposal of the gentleman is six. Considering the reasons that he has manifested, I would like to propose an amendment to that amendment--that it be made EIGHT.

Senator Maceda. When will the first officials of this city be elected? When does the gentleman expect the plebiscite to be held?

Senator Sotto. In all honesty, Mr. President, I would expect that the first elections of the city official will be in 2002.

Senator Maceda. So the first officials will then be appointed?

The President. In the other cities that we have created, there is, I think, a provision as to when the plebiscite is to be held--not earlier than so many days, not later than so many days after the enactment of the law. Why is there no similar provision in this charter of the City of Novaliches?

Senator Sotto. Mr. President, may I answer first the...

The President. The question of the Minority Leader is important because if the election is in 2001, then the city will be governed by appointive officials.

Senator Sotto. Yes. Mr. President, Section 52 of the bill would answer the question of the distinguished Minority Leader. "The first set of officials of the City of Novaliches shall be appointed by the President of the Republic of the Philippines and they shall hold office until such time that an election is held and duly elected officials shall have qualified and assumed their offices."

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The President. Yes. But the question of the Minority Leader is: When will the elective officials be elected in the first instance?

Senator Maceda. And that raises also a corollary question. If there will be no elections for the City of Novaliches on May 11, 1998, as it appears to be, but if the City is already formally created pursuant to this bill which will be signed into law, will the residents of the City of Novaliches still be entitled to vote for the city officials of Quezon City?

Senator Sotto. Mr. President, we can be specific by specifying the number of days when the plebiscite can be held in Section 51 of the bill.

The President. Because in the City of Taguig, I think they were assured by the Commission on Elections that the plebiscite can be held at such a time so that the first city officials of the City of Taguig can be elected in the May 11, 1998 elections.

Senator Sotto. Then, Mr. President, I shall accept a proposal to this effect.

Senator Maceda. No, I do not mind having the first elected officials in the year 2001. I am not proposing to speed up the election process. The only reason why I opened it up is, if the elections were to be held in May, I would have been amenable to six councilors for the first elections to be increased to eight, as the sponsor suggested, or even ten, if by the next elections in 2001, when the population would have increased and the city would have organized properly to require a bigger number of councilors. That is why that is a very important consideration in determining whether initially we really need ten councilors or eight councilors, to begin with, especially if they are only going to be appointed.

#### SUSPENSION OF SESSION

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

*It was 7:13 p.m.*

#### RESUMPTION OF SESSION

*At 7:17 p.m., the session was resumed.*

The President. The session is resumed.

Senator Maceda. Mr. President, I reiterate my amendment to line 11 to insert the word SIX (6) in word and figure, and at the end of the sentence on line 13, insert the following: PROVIDED, HOWEVER, THAT IN THE NEXT SUCCEEDING ELECTION IN THE YEAR 2001, THE NUMBER OF REGULAR SANGGUNIANG MEMBERS SHALL BE INCREASED TO

EIGHT (8), subject to style.

Senator Sotto. It is accepted, Mr. President.

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

#### GONZALES AMENDMENTS

In connection therewith, will the sponsor be agreeable that with respect to line 14 of the same page, page 60, we delete the period (.) after the word "City" and add the following clause: WITHIN SIXTY (60) DAYS AFTER THE APPROVAL OF THIS ACT.

Senator Sotto. It is accepted, Mr. President.

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

On page 60, line 3, between the words "until" and "sangguniang", delete the word "the" and replace it with the word ITS because here we do not know which sangguniang panglunsod, whether we are referring to the Sangguniang Panlunsod of Quezon City or to the City of Novaliches.

Senator Sotto. It is accepted, Mr. President.

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

On the same page, line 18, I think there is a misspelling of the word "is". It should have one letter "i" and what remains is "is".

Senator Sotto. It is accepted, Mr. President.

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

On the same page, line 20, between the words "mayor" and "vice mayor", change the word "of" to OR.

Senator Sotto. It is accepted, Mr. President.

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

Are there any further amendments?

Senator Maceda. Mr. President, there is no provision for cockfighting here, is there?

Senator Sotto. I do not think so, Mr. President.

Senator Maceda. No, because in the past, there are charters which allow for the establishment of cockpits.

The President. There is on page 20, line 13. It speaks of cockpits and regulates cockfighting and commercial breeding of gamecocks.

#### MACEDA AMENDMENTS

Senator Maceda. There is. May I propose, therefore, that on page 20, we delete lines 11 to 15.

Senator Sotto. It is accepted, Mr. President.

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

Senator Maceda. Will the city have the authority to issue a permit or franchise for a jai alai fronton?

Senator Sotto. I do not think so, Mr. President.

Senator Maceda. So that on page 20, line 20, "upon approval by a majority vote of all the members of the sangguniang panlungsod, grant a franchise", this would not include racing, dog racing or jai alai franchise.

Senator Sotto. No, Mr. President, it should not.

Senator Maceda. So could we put that exception?

Senator Sotto. Yes, Mr. President.

Senator Maceda. EXCEPT HORSE RACING, JAI ALAI OR DOG RACING OR ANY KIND OF MAJOR GAMBLING ESTABLISHMENT.

Senator Sotto. Subject to style, it is accepted, Mr. President.

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

Senator Maceda. That was partly sponsored by Senator Tatad, Mr. President. [Laughter]

Now, I guess we need the plebiscite and election provision now.

Subject to style, as an additional section, in lieu of Sections 51 and 52, could we adopt the Taguig formula, Mr. President? The intention is to provide for an immediate plebiscite. That instead of the first set of officials being appointed, they shall be elected in the May 11, 1998 elections.

Senator Sotto. It is accepted, Mr. President.

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

#### SOTTO AMENDMENT

Senator Sotto. Just one slight amendment, Mr. President. On page 20, line 23, delete from the phrase the words "operate and maintain ferries, wharves".

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

Senator Maceda. I have no other amendment, unless somebody will suggest that we ban the establishment of incinerators in the city.

I will not propose that amendment, Mr. President.

Senator Enrile. Mr. President.

The President. Senator Enrile is recognized.

Senator Enrile. Before I propose my amendments, I would like to ask some questions.

Will the gentleman explain to us what the purpose of Section 6 is as found on page 5? It reads:

The jurisdiction of the City of Novaliches, for police purposes only, shall be co-extensive with its territorial jurisdiction and for the purpose of protecting and insuring the purity of the water supply of the City, such police jurisdiction shall also extend over all territory within the drainage area of such water supply, or within one hundred meters of any reservoir, conduit, canal, aqueduct or pumping station used in connection with the city water service.

Mr. President, if these reservoir, conduit, canal, aqueduct and pumping station are outside the territorial limits of the city but are used in connection with the city water service, would we extend the jurisdiction of the city into that area? Or was the intention here to mean that the jurisdiction of the City of Novaliches for any purpose shall be co-extensive with its territorial jurisdiction.

Senator Sotto. The last sentence would be most proper, Mr. President.

#### ENRILE AMENDMENTS

Senator Enrile. I suggest, therefore, that the first sentence of Section 6, beginning on line 11 all the way to line 16, ending with the word "service", shall be rewritten in the

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following manner:

THE JURISDICTION OF THE CITY OF NOVALICHES FOR ANY PURPOSE SHALL BE CO-EXTENSIVE WITH ITS TERRITORIAL JURISDICTION.

Senator Sotto. It is accepted, Mr. President.

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

Senator Enrile. On page 46, may I know if the City of Novaliches has extensive agricultural lands to require a city agriculturist?

Senator Sotto. Mayroon pa po, G. Pangulo.

Senator Enrile. Ilang ektarya po ba ang agricultural land ng Novaliches at anu-ano ang agricultural products na itinatanim doon?

Senator Sotto. There are a number of orchards, Mr. President, but we can delete that. It is not as large as an area that would need a city agriculturist. We would like to apologize for this section.

Senator Enrile. So, I would propose then to delete the entire Section 37 of this bill and renumber the corresponding sections.

Senator Sotto. It is accepted, Mr. President.

Senator Enrile. Thank you, Mr. President.

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

In connection with the Enrile amendment on page 5, to make it consistent with the amendment as already approved, on line 18, after the word "committed", we delete the rest of the sentence and substitute it with the words ITS TERRITORIAL JURISDICTION. So that we delete the phrase "within said drainage area, or within said spaces of one hundred (100) meters."

Senator Sotto. It is accepted, Mr. President.

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

Senator Romulo. Mr. President.

The President. Senator Romulo is recognized.

Senator Romulo. Mr. President, I just want to inquire if the metes and bounds of the territory will be in the *Journal* or the *Record of the Senate*.

Senator Sotto. Yes, Mr. President, this is part of the bill.

Senator Romulo. Meaning to say, when I look at the *Journal* tomorrow, this will appear there?

The President. Is it already a part of the bill?

Senator Sotto. It is already a part of the substitute bill, Mr. President, the one that we are now amending.

Senator Romulo. Yes, it is. It is part of this substitute bill. In fact, I have it.

But my concern, Mr. President, is, if it would appear in the *Journal* and in the *Record of the Senate*. Because these are the metes and bounds.

Senator Sotto. I would have to ask the Secretariat to answer that, Mr. President.

The President. The Chair understands that the entire bill will be reproduced in the Record.

Senator Romulo. How about in the *Journal*, Mr. President? May I also ask that at least the metes and bounds be included in the *Journal*.

The President. The Secretariat is hereby directed to include it in the *Journal*.

Senator Romulo. Thank you.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, if there are no further amendments, I move that the period of individual amendments be closed.

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

#### APPROVAL OF H. NO. ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 9739, as amended.

The President. Is there any objection? *[Silence]* There being none, we shall now vote on Second Reading on House Bill No. 9739, as amended.

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

Several Members: Aye.



As many as are against the bill, say *nay*. [Silence]

House Bill No. 9739, as amended, is approved on Second Reading.

#### SPECIAL ORDERS

Senator Tatad. Mr. President, I move to transfer from the Calendar for Ordinary Business to the Calendar for Special Orders the following bills:

House Bill No. 8729 under Committee Report No. 971, entitled

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED 7720 ENTITLED "AN ACT CONVERTING THE MUNICIPALITY OF SANTIAGO INTO AN INDEPENDENT COMPONENT CITY TO BE KNOWN AS THE CITY OF SANTIAGO"

House Bill No. 1921 under Committee Report No. 97, entitled

"AN ACT CONVERTING THE MUNICIPALITY OF VALENZUELA INTO A HIGHLY URBANIZED CITY TO BE KNOWN AS THE CITY OF VALENZUELA"

House Bill No. 5446 under Committee Report No. 974, entitled

"AN ACT REPEALING SECTION 3 OF REPUBLIC ACT NO. 7901 AND TO RETURN THE PROVINCE OF SULTAN KUDARAT TO REGION XII AND FOR OTHER PURPOSES"

House Bill No. 8918 under Committee Report No. 884, entitled

"AN ACT CONVERTING THE MUNICIPALITY OF CANDON INTO A COMPONENT CITY OF THE PROVINCE OF ILOCOS SUR TO BE KNOWN AS THE CITY OF CANDON"

Senate Bill No. 2170 under Committee Report No. 459, entitled

"AN ACT STRENGTHENING FURTHER THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP), BY PROVIDING AUGMENTATION FUND THEREFOR, AMENDING FOR THE PURPOSE SECTION 63 OF REPUBLIC ACT NO. 6657, OTHERWISE KNOWN AS 'THE CARP LAW OF 1998.'"

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

CONFERENCE COMMITTEE ON S. NO. 556/H. NO. 6861  
(Senators Angara, Shahani, Drilon, Herrera and Flavies  
as Members of the Senate Panel)

Senator Tatad. Mr. President, I move to constitute the Senate panel to the Bicameral Conference Committee on the

disagreeing provisions of Senate Bill No. 556 and House Bill No. 6961. This is the cotton industry bill.

I hereby nominate Senator Angara as chairman; as members, Senators Shahani, Drilon, Herrera, and Flavio.

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

CONFERENCE COMMITTEE ON S. NO. 1885/H. NO.  
(Senators Osmena, Romulo and Enrile  
as Members of the Senate Panel)

Senator Tatad. Likewise, I move to constitute the Senate panel to the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 1885 and its House counterpart.

I hereby nominate Senator Osmena as chairman, with Senators Romulo and Enrile as members.

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

BILL ON SECOND READING  
S. No. 1921 - City of Valenzuela

Senator Tatad. Mr. President, I move that we consider Senate Bill No. 1921 as reported out under Committee Report No. 907.

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

Consideration of Senate Bill No. 1921 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 Acting Secretary. Senate Bill No. 1921, entitled

AN ACT CONVERTING THE MUNICIPALITY OF VALENZUELA INTO A  
HIGHLY URBANIZED CITY TO BE KNOWN AS THE CITY OF  
VALENZUELA

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*The following is the whole text of the bill*

Senate Bill No. 1921  
(insert)

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairman of the Committee on Local Government be recognized.

The President. Senator Sotto is recognized.

#### SPONSORSHIP SPEECH OF SENATOR SOTTO

Senator Sotto. Mr. President, I rise again to report out to the Floor of this august Chamber, Committee Report No. 907 of the Committee on Local Government, recommending approval of House Bill No. 1921, entitled "An Act Converting the Municipality of Valenzuela into a Highly Urbanized City to be Known as the City of Valenzuela," together with our proposed committee amendments.

The principal author of the bill in the House is Rep. Antonio M. Serapio. A counterpart bill was filed in the Senate, Senate Bill No. 1965 authored by Senator Romulo.

Valenzuela was once a sleepy agricultural town, Mr. President, which is but a stone's throw from the north of Manila. Not anymore. Today, Valenzuela has grown to become a bustling urban community, where it is the home of various factories, industries and commercial firms. It boasts of the presence of academic schools, hospitals and medical clinics, supermarkets, moviehouses, recreation centers and other urban amenities.

It now seeks the status of cityhood. The following statistics show its compliance of the basic requirements for such purposes:

The average annual income for 1994-1995 based on the 1991 constant prices, Mr. President, is P185,087,232.18. The population is 340,227 with a land area of 4,702 hectares.

With these premises, Mr. President, it is now my pleasure to present for consideration and approval of this august Body, Committee Report No. 907 of the Committee on Local Government, together with House Bill No. 1921 and our proposed committee amendments.

Thank you, Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, since there are no interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. I move that we now consider the committee amendments.

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

## COMMITTEE AMENDMENTS

Senator Sotto. Mr. President, on page 1, line 6, change the words "shall be" to IS HEREBY.

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

Senator Sotto. On page 2, line 19, after the word "taxes", insert a COMMA (,) and delete the word "and".

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

Senator Sotto. On the same page and line, between the words "close" and "roads", insert the words AND OPEN.

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

Senator Sotto. On the same page and line, after the word "squares", insert the phrase SUBJECT TO THE PROVISIONS OF THE CONSTITUTION AND EXISTING LAWS.

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

Senator Sotto. On page 3, delete the entire sentence beginning on line 13 up to line 17.

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

Senator Sotto. On the same page, line 17, delete the word "But" and capitalize the letter "a" on the word "any".

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

Senator Sotto. On page 12, line 21, after the words "vice mayor", add the phrase EXCEPT THAT CANDIDATES FOR SAID POSITIONS MUST BE AT LEAST EIGHTEEN (18) YEARS OF AGE ON ELECTION DAY.

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

Senator Sotto. On page 13, lines 26 and 27, delete the phrase "dynamite fishing and other forms of destructive fishing."

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

Senator Sotto. On page 20, delete lines 8 to 11 and readjust the subparagraphs accordingly.

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

Senator Sotto. On page 33, line 11, between the words "panlungsod" and "with", insert the phrase WHO SHALL BE A CAREER OFFICIAL.

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

Senator Sotto. On the same page, line 12, after the word "office," insert the phrase AND WHO SHALL BE APPOINTED BY THE CITY VICE MAYOR.

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

Senator Sotto. On page 57, after line 22, insert a new section to be known as Section 48 to read as follows:

SEC. 48. SUCCESSION CLAUSE. - THE CITY OF VALENZUELA SHALL SUCCEED TO ALL THE ASSETS, PROPERTIES, LIABILITIES, AND OBLIGATIONS OF THE MUNICIPALITY OF VALENZUELA.

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

Senator Sotto. On page 58, after line 12, insert a new section to be known as Section 53 to read as follows:

SEC. 53. SEPARABILITY CLAUSE. - IF ANY PART OF THIS ACT IS DECLARED INVALID OR UNCONSTITUTIONAL, THE OTHER PARTS OR PROVISIONS THEREOF SHALL REMAIN VALID AND EFFECTIVE.

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

Senator Sotto. On the same page, after Section 53, insert a new section to be known as Section 54 to read as follows:

SEC. 54. REPEALING CLAUSE. - ALL LAWS, DECREES, RULES OR REGULATIONS OR PARTS THEREOF INCONSISTENT WITH THE PROVISIONS OF THIS ACT ARE HEREBY REPEALED, AMENDED OR MODIFIED ACCORDINGLY.

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

Senator Sotto. And the renumbering of the sections accordingly, Mr. President.

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

Senator Sotto. There are no more committee amendments, Mr. President.

Senator Tatad. Mr. President, I move to close the period of committee amendments.

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

Senator Tatad. Mr. President, I move that we now consider the individual amendments, if there are any. [Silence]

Since there are no individual amendments, I move that the period of individual amendments be closed.

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

#### APPROVAL OF H. NO. 1921 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 1921, as amended.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 1921, as amended.

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

Several Members. Aye.

As many as are against the bill, say nay. [Silence]

House Bill No. 1921, as amended, is approved on Second Reading.

#### BILL ON SECOND READING H. No. 8729 - City of Santiago

Senator Tatad. Mr. President, I move that we consider House Bill No. 8729 as reported out under Committee Report No. 971.

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

Consideration of House Bill No. 8729 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 Acting Secretary [Atty. Raval]. House Bill No. 8729, entitled

AN ACT AMENDING CERTAIN SECTIONS OF R.A. NO. 7720  
ENTITLED "AN ACT CONVERTING THE MUNICIPALITY OF  
SANTIAGO INTO AN INDEPENDENT COMPONENT CITY TO BE

KNOWN AS THE CITY OF SANTIAGO"

---

*The following is the full text of H. No. 8729*

Insert

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairman of the Committee on Local Government be recognized.

The President. Senator Sotto is recognized.

SPONSORSHIP SPEECH OF SENATOR SOTTO

Mr. President, House Bill No. 8729, which was introduced in the House by Congressman Antonio M. Abaya as its principal author, is a simple measure which merely seeks to convert the City of Santiago into a component city of the Province of Isabela.

The City of Santiago is geographically located within, and is physically an integral part of the Province of Isabela. As an independent component city, however, it is completely detached and separate from the said province as a local political unit. To use the language of the Explanatory Note of the proposed bill, the City of Santiago is an "island in the provincial milieu."

The residents of the city no longer participates in the elections, nor are they qualified to run for any elective positions in the Province of Isabela.

The Province of Isabela, on the other hand, is no longer vested with the power and authority of general supervision over the city and its officials, which power and authority are now exercised by the Office of the President, which is very far away from Santiago City.

Being geographically located within the Province of Isabela, the City of Santiago is affected, one way or the other, by the happenings in the said province, and is benefited by its progress and development. Hence, the proposed bill to convert the City of Santiago into a component city of Isabela.

Mr. President, it is my pleasure, therefore, to present for consideration of this august Body Committee Report No. 971 of the Committee on Local Government, recommending approval, with our proposed committee amendment, of House Bill No. 8729.

Thank you, Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, I move that we close the period of interpellations.

The President. Is there any objection? [Silence] There being none, the period of interpellations is closed.

Senator Tatad. I move that we now consider the committee amendments.

Senator Roco. Mr. President.

The President. What is the pleasure of Senator Roco?

Senator Roco. Mr. President, may I ask for a reconsideration of the ruling on the motion to close the period of interpellations just to be able to ask a few questions?

Senator Tatad. May I move for a reconsideration of my motion, Mr. President.

The President. Is there any objection to the reconsideration of the closing of the period of interpellations? [Silence] There being none, the motion is approved.

Senator Roco is recognized.

Senator Roco. Will the distinguished gentleman yield for some questions?

Senator Sotto. Willingly, Mr. President.

Senator Roco. Mr. President, together with the Chairman of the Committee on Local Government, we were with the sponsors when we approved this bill to make Santiago a city. That was about two and a half years ago. At that time, I remember it was the cry of the city that it be "independent." Now we are deleting that word "independent."

Mr. President, only because I was a coauthor and a cosponsor, for the *Record*, I want some explanation on what happened between then and now that has made us decide that the City of Santiago should cease to be independent and should now become a component city.

Senator Sotto. Mr. President, the officials of the province said during the public hearing that they are no longer vested with the power and authority of general supervision over the city. The power and authority is now being exercised by the Office of the President and it is quite far from the City of Santiago.

In the public hearing, we also gathered that there is a clamor from some sectors that they want to participate in the provincial elections.

Senator Roco. Mr. President, I did not mean to delay this. I did want it on record, however. I think there was a majority



9-6364  
of 14,000 who approved the charter, and maybe we owe it to those who voted for that charter some degree of respect. But if there has been a change of political will, then so be it.

Thank you, Mr. President.

Senator Sotto. Mr. President, to be very frank about it, that was a very important point raised by Senator Roco, and I will have to place it on the *Record of the Senate* that the reason why we are proposing a committee amendment is that, originally, there was an objection on the part of the local officials of the City of Santiago, but a compromise was reached between the local officials and those who oppose it by incorporating a plebiscite in this bill. That was the solution. Because there were some sectors in the City of Santiago who were opposing the reclassification or reconversion of the city into a component city.

Senator Roco. All I wanted to say, Mr. President--because the two of us had special pictures in the city--is that I thought it should be put on record that we have supported originally the proposal to make it an independent city. But now if it is their request, then, on the manifestation of the Chairman, let it be so.

Thank you.

Senator Drilon. Mr. President.

The President. Senator Drilon is recognized.

Senator Drilon. Will the gentleman yield for a few questions, Mr. President?

Senator Sotto. Yes, Mr. President.

Senator Drilon. Mr. President, further to the interpellation of our good friend, the Senator from Bicol, on the matter of the opinion of the citizens of Santiago City, there is a resolution passed by the *Sanggunian* on January 30, 1997 opposing the conversion of Santiago from an independent city.

This opposition was placed on record during the committee hearings. And that is the reason why, as mentioned by the good sponsor, one of the amendments is that a plebiscite be conducted before the law takes effect.

The question I would like to raise--and I would like to recall the statement of our Minority Leader--is that, at this time we should not be passing bills in a hurry where it is perceived that we are passing it for a particular politician.

In this particular case, it is obvious that this bill is being passed in order that the additional territory be added to the election of the provincial officials of the province of

Isabela.

Now, is this for the benefit of any particular politician, Mr. President?

Senator Sotto. If it is, I am not aware of it, Mr. President.

Senator Alvarez. Mr. President.

The President. With the permission of the two gentlemen on the Floor, Senator Alvarez is recognized.

Senator Alvarez. As a born inbred citizen of this City, Mr. President, may I share some information.

Mr. President, if we open up the election of the city to the provincial leadership, it will not be to the benefit of the provincial leadership, because the provincial leadership will then campaign in a bigger territory.

As a matter of fact, the ones who will benefit from this are the citizens of Santiago who will now be enfranchised in the provincial electoral process, and whose children will have the opportunity to grow into provincial leadership. This is one of the prime reasons why this amendment is being put forward.

While it is true that there may have been a resolution by the city council, those who signed the resolution were not the whole of the council. This bill was sponsored by the congressman of that district who represents a constituency, the voice of the district.

I think, Mr. President, in considering which interest is paramount, whose voice must be heard, and if we have to fathom the interest of the people, the law which has been crafted here in accordance with the rules should be given account, as we do give account to many of the legislations coming from the House on local issues.

Senator Drilon. Mr. President, the reason why I am raising this question is that, as Senator Roco said, just two-and-a-half years ago we passed a bill which indeed disenfranchized--if we want to use that phrase--the citizens of the City of Santiago in the matter of the provincial election. Two-and-a-half years after, we are changing the rule.

In the original charter, the citizens of the City of Santiago participated in a plebiscite in order to approve the conversion of the city into an independent city. I believe that the only way to resolve this issue raised by Senator Roco is again to subject this issue to another plebiscite as part of the provisions of this proposed bill and as will be proposed by the Committee Chairman as an amendment.

Thank you very much, Mr. President.

Senator Alvarez. Mr. President, the Constitution does not require that the change from an independent to a component city be subjected to a plebiscite.

Sections 10, 11, 12 of Article X of the 1987 Constitution provides as follows:

Sec. 10. No province, city, municipality, or barangay may be created, divided, merged, abolished, or its boundary substantially altered, except in accordance with the criteria established in the local government code and subject to approval by a majority of the votes cast in a plebiscite in the political units directly affected.

This change from an independent city into a component city is none of those enumerated. So the proposal coming from the House is in adherence to this constitutional mandate which does not require a plebiscite.

Senator Sotto. Mr. President, the key word here is "conversion". The word "conversion" appears in that provision wherein we must call a plebiscite. During the public hearing, the representative of Congressman Abaya was insisting that this is not a conversion; this is merely a reclassification. But it is clear in the bill.

We are amending a bill that converts, and we are converting it into a component city. That is how the members of the committee felt. That is why we have proposed an amendment to this, and this is to incorporate a plebiscite inasmuch as there is no prohibition on incorporating a plebiscite. Because we would like not only to give the other people of Santiago a chance or be enfranchised as far as the leadership of the province is concerned, but also we will give a chance to those who are opposing it. To them, this is the best compromise. Let the people decide, instead of the political leaders of Isabela deciding for them.

Senator Tatad. Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. At this point, Mr. President, I think we can move to close the period of interpellations.

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

Senator Tatad. I move that we now consider the committee amendments, Mr. President.

The President. Is there any objection? *[Silence]* There

being none, the motion is approved.

Senator Sotto. On page 2, after line 13, insert a new Section 3 as follows:

SEC. 3. SECTION 49 OF REPUBLIC ACT NO. 7720 IS HEREBY AMENDED BY DELETING THE ENTIRE SECTION AND IN ITS STEAD SUBSTITUTE THE FOLLOWING:

SEC. 49. *PLEBISCITE.* - THE CONVERSION OF THE CITY OF SANTIAGO INTO A COMPONENT CITY OF THE PROVINCE OF ISABELA SHALL TAKE EFFECT UPON THE RATIFICATION OF THIS ACT BY A MAJORITY OF THE PEOPLE OF SAID CITY IN A PLEBISCITE WHICH SHALL BE HELD FOR THE PURPOSE WITHIN SIXTY (60) DAYS FROM THE APPROVAL OF THIS ACT. THE COMMISSION ON ELECTIONS SHALL CONDUCT AND SUPERVISE SUCH PLEBISCITE.

The President. Is there any objection?

Senator Enrile. Mr. President.

The President. Senator Enrile is recognized.

Senator Enrile. I object to this committee amendment, Mr. President.

#### SUSPENSION OF SESSION

Senator Tatad. May I ask for a one-minute suspension of the session.

The President. The session is suspended for a few minutes, if there is no objection: [*There was none.*]

*It was 7:54 p.m.*

#### RESUMPTION OF SESSION

*At 7:57 p.m., the session was resumed.*

The President. The session is resumed.

Senator Sotto is recognized.

Senator Sotto. Mr. President, after a very enlightening conversation with the elders of the Body, I withdraw my amendment.

The President. The amendment is withdrawn.

Senator Maceda. Mr. President.

The President. Senator Maceda is recognized.

2-3-57  
Senator Maceda. We wish to thank the sponsor for the withdrawal of the amendment.

Mr. President, with due respect to the Senator from Isabela--I am no great fan of the Senator from Isabela--but it so happens that this is a local bill affecting not only his province but his own city where he is a resident and registered voter.

So, unless the issue is really a matter of life and death and of national importance, senatorial courtesy demands that we, as much as possible, accommodate the request of the Senator from Isabela as we have done on matters affecting the district of other senators. I need not remind them.

Thank you anyway, Mr. President.

Senator Alvarez. Mr. President.

The President. Senator Alvarez is recognized.

Senator Alvarez. Mr. President, may I express my deepest appreciation for the statement of the gentleman from Ilocos and Laguna. Whatever he may have said, the feeling is not mutual. At least for now, I have suddenly become his great fan for the evening.

May I put on record, Mr. President, that I campaigned against the cityhood of Santiago not because I do not want it to be a city but because it had disenfranchised the young men of my city from aspiring for the leadership of the province. The town is the gem of the province. How could we extricate the town from the province?

But I would like to thank the gentleman, Mr. President, and also the Chairman of the Committee.

Senator Tatad. Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. There being no committee amendments, I move that the period of committee amendments be closed.

The President. Shall we amend the title of this bill by removing the word "independent" preceding "component city"?

Senator Sotto. No, Mr. President. We are merely citing the title. The main title of this House Bill No. 8729 is "An Act Amending Certain Sections of Republic Act 7720". The title is the title of Republic Act 7720. So, I do not think that we should amend that anymore.

The President. What is the pending motion? Will the gentleman kindly state the motion?

Senator Tatad. 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 Tatad. Unless there are any individual amendments, I move that we close the period of individual amendments.

The President. Is there any objection? [Silence] There being none, the period of individual amendments is closed.

#### APPROVAL OF H. NO. 8729 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 8729.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 8729.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 8729 is approved on Second Reading.

#### BILL ON SECOND READING

H. No. 8918--City of Candon

Senator Tatad. Mr. President, I move that we consider House Bill No. 8918 as reported out under Committee Report No. 884.

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

Consideration of House Bill No. 8918 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. House Bill No. 8918, entitled

AN ACT CONVERTING THE MUNICIPALITY OF CANDON INTO A  
COMPONENT CITY OF THE PROVINCE OF ILOCOS SUR TO BE  
KNOWN AS THE CITY OF CANDON

---

The following is the full text of the bill:

HOUSE BILL NO. 8918  
insert

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairman of the Committee on Local Government be recognized.

The President. Senator Sotto is recognized.

#### SPONSORSHIP SPEECH OF SENATOR SOTTO

Senator Sotto. Mr. President, it is again my distinct honor and privilege to report out to the Floor of this august Chamber, Committee Report No. 884 of the Committee on Local Government, recommending approval, with our proposed committee amendments, of House Bill No. 8918, entitled "An Act Converting the Municipality of Candon into a Component City of the Province of Ilocos Sur, to be Known as the City of Candon" in relation to Senate Bill No. 2296 of the same title, and substantially the same contents.

House Bill No. 8918 was introduced in the House by Congressman Eric Singson, as principal author, while its counterpart bill in the Senate, Senate Bill No. 2296 was introduced by Senator Romulo.

I understand that there is also another Senate bill that was introduced by Senator Maceda.

The municipality of Candon, Mr. President, is another bustling community, being the center of trade and commerce in the Second District of Ilocos Sur. It is the center of trade for Virginia Tobacco in Region I.

Candon will be the first municipality, if we approve the proposed bill, which will be elevated to the status of a city in the province of Ilocos Sur.

The following statistical data are presented as basic requirements for cityhood.

The average annual income is P23,243,280.78 for 1995-96 based on 1991 constant prices.

The population is 45,128 per 1995 census.

The land area as originally represented by the Land Management Bureau was 103.69 square kilometers.

Probably in the period of interpellations we will be able to enlighten the Body on a certain discrepancy in the land area presented.

With the expected new sources of revenues and a greater share in the IRA, Candon looks forward to its cityhood as a vehicle towards the attainment of further progress and development.

Having said all these, it is now my pleasure, Mr. President, to present for consideration of this august Body Committee Report No. 884 of the Committee on Local Government, recommending approval of House Bill No. 8918 in relation to Senate Bill No. 2296 and the other Senate bill which the number escapes us at the moment.

Thank you, Mr. President.

Senator Tatad. Mr. President, there are some reservations to interpellate, but the Senators concerned are not ready at this stage for the interpellation.

I move to suspend consideration of House Bill No. 8918.

Senator Roco. Mr. President.

The President. Senator Roco is recognized.

Senator Roco. Mr. President, by way of just requesting the Majority Leader. If there is no disagreeing provision really between the House version and the report of the Senate, maybe, in lieu of the motion to suspend, we could just adopt the House version to terminate proceedings at the earliest possible time. If this is acceptable to the sponsor.

We adopt the House version so that there may be even no need for a conference.

#### SUSPENSION OF SESSION

Senator Tatad. Mr. President, I ask for a one-minute suspension of the session.

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

*It was 8:04 p.m.*

#### RESUMPTION OF SESSION

*At 8:11 p.m., the session was resumed.*

The President. The session is resumed.

Senator Tatad. Mr. President.

The President. The Majority Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF H. NO. 8729

Senator Tatad. Mr. President, I move to temporarily suspend consideration of House Bill No. 8729.



0000037  
The President. Is there any objection? [Silence] There being none, the motion is approved.

BILL ON SECOND READING  
S. No. 2477--Apayao State College  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 2477 as reported out under Committee Report No. 881.

The President. Is there any objection? [Silence] There being none, resumption of consideration of Senate Bill No. 2477 is now in order.

Senator Tatad. Mr. President, we are still in the period of interpellations. Unless there are further interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. Mr. President, as there are no committee amendments, I move that the period of committee amendments be closed.

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

Senator Tatad. As there are no individual amendments, I move that the period of individual amendments be closed.

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

APPROVAL OF S. NO. 2477 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on Senate Bill No. 2477.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on Senate Bill No. 2477.

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

Several Members. Aye.

As many as are against the bill, say nay. [Silence]

Senate Bill No. 2477 is approved on Second Reading.

BILL ON SECOND READING  
H. No. 8744 - Hondagua National High School  
(Continuation)

The President. Is there any objection? [Silence] There being none, resumption of consideration of House Bill No. 7080 is now in order.

Senator Tatad. Mr. President, we are still in the period of interpellations. Unless there are further interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. Since there are no committee amendments, I move that the period of committee amendments be closed.

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

Senator Tatad. As there are no individual amendments, I move that the period of individual amendments be closed.

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

#### APPROVAL OF H. NO. 7080 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading House Bill No. 7080 in relation to Senate Bill No. 2220.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 7080.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 7080 is approved on Second Reading.

Senator Tatad. I move that the Secretary read the Fourth Additional Reference of Business.

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

The Secretary will read the Fourth Additional of Business.

#### FOURTH ADDITIONAL REFERENCE OF BUSINESS

#### MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Acting Secretary.

Senator Tatad. Mr. President, I move that we resume consideration of House Bill No. 8744 as reported out under Committee Report No. 832.

The President. Is there any objection? [Silence] There being none, resumption of consideration of House Bill No. 8744 is now in order.

Senator Tatad. Mr. President, we are still in the period of interpellations. Unless there are further interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. Since there are no committee amendments, I move that the period of committee amendments be closed.

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

Senator Tatad. Mr. President, as there are no individual amendments, I move that the period of individual amendments be closed.

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

#### APPROVAL OF H. NO. 8774 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 8774.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 8774.

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

Several Members. Aye.

As many as are against the bill, say nay. [Silence]

House Bill No. 8774 is approved on Second Reading.

#### BILL ON SECOND READING

H. No. 7080--Granting Citizenship to  
Brother Stephen Kin-Sang Lo  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of House Bill No. 7080 in relation to Senate Bill No. 2220, granting citizenship to Brother Stephen Kin-Sang Lo.

February 2, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on February 2, 1998 passed House Bill No. 9812, entitled:

"AN ACT CONVERTING THE LEYTE INSTITUTE OF TECHNOLOGY IN THE CITY OF TACLOBAN, PROVINCE OF LEYTE, INTO A UNIVERSITY TO BE KNOWN AS THE VISAYAS STATE POLYTECHNIC UNIVERSITY (VSPU), APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

to which it requests the concurrence of the Senate.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committees on Education, Arts and Culture; and Finance.

The Acting Secretary.

February 2, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on February 2, 1998 passed House Bill No. 10417, entitled:

"AN ACT PROVIDING FOR A MAGNA CARTA FOR THE URBAN POOR"

to which it requests the concurrence of the Senate.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committees on Social Justice, Welfare and Rural Development; and Urban Planning, Housing and Resettlement.

The Acting Secretary.

February 2, 1998

The Honorable  
NEPTALI A. GONZALES  
President of the Senate  
Financial Center  
Pasay City 1308  
Metropolitan Manila

Mr. President:

I have been directed to inform the Senate that the House of Representatives on February 2, 1998 passed House Bill No. 10494, entitled:

"AN ACT CONVERTING THE AKLAN STATE COLLEGE OF AGRICULTURE IN THE MUNICIPALITY OF BANGA, PROVINCE OF AKLAN, INTO A STATE UNIVERSITY TO BE KNOWN AS THE STATE UNIVERSITY OF AKLAN, AND APPROPRIATING FUNDS THEREFOR

to which it requests the concurrence of the Senate.

Very truly yours,

(Sgd.) ROBERTO P. NAZARENO  
Secretary General

The President. Referred to the Committees on Education, Arts and Culture; and Finance.

#### BILLS ON FIRST READING

The Acting Secretary. Senate Bill No. 2494, entitled

AN ACT ESTABLISHING MATERNAL AND INFANT HEALTH HOME VISITING PROGRAM

Introduced by Senator Santiago

The President. Referred to the Committees on Health and Demography; and Youth, Women and Family Relations.

The Acting Secretary. Senate Bill No. 2495, entitled

AN ACT GRANTING WOMEN EQUAL OPPORTUNITY TO ATHLETIC  
SCHOLARSHIP AND TO PRIZES OF SPORTS

Introduced by Senator Santiago

The President. Referred to the Committees on Education,  
Arts and Culture; and Youth, Women and Family Relations.

The Acting Secretary. Senate Bill No. 2496, entitled

AN ACT CREATING A NATIONAL WOMEN'S BUSINESS ENTERPRISE  
POLICY AND PRESCRIBING ARRANGEMENTS FOR  
DEVELOPING, COORDINATING AND IMPLEMENTING A  
NATIONAL PROGRAM FOR WOMEN'S ENTERPRISE

Introduced by Senator Santiago

The President. Referred to the Committees on Trade and  
Commerce; and Youth and Women and Family Relations.

The Acting Secretary. Senate Bill No. 2498, entitled

AN ACT AMENDING ARTICLE 39, TITLE III OF EXECUTIVE  
ORDER NO. 226, OTHERWISE KNOWN AS THE "OMNIBUS  
INVESTMENTS CODE OF 1997"

Introduced by Senator Magsaysay Jr.

The President. Referred to the Committee on Trade and  
Commerce.

The Acting Secretary. Senate Bill No. 2499, entitled

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NO.  
6966, ENTITLED, "AN ACT REGULATING THE PRACTICE OF  
LIBRARIANSHIP AND PRESCRIBING THE QUALIFICATIONS  
OF LIBRARIANS", AND FOR OTHER PURPOSES

Introduced by Senator Magsaysay Jr.

The President. Referred to the Committee on Civil Service  
and Government Reorganization.

The Acting Secretary. Senate Bill No. 2500, entitled

AN ACT PROVIDING FOR THE BASES SPECIAL FUND FOR THE  
LOCAL GOVERNMENT UNITS AFFECTED BY THE DECLARATION  
OF THE BASES SPECIAL ECONOMIC ZONES AS DEFINED IN  
R.A. 7227, OTHERWISE KNOWN AS THE BASES CONVERSION  
AND DEVELOPMENT ACT OF 1992

Introduced by Senator Macapagal

The President. Referred to the Committees on Government  
Corporations and Public Enterprises; and Local Government.

0-3161  
The Acting Secretary. Senate Bill No. 2501, entitled

AN ACT ESTABLISHING THE SLOPING AGRICULTURAL LAND  
TECHNOLOGY CONSERVATION FARMING PROGRAM,  
APPROPRIATING FUNDS THEREFOR AND FOR OTHER  
PURPOSES

Introduced by Senator Angara

The President. Referred to the Committees on Agriculture  
and Food; and Finance.

MOTION OF SENATOR TATAD

(That the Fifth and Sixth Additional References  
of Business be Considered as Read and Inserted into  
the *Record* and *Journal*)

Senator Tatad. Mr. President, with the consent of the Body,  
I move that the Fifth and Sixth Additional References of Business  
for today's session pertaining to seven committee reports,  
consisting of four pages, be considered as read, without  
prejudice to their full text being inserted into the *Record* and  
*Journal*, respectively.

The President. Is there any objection? [*Silence*] There  
being none, the reading of the Fifth Additional Reference of  
Business and the Sixth Additional Reference of Business is hereby  
waived without prejudice to entering their contents into the  
*Record*.

FIFTH ADDITIONAL REFERENCE OF BUSINESS

COMMITTEE REPORTS

The Acting Secretary. Committee Report No. 975, submitted  
jointly by the Committees on Health and Demography; and Finance,  
on House Bill No. 3013, introduced by Representatives Sator,  
Sarmiento and Del Rosario, entitled

AN ACT EXPANDING AND UPGRADING THE DAVAO DEL NORTE  
NATIONAL HOSPITAL AS ESTABLISHED BY REPUBLIC ACT  
NUMBERED FIVE THOUSAND SEVEN HUNDRED AND TWO INTO  
A REGIONAL HOSPITAL AND EXPANDING ITS FACILITIES  
TO A TWO HUNDRED-BED CAPACITY HOSPITAL AND  
TRAINING CENTER TO BE KNOWN AS THE DAVAO REGIONAL  
HOSPITAL AND TRAINING CENTER, AND AUTHORIZING THE  
APPROPRIATION OF FUNDS THEREFOR

recommending its approval without amendment.

Sponsor: Senator Webb

The President. To the Calendar for Ordinary Business.

The Acting Secretary. Committee Report No. 976, submitted by the Committee on Labor, Employment and Human Resources Development, on House Bill No. 1513, introduced by Representative Cosalan, entitled

AN ACT AMENDING ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES BY REDUCING THE RETIREMENT AGE OF UNDERGROUND MINE WORKERS FROM SIXTY (60) TO FIFTY-FIVE (55)

recommending its approval without amendment.

Sponsors: Senator Fernan

The President. To the Calendar for Ordinary Business.

The Acting Secretary. Committee Report No. 977, prepared and submitted by the Committees on Education, Arts and Culture; and Finance, on Senate Bill No. 2502, with Senators Angara and Herrera as authors thereof, entitled

AN ACT SEPARATING THE PURIFICACION DOLAR MONFORT COLLEGE IN THE MUNICIPALITY OF DUMANGAS, AND THE DON JOSE SUSTIGUER MONFORT MEMORIAL NATIONAL COLLEGE IN THE MUNICIPALITY OF BAROTAC NUEVO, BOTH IN THE PROVINCE OF ILOILO, FROM THE WESTERN VISAYAS COLLEGE OF SCIENCE AND TECHNOLOGY, AND INTEGRATING THEM INTO A NEW STATE COLLEGE TO BE KNOWN AS THE PURIFICACION MONFORT AND JOSE MONFORT STATE COLLEGE, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

recommending its approval in substitution of House Bill Nos. 5969 and 5970.

Sponsors: Senators Angara and Herrera

The President. To the Calendar for Ordinary Business.

#### SIXTH ADDITIONAL REFERENCE OF BUSINESS

#### COMMITTEE REPORTS

The Acting Secretary. Committee Report No. 978, submitted jointly by the Committees on Justice and Human Rights; and Urban Planning, Housing and Resettlement, on Senate Bill No. 2315, introduced by Senator Macapagal, entitled

AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO CONVEY THE TITLES OF THE LOTS OCCUPIED BY THE VICTIMS OF THE MT. PINATUBO ERUPTION IN THE RESETTLEMENT AREAS LOCATED IN THE PROVINCES OF PAMPANGA, TARLAC AND ZAMBALES AND FOR OTHER



## PURPOSES

recommending its approval without amendment taking into consideration House Bill No. 9748.

Sponsors: Senators Fernan, Shahani and Macapagal

The President. To the Calendar for Ordinary Business.

The Acting Secretary. Committee Report No. 979, submitted by the Committee on Public Services, on House Bill No. 10353, introduced by Representative Cerilles, et. al., entitled

AN ACT AMENDING REPUBLIC ACT NO. 8079, ENTITLED "AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES

recommending its approval without amendment.

Sponsor: Senator Herrera

The President. To the Calendar for Ordinary Business.

The Acting Secretary. Committee Report No. 980, prepared and submitted by the Committee on Justice and Human Rights, on Senate Bill No. 2503, with Senators Drilon, Herrera and Fernan as authors thereof, entitled

AN ACT TO ESTABLISH A NEW ARBITRATION LAW ADOPTING WITH MODIFICATIONS THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (UNCITRAL) MODEL LAW ON COMMERCIAL ARBITRATION AND REPEALING REPUBLIC ACT NO. 876, OTHERWISE KNOWN AS "THE ARBITRATION LAW" AND FOR OTHER PURPOSES

recommending its approval in substitution of Senate Bill No. 854.

Sponsors: Senators Fernan, Drilon and Herrera

The President. To the Calendar for Ordinary Business.

The Acting Secretary. Committee Report No. 981, prepared and submitted jointly by the Committees on Education, Arts and Culture; and Finance, on Senate Bill No. 2504, with Senators Angara and Herrera as authors thereof, entitled

AN ACT UPGRADING/CONVERTING THE ILOCOS SUR POLYTECHNIC COLLEGE IN THE SECOND DISTRICT OF ILOCOS SUR INTO A STATE COLLEGE TO BE KNOWN AS THE ILOCOS SUR POLYTECHNIC STATE COLLEGE AND APPROPRIATING FUNDS THEREFOR

recommending its approval in substitution of House Bill No. 7451.

Sponsors: Senators Angara and Herrera

The President. To the Calendar for Ordinary Business.

#### SPECIAL ORDERS

Senator Tatad. Mr. President, I move that we transfer from the Calendar for Ordinary Business to the Calendar for Special Orders House Bill No. 10353 under Committee Report No. 979, entitled

AN ACT AMENDING REPUBLIC ACT NO. 8079, ENTITLED "AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES"

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

#### BILL ON SECOND READING

H. No. 10353--Expanding the Coverage of Franchise  
Granted to FUBC

Senator Tatad. Mr. President, I move that we consider House Bill No. 10353 as reported out under Committee Report No. 979.

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

Consideration of Senate Bill No. 10353 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 Acting Secretary. House Bill No. 10353, entitled

AN ACT AMENDING REPUBLIC ACT NO. 8079, ENTITLED "AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES"

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

House Bill No. 10353  
insert

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairman of the Committee on Public Services be recognized.

The President. Senator Herrera is recognized.

#### SPONSORSHIP SPEECH OF SENATOR HERRERA

Senator Herrera. Thank you, Mr. President.

Mr. President, as Chairman of the Senate Committee on Public Services, it is my privilege to submit for approval, without amendment, House Bill No. 10353. This is an existing franchise. What is asked by this franchise is merely to amend certain provisions to expand the coverage of the franchise.

The coverage would now make it operational throughout the Philippines, and would also include the authority to use modern technology like the use of satellites, multichannel microwave transmission, repeater transmissions, translators, satellite transmission and direct-to-home users satellite broadcast system, cable or community antenna television system, multipoint distribution system, local multipoint distribution system, interactive system or station, transmitting, receiving and switching station, both for local and international services lines and fiber optic.

Mr. President, as I said, this is an existing station, and this is merely an expansion of the coverage and the use of modern technology.

I ask for the approval of this bill.

Senator Tatad. Mr. President, as there are no interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. As there are no amendments either from the committee or from the members, I move that the period of amendments be closed.

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

#### APPROVAL OF H. NO. 10353 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 10353.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 10353.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [*Silence*]

House Bill No. 10353 is approved on Second Reading.

#### SPECIAL ORDERS

Senator Tatad. Mr. President, I move that we transfer from the Calendar for Ordinary Business to the Calendar for Special Orders Senate Bill No. 2504 under Committee Report No. 981, entitled

AN ACT UPGRADING/CONVERTING THE ILOCOS SUR POLYTECHNIC COLLEGE IN THE SECOND DISTRICT OF ILOCOS SUR INTO A STATE COLLEGE TO BE KNOWN AS THE ILOCOS SUR POLYTECHNIC STATE COLLEGE AND APPROPRIATING FUNDS THEREFOR

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

#### BILL ON SECOND READING

S. No. 2504—Ilocos Sur Polytechnic State College

Senator Tatad. Mr. President, I move that we consider Senate Bill No. 2504 as reported out under Committee Report No. 981.

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

Consideration of Senate Bill No. 2504 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 Acting Secretary. Senate Bill No. 2504, entitled

AN ACT UPGRADING/CONVERTING THE ILOCOS SUR POLYTECHNIC COLLEGE IN THE SECOND DISTRICT OF ILOCOS SUR INTO A STATE COLLEGE TO BE KNOWN AS THE ILOCOS SUR POLYTECHNIC STATE COLLEGE AND APPROPRIATING FUNDS THEREFOR

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

[Insert]

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000002  
Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished gentleman from Cebu and Bohol be recognized.

The President. Senator Herrera is recognized.

#### SPONSORSHIP SPEECH OF SENATOR HERRERA

Senator Herrera. Mr. President, in behalf of the Chairman of the Committee on Education, Arts and Culture, Senator Angara, who is not around, it is my privilege to ask for the approval of Senate Bill No. 2504.

I understand that this is the first state college in the Second District of Ilocos Sur, if this will be approved, and that it is the desire of the people in this district and the entire province that this be converted into a polytechnic state college.

Indeed, the conversion of this state college into a polytechnic state college would go a long way in providing skilled manpower as well as upgrading the education programs and activities in the area.

It is the desire of the Committee that we approve this bill without amendments.

Senator Tatad. Mr. President, since there are no interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. As there are no amendments either from the Committee or from the members, I move that the period of amendments be closed.

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

#### APPROVAL OF S. NO. 2504 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on Senate Bill No. 2504.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on Senate Bill No. 2504.

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

Several Members. Aye.

As many as are against the bill, say nay. [Silence]

Senate Bill No. 2504 is approved on Second Reading.

#### SPECIAL ORDERS

Senator Tatad. Mr. President, I move that we transfer from the Calendar for Ordinary Business to the Calendar for Special Orders House Bill No. 7971 under Committee Report No. 950, entitled

AN ACT ESTABLISHING AN "ADOPT-A-SCHOOL PROGRAM", PROVIDING INCENTIVES THEREFOR, AND FOR OTHER PURPOSES

Senate Bill No. 2479 under Committee Report No. 902, entitled

AN ACT CREATING A SPECIAL ECONOMIC ZONE AND FREE PORT IN THE SECOND DISTRICT OF THE CITY OF DAVAO, CREATING FOR THIS PURPOSE THE DAVAO CITY SPECIAL ECONOMIC ZONE AUTHORITY, 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

H. No. 7971 - Adopt-a-School Program

Senator Tatad. Mr. President, I move that we consider on Second Reading House Bill No. 7971 as reported out under Committee Report No. 950.

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

#### SUSPENSION OF SESSION

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

*It was 8:25 p.m.*

#### RESUMPTION OF SESSION

*At 8:26 p.m., the session was resumed.*

The President. The session is resumed.

Consideration of House Bill No. 7971 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 Acting Secretary. House Bill No. 7971, entitled

AN ACT ESTABLISHING AN ADOPT-A-SCHOOL PROGRAM,  
PROVIDING INCENTIVES THEREFOR AND FOR OTHER  
PURPOSES

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*The following is the whole text of the bill*

House Bill No. 7971  
(insert)

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished gentleman from Cebu be recognized.

The President. The gentleman from Cebu, Senator Fernan, is recognized.

SPONSORSHIP SPEECH OF SENATOR FERNAN

Senator Fernan. Mr. President, in behalf of the Chairman of the Committee on Education, Arts and Culture, I have the honor to sponsor House Bill No. 7971.

The House bill provides for the establishment of Adopt-a-School Program. I do not have to stress the obvious that there is need to upgrade our school system, and there is need to provide quality and reasonable education to our students. This cannot be undertaken by the government alone. There is, therefore, need for private entities to participate in this program. That is why this program induces the private entities to adopt a school.

Each entity will adopt a school in the selected provinces considered among the poorest in the Philippines. When an entity adopts a school, it provides the various needs of the school so that the children can be provided quality education.

What kind of incentive is provided in this bill in order to persuade the private individuals, the private corporations and the private institutions to adopt a school? The incentive, Mr. President, is for them to enjoy a tax deduction of their expenses for education, not only to the extent of 100 percent but there is an additional 100 percent as originally proposed.

But in order to approach this reasonably, the Committee is ready to amend this provision by reducing the additional to 50 percent. So that the inducement will then be 100 percent deduction for educational expenses, plus an additional 50 percent. So with this program, it is expected to improve the educational system in this country.

There is not much difference in the institution's paying the money to the government by way of taxes and the government appropriating the money and giving it back to the school in the

form of improvements and other forms of expenses. This way, it is the institution that gives the money directly in cash or in kind and the school benefits.

For that reason, Mr. President, we hope that my distinguished colleagues will approve House Bill No. 7971.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, if there are no interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. I move that we now consider the committee amendments.

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

#### COMMITTEE AMENDMENTS

Senator Fernan. On page 2, line 16, delete the word and the figure "one (1)" and in lieu thereof, insert the word and the figure TWO (2) and add the letter S after the word "year"; thereafter, add the phrase WITH POSSIBILITY OF EXTENSION.

The President. Is there any objection? [Silence] There being none, the amendments are approved.

Senator Fernan. The second amendment is to delete the contents of Section 5 and in lieu thereof, add the following:

SEC. 5. *ADDITIONAL DEDUCTION FOR EXPENSES INCURRED FOR THE ADOPTION.* - PROVISIONS OF EXISTING LAWS TO THE CONTRARY NOTWITHSTANDING, EXPENSES INCURRED BY THE ADOPTING ENTITY FOR THE ADOPT-A-SCHOOL PROGRAM SHALL BE ALLOWED AN ADDITIONAL DEDUCTION FROM THE GROSS INCOME EQUIVALENT TO FIFTY PERCENT (50%) OF SUCH EXPENSES.

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

Senator Fernan. On page 4, line 1, delete the phrase "for the duration of the adoption."

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

Senator Fernan. On page 4, line 4, delete the words "adopted school" and in lieu thereof, insert the words ADOPTING ENTITY.



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

Senator Fernan. Add the following paragraph after Section 5.

VALUATION OF ASSISTANCE OTHER THAN MONEY SHALL BE BASED ON THE ACQUISITION COST OF THE PROPERTY. SUCH VALUATION SHALL TAKE INTO CONSIDERATION THE DEPRECIATED VALUE OF THE PROPERTY IN CASE SAID PROPERTY HAS ALREADY BEEN USED.

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

Senator Fernan. On page 1, line 2, delete "1997" and in lieu thereof, insert 1998.

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

Senator Fernan. Those are all the committee amendments, Mr. President.

Senator Tatad. Mr. President, I move that the period of committee amendments be closed.

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

Senator Tatad. I move that we now consider the individual amendments.

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

Senator Maceda. Mr. President.

The President. The Minority Leader is recognized.

#### MACEDA AMENDMENTS

Senator Maceda. Mr. President, my amendment is on page 2, line 9. There are many cases that an adopting entity cannot really do everything that is needed and I know many cases where there are several adopting entities.

So delete the proviso "Provided, however, That a school may be adopted by only one adopting entity."

The President. What does the sponsor say?

Senator Fernan. We accept, Mr. President.

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

Senator Maceda. On the same page, line 14, in lieu of the words "school board", insert the words SUPERINTENDENT OF SCHOOLS OF THE PROVINCE OR DISTRICT. Because, after all, under Section 4, it will already be reviewed by the school board. So in the MOA itself, it needs just the approval of the superintendent of schools.

Senator Fernan. We accept, Mr. President.

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

Senator Maceda. Mr. President, on page 4, line 14, delete the words "the Director-General of the National Economic and Development Authority (NEDA)."

The President. What does the sponsor say?

Senator Fernan. We accept, Mr. President.

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

Senator Maceda. On line 15, delete the words "Secretary of the Department of Finance (DOF)."

This is a very simple program, Mr. President. There is no need to have such a big number of Cabinet members in this Council.

Senator Fernan. We accept, Mr. President. Anyway, consultations can be made with the Department of Finance.

The President. The amendment has been accepted. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Maceda. Thank you, Mr. President.

Senator Fernan. Thank you, Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, I move to close the period of individual amendments.

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

#### APPROVAL OF H. NO. 7971 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 7971, as amended.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 7971, as amended.

As many as are in favor of the bill, say *Aye*.

Several Senators. *Aye*.

As many as are against the bill, say *Nay*. [Silence]

House Bill No. 7971 is approved on Second Reading.

#### BILL ON SECOND READING

H. No. 4795 - Don Emilio Del Valle Memorial Hospital

Senator Tatad. Mr. President, I move that we resume consideration of House Bill No. 4795 as reported out under Committee Report No. 588.

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

Consideration of House Bill No. 4795 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 Acting Secretary. House Bill No. 4795, entitled

AN ACT ESTABLISHING A FIFTY-BED (50) EXTENSION OF THE GOV. CELESTINO GALLARES MEMORIAL REGIONAL TRAINING HOSPITAL IN THE MUNICIPALITY OF UBAY, PROVINCE OF BOHOL, TO BE KNOWN AS THE DON EMILIO DEL VALLE MEMORIAL HOSPITAL AND APPROPRIATING FUNDS THEREFOR

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*The following is the full text of H. No. 4795.*

Insert

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairman of the Committee on Health and Demography be recognized.

The President. Senator Webb is recognized.

#### SPONSORSHIP SPEECH OF SENATOR WEBB

Mr. President, may I present before this Chamber a proposal of our colleague in the House of Representatives, Cong. Erico Aumentado, to establish a 50-bed extension of the Governor Gallares Memorial Regional Training Hospital in the Municipality

of Ubay, Province of Bohol, to be known as the Don Emilio Del Valle Memorial Hospital.

Mr. President, the Municipality of Ubay is located in the northeastern part of the Province of Bohol and is 125 kilometers away from Tagbilaran City. It is the largest town in the province in terms of population and land area. It also is the trading center in the northeastern basin towns of Mabini, Alicia, Pilar, Sierra-Bullones, Dagohoy, San Miguel, Danao, Trinidad, Bien Unido and President Garcia. Moreover, the location of the above-mentioned hospital stands at the gateway of the provinces of Cebu, Leyte, Leyte del Sur, and Surigao City.

The ailing residents of the town are usually brought to the district hospital of Jagna, Bohol which is 64 kilometers away; the provincial hospital of Talibon, Bohol which is some 29 kilometers away, or to the Regional Training Hospital of Tagbilaran City. In worst cases, some of the patients are brought to Cebu for treatment. Unfortunately, because of the distance of Ubay to the above-mentioned hospitals, the ill conditions of the patients are often jeopardized, not to mention the fact that the travel to the said far hospitals expose the sick patients to accidents along the way.

In view thereof, Mr. President, the residents of Ubay and the neighboring towns not only find this process very burdensome, inconvenient and expensive, but also time-consuming. The residents of Ubay have long been clamoring for this honorable Chamber to hear their plight and unburden them of their yoke.

Thus, the establishment of a 50-bed extension of the Gov. Celestino Gallares Memorial Regional Training Hospital.

Lastly, Mr. President, may I say that not only will this proposed measure greatly help the people of Bohol but also result in paving the way for the said hospital in this province to effectively address the health needs of its constituents in the most accessible manner.

Thank you very much.

The President. The Majority Leader is recognized.

Senator Tatad. Since there are no interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. Since there are no committee or individual amendments, I move that the period of amendments be closed.

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

APPROVAL OF H. NO. 4795 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 4795.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 4795.

As many as are in favor of the bill, say *Aye*.

Several Senators. *Aye*.

As many as are against the bill, say *Nay*. [Silence]

House Bill No. 4795 is approved on Second Reading.

BILL ON SECOND READING

S. No. 2493 - Philippine Science High School System  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 2493.

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

Senator Tatad. We are in the period of interpellations. Unless there are interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. Since there are no committee or individual amendments, I move that the period of amendments be closed.

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

APPROVAL OF S. NO. 2493 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on Senate Bill No. 2493.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on Senate Bill No. 2493.

As many as are in favor of the bill, say *Aye*.

Several Senators. *Aye*.

As many as are against the bill, say *Nay*. [Silence]

Senate Bill No. 2493 is approved on Second Reading.

Senator Webb. Mr. President.

The President. Senator Webb is recognized.

MANIFESTATION OF SENATOR WEBB  
(Reconsideration of Referral of S. Res. No. 1136)

Senator Webb. Mr. President, I notice in the Order of Business of February 2, 1998 Resolution No. 1136, which is entitled "RESOLUTION URGING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGATIONS MADE BY THE NATIONAL POWER CORPORATION (NPC) AGAINST THE MANILA ELECTRIC COMPANY (MERALCO) CONCERNING THE OVERCHARGING OF ITS CONSUMERS, AND FOR OTHER PURPOSES," which is introduced by this representation, has been referred surprisingly to the Committee on Public Services. Although I would have wanted this to be referred to my Committee as the primary Committee, my Committee is not even mentioned as secondary Committee in this particular referral. I was hoping for a reconsideration of the referral.

The President. What does the Majority Leader say?

MOTION OF SENATOR TATAD  
(Referral of S. Res. No. 1136 to Energy Committee  
as Secondary Committee)

Senator Tatad. I move that Resolution No. 1136 in fact, there are two resolutions of the same nature--be referred to the Committee on Energy as a secondary Committee.

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

Senator Webb. Thank you, Mr. President.

Senator Mercado. Mr. President.

The President. Senator Mercado is recognized.

MANIFESTATION OF SENATOR MERCADO  
(Referral of S. Res. No. 1135 Jointly to the Environment and  
Natural Resources, and Accountability of Public Officers and  
Investigations Committees)

Senator Mercado. Mr. President, with the permission of the Majority Leader, I have a similar request. I filed Resolution No. 1135. This is a resolution looking into the construction of the incinerator in San Mateo, Rizal.

We conducted a hearing this afternoon on the environmental aspects. However, we found out that there were questions that would rightfully belong to the Blue Ribbon Committee. I feel that it would be proper to refer this particular Resolution No.

1135 jointly to the Committee on Blue Ribbon, as well as my Committee which is the original Committee to which it was referred.

Senator Tatad. I so move, Mr. President.

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

#### SPECIAL ORDERS

Senator Tatad. Mr. President, I move that we transfer from the Calendar for Ordinary Business to the Calendar for Special Orders House Bill No. 9405 under Committee Report No. 901, entitled

AN ACT ESTABLISHING THE SECOND ENGINEERING DISTRICT IN THE SECOND CONGRESSIONAL DISTRICT OF THE PROVINCE OF BATAAN, AND APPROPRIATING FUNDS THEREFOR

and House Bill No. 1513 under Committee Report No. 976, entitled

AN ACT AMENDING ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES BY REDUCING THE RETIREMENT AGE OF UNDERGROUND MINE WORKERS FROM SIXTY (60) TO FIFTY-FIVE (55)

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

#### BILL ON SECOND READING

H. No. 9405--Establishing the Second Engineering District in Bataan

Senator Tatad. Mr. President, I move that we consider House Bill No. 9405 as reported under Committee Report No. 901.

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

Consideration of House Bill No. 9405 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. House Bill No. 9405, entitled

AN ACT ESTABLISHING THE SECOND ENGINEERING DISTRICT IN THE SECOND CONGRESSIONAL DISTRICT OF THE PROVINCE OF BATAAN, AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 9405  
insert

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished gentleman from Cebu and Bohol be recognized.

The President. Senator Herrera is recognized.

SPONSORSHIP SPEECH OF SENATOR HERRERA

Senator Herrera. Thank you, Mr. President.

On behalf of the Chairman of the Committee on Public Works and in my capacity as the Chairman of the Committee on Finance to which House Bill No. 9405, introduced by Congressman Garcia was referred, I have the honor to submit this report hoping that this will be approved by this august Body.

The Province of Bataan at present has only one engineering district that facilitates all the needs of the said province for infrastructure projects.

Considering the relative size, population and progressiveness of this peninsular province, one engineering district is not enough to ensure the efficient administration of the much needed infrastructure projects.

It is therefore the thrust of this bill to establish a separate engineering district for the Second District of the Province of Bataan. With just one engineering district, there are bottlenecks that necessarily hamper the implementation of the infrastructure projects in the Second District alone.

There are presently two economic zones, namely, the Bataan Export Processing Zone in Mariveles and the Petrochemical Zone in Limay, Mariveles. Furthermore, last year, the Morong Economic Zone was formally established by President Ramos. The implications are clear that business activity will double in terms of volume. This means requirements for the necessary infrastructure shall likewise increase the engineering district.

Tasked to meet the needs of the province will no less fail to meet the growing needs of the district, not to mention the province as a whole.

We need not go into the details of the present potential frustrations that the province, particularly the Second District, will experience if a separate engineering district is not created. Although the Department of Public Works and Highways has subdistrict for the Second District, still it is not enough



to adequately meet the present and future requirements of said district. It is a fact that such subdistrict will have more limitation than a full engineering district.

Mr. President, the Second district of the Province of Bataan and its constituents is urgently calling for the establishment of its own engineering districts in order to address the present and more emphatically the future need for a more responsive and effective administrative machinery for the implementation and completion of urgent public works projects in the province.

The province, particularly the Second District, needless to say, is experiencing accelerated growth both in activity and population. Infrastructure projects are therefore urgently needed. In this light, an efficient body in the form of a new engineering district is thus needed to facilitate the materialization of these projects.

Mr. President, these two committees would like to ask for the approval of this bill.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, as there are no interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. Mr. President, as there are no committee or individual amendments, I move that the period of amendments be closed.

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

#### APPROVAL OF H. NO. 9405 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 9405.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 9405.

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

Several Senators. Aye.

As many as are against the bill, say nay. [Silence]

House Bill No. 9405 is approved on Second Reading.

#### BILLS ON SECOND READING

(Seventeen Local Franchise Bills)

Senator Tatad. Mr. President, I move that we now consider on Second Reading 17 local franchise bills under one omnibus sponsorship. These are:

House Bill No. 10219 under Committee Report No. 885;  
House Bill No. 5449 under Committee Report No. 887;  
House Bill No. 9952 under Committee Report No. 889;  
House Bill No. 10294 under Committee Report No. 890;  
House Bill No. 8498 under Committee Report No. 892;  
House Bill No. 9931 under Committee Report No. 893;  
House Bill No. 6213 under Committee Report No. 894;  
House Bill No. 9368 under Committee Report No. 897;  
House Bill No. 10137 under Committee Report No. 933;  
House Bill No. 10175 under Committee Report No. 934;  
House Bill No. 10223 under Committee Report No. 886;  
House Bill No. 10174 under Committee Report No. 891;  
House Bill No. 6311 under Committee Report No. 896;  
House Bill No. 10377 under Committee Report No. 931;  
House Bill No. 9825 under Committee Report No. 888;  
House Bill No. 3802 under Committee Report No. 898; and  
House Bill No. 10169 under Committee Report No. 895.

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

Consideration of 17 local franchise bills is now in order. With the permission of the Body, the Secretary will read only the titles of the bills without prejudice to inserting in the *Record* their whole texts thereof.

The Secretary. House Bill No. 10219, entitled:

AN ACT AMENDING SECTIONS 1, 3, 4, 7, AND 12 OF REPUBLIC ACT NO. 7296, ENTITLED "AN ACT GRANTING DAVAO AGRITECH, INC., A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN DOMESTIC AIR SPRAYING SERVICES WITH DAVAO AS ITS MAJOR HUB".

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

Insert

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The Secretary. House Bill No. 5449, entitled:

AN ACT GRANTING THE MUSLIM DEVELOPMENT MULTIPURPOSE COOPERATIVE A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO STATIONS ANYWHERE IN THE PHILIPPINES

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

Insert

The Secretary. House Bill No. 9952, entitled:

AN ACT GRANTING THE TAMARAW BROADCASTING CORPORATION A  
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,  
OPERATE AND MAINTAIN RADIO STATIONS ANYWHERE IN  
THE PHILIPPINES

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

Insert

The Secretary. House Bill No. 10294, entitled:

AN ACT GRANTING THE NEUTRON BROADCAST NETWORK, INC., A  
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,  
OPERATE AND MAINTAIN RADIO AND TELEVISION STATIONS  
IN THE PROVINCE OF QUEZON

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

Insert

The Secretary. House Bill No. 8498, entitled:

AN ACT GRANTING THE VALLEY CABLE TELEVISION NETWORK,  
INC., A FRANCHISE TO CONSTRUCT, INSTALL,  
ESTABLISH, OPERATE AND MAINTAIN RADIO AND  
TELEVISION STATIONS IN THE PROVINCE OF CAGAYAN

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

Insert

The Secretary. House Bill No. 9931, entitled:

AN ACT GRANTING THE ELFRENE B. SERVANDO, JR.  
BROADCASTING NETWORK A FRANCHISE TO CONSTRUCT,  
INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND  
TELEVISION BROADCASTING STATIONS IN THE CITY OF  
PUERTO PRINCESA, PROVINCE OF PALAWAN

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

Insert

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The Secretary. House Bill No. 6213, entitled:

AN ACT GRANTING THE PREMIERE MASS MEDIA, INC., A  
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,  
OPERATE AND MAINTAIN RADIO AND TELEVISION STATION  
IN THE CITY OF TAGBILARAN, PROVINCE OF BOHOL

---

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

Insert

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The Secretary. House Bill No. 9368, entitled

AN ACT GRANTING THE IMAGE BROADCASTING CORP. A  
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE  
AND MAINTAIN RADIO AND TELEVISION BROADCASTING  
STATIONS IN THE ISLAND OF MINDANAO

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

House Bill No. 9368

(Insert)

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The Secretary. House Bill No. 10137, entitled

AN ACT GRANTING THE PHILIPPINE MULTI-MEDIA SYSTEM,  
INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, INSTALL,  
MAINTAIN AND OPERATE RADIO AND TELEVISION  
BROADCASTING STATIONS IN THE PHILIPPINES AND FOR  
OTHER PURPOSES

---

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

House Bill No. 10137

(Insert)

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The Secretary. House Bill No. 10175, entitled

AN ACT GRANTING THE AVILA BROADCASTING NETWORK,  
INCORPORATED A FRANCHISE TO CONSTRUCT, ESTABLISH,  
INSTALL, MAINTAIN AND OPERATE RADIO AND TELEVISION

STATIONS IN THE VISAYAS

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

House Bill No. 10175

(Insert)

---

The Secretary. House Bill No. 10233, entitled

AN ACT GRANTING THE MINDORO TELECOMMUNICATIONS CORPORATION A FRANCHISE TO CONSTRUCT, ESTABLISH, INSTALL, MAINTAIN AND OPERATE LOCAL EXCHANGE NETWORK IN THE PROVINCE OF ORIENTAL MINDORO

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

House Bill No. 10233

(Insert)

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The Secretary. House Bill No. 10174, entitled

AN ACT GRANTING THE PANAY TELEPHONE CORPORATION, A FRANCHISE TO CONSTRUCT, INSTALL, MAINTAIN, ESTABLISH AND OPERATE LOCAL EXCHANGE NETWORK IN THE PROVINCES OF AKLAN AND ANTIQUE AND IN THE MUNICIPALITY OF JANIUAY, PROVINCE OF ILOILO

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

House Bill No. 10174

(Insert)

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The Secretary. House Bill No. 6311, entitled

AN ACT GRANTING THE PLARIDEL SERVICE COOPERATIVE A FRANCHISE TO CONSTRUCT, INSTALL, MAINTAIN, ESTABLISH AND OPERATE LOCAL EXCHANGE NETWORK IN THE MUNICIPALITY OF PLARIDEL, PROVINCE OF MISAMIS OCCIDENTAL

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

House Bill No. 6311

(Insert)

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The Secretary. House Bill No. 10377, entitled

AN ACT GRANTING THE MULTI-LINE CONSTRUCTION INTERNATIONAL, INC. A FRANCHISE TO CONSTRUCT, ESTABLISH, INSTALL, MAINTAIN AND OPERATE PUBLIC CALLING STATIONS OR PAY TELEPHONE STATIONS IN STRATEGIC PLACES IN THE PHILIPPINES

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

House Bill No. 10377

(Insert)

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The Secretary. House Bill No. 9825, entitled

AN ACT GRANTING THE DIRECT BROADCAST SATELLITE PHIL., INC., A FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES CABLE/COMMUNITY ANTENNAE TELEVISION SYSTEM AND/OR DIRECT TO HOME SATELLITE SYSTEMS THROUGHOUT THE PHILIPPINES

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

House Bill No. 9825

(Insert)

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The Secretary. House Bill No. 3802, entitled

AN ACT GRANTING MAASIN CABLE TELEVISION A FRANCHISE TO CONSTRUCT, ESTABLISH, MAINTAIN AND OPERATE CABLE TELEVISION SYSTEM IN THE PROVINCE OF SOUTHERN LEYTE

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

House Bill No. 3802

(Insert)

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The Secretary. House Bill No. 10169, entitled

AN ACT GRANTING THE TRANSPACIFIC BROADCAST GROUP INTERNATIONAL, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, INSTALL, MAINTAIN AND OPERATE

COMMUNICATIONS SYSTEMS FOR THE RECEPTION AND  
TRANSMISSION OF MESSAGES WITHIN THE PHILIPPINES

---

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

House Bill No. 10169

(Insert)

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Senator Tatad. Mr. President, for the sponsorship, I ask that the distinguished Chairman of the Committee on Public Services be recognized.

The President. Senator Herrera is recognized.

SPONSORSHIP SPEECH OF SENATOR HERRERA

Senator Herrera. Thank you, Mr. President.

Mr. President, as Chairman of the Committee on Public Services, it is my privilege to report out for consideration of this august Body the 17 franchise bills.

First, is House Bill No. 10219. This is "An Act Amending Sections 1, 3, 4, 7, and 12 of Republic Act No. 7296, entitled 'An Act Granting Davao Agritech, Inc., a Franchise to Establish, Operate, and Maintain Domestic Air Spraying Services with Davao as its Major Hub.'"

We are recommending this bill for approval without any amendments, Mr. President. This is merely an expansion of the activities of this particular franchise.

Senator Tatad. Mr. President, since there are no interpellations on this bill, I move that the period of interpellations be closed.

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

Senator Tatad. Mr. President, there are no amendments. I move that the period of amendments be closed.

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

APPROVAL OF H. NO. 10219 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on on Second Reading on House Bill No. 10219.

The President. Is there any objection? [Silence] There

being none, we shall now vote on House Bill No. 10219 on Second Reading.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 10219 is approved on Second Reading.

Senator Herrera. Now, as regards House Bill No. 549, House Bill No. 9952, House Bill No. 10294, House Bill No. 8498, House Bill No. 9931, House Bill No. 6213, House bill No. 9368, House Bill No. 10137, and House Bill No. 10175, these are amendments by substitution, Mr. President. These are to construct or operate radio and television broadcasting.

In the case of House Bill No. 5449, its coverage is limited to the island of Mindanao. This is authored by Representative Balindong. Right now, it has one station in Marawi City.

Senator Tatad. Mr. President, since there are no interpellations on these nine local bills, I move that the period of interpellations be closed.

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

Senator Tatad. As there are no committee or individual amendments, I move that the period of amendments be closed.

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

#### APPROVAL OF H. NO. 549 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on on Second Reading on House Bill No. 549.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 549.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 549 is approved on Second Reading.

#### APPROVAL OF H. NO. 9952 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on



Second Reading on House Bill No. 9952.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 9952.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 9952 is approved on Second Reading.

#### APPROVAL H. NO. 10294 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 10294.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 10294.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 10294 is approved on Second Reading.

#### APPROVAL OF H. NO. 8498 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 8498.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 8498.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 8498 is approved on Second Reading.

#### APPROVAL OF H. NO. 9931 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 9931.

The President. Is there any objection? [Silence] There

being none, we shall now vote on Second Reading on House Bill No. 9931.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 9931 is approved on Second Reading.

#### APPROVAL OF H. NO. 6213 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 6213.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 6213.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 6213 is approved on Second Reading.

#### APPROVAL OF H. NO. 9368 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 9368.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 9368.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 9368 is approved on Second Reading.

#### APPROVAL OF H. NO. 10137 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 10137.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 10137.

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

Several Members. *Aye.*

As many as are against the bill, say *nay.* [*Silence*]

House Bill No. 10137 is approved on Second Reading.

APPROVAL OF H. NO. 10175 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 10175.

The President. Is there any objection? [*Silence*] There being none, we shall now vote on Second Reading on House Bill No. 10175.

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

Several Members. *Aye.*

As many as are against the bill, say *nay.* [*Silence*]

House Bill No. 10175 is approved on Second Reading.

Senator Herrera. The following bills are local exchanges: House Bill No. 10233, House Bill No. 10174, and House Bill No. 6311. These are existing telephone systems except in the case of Mindoro which is asking for a new franchise.

The NTC is recommending the approval of this franchise.

Senator Tatad. Mr. President, I move that we close the period of interpellations on these four bills.

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

Senator Tatad. As there are no proposed committee or individual amendments, I move that the period of amendments be closed.

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

APPROVAL OF H. NOS. 10233 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 10233.

The President. Is there any objection? [*Silence*] There being none, we shall now vote on Second Reading on House Bill No. 10233.

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

Several Members. *Aye.*

As many as are against the bill, say *nay.* [*Silence*]

House Bill No. 10233 is approved on Second Reading.

APPROVAL OF H. NO. 10174 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 10174.

The President. Is there any objection? [*Silence*] There being none, we shall now vote on Second Reading on House Bill No. 10174.

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

Several Members. *Aye.*

As many as are against the bill, say *nay.* [*Silence*]

House Bill No. 10174 is approved on Second Reading.

APPROVAL OF H. 6311 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 6311.

The President. Is there any objection? [*Silence*] There being none, we shall now vote on Second Reading on House Bill No. 6311.

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

Several Members. *Aye.*

As many as are against the bill, say *nay.* [*Silence*]

House Bill No. 6311 is approved on Second Reading.

Senator Herrera. Mr. President, for cable television, these are House Bill Nos. 9825 and 3802.

These bills are authored by Representatives Albano and Dejon, respectively. The NTC is also recommending that these be approved. The Committee is, of course, asking for the approval of these two franchise bills.

Senator Tatad. As there are no interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. As there are no committee or individual

amendments, I move that the period of amendments be closed.

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

#### APPROVAL OF H. NO. 9825 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 9825.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 9825.

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

Several Members. Aye.

As many as are against the bill, say nay. [Silence]

House Bill No. 9825 is approved on Second Reading.

#### APPROVAL OF H. 3802 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 3802.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 3802.

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

Several Members. Aye.

As many as are against the bill, say nay. [Silence]

House Bill No. 3802 is approved on Second Reading.

Senator Herrera. On telecommunications, Mr. President, this is House Bill No. 10169. We also recommend that this be approved. There are no amendments. This is authored by Representative Diaz. The NTC has recommended for the approval of this franchise. They have complied with all the requirements.

Senator Tatad. Since there are no interpellations, Mr. President, I move that the period of interpellations be closed.

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

Senator Tatad. Since there are no amendments, I move that the period of amendments be closed.

The President. Is there any objection? [Silence] There

being none, the motion is approved.

#### APPROVAL OF H. 10169 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 10169.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 10169.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 10169 is approved on Second Reading.

Senator Herrera. House Bill No. 10377 is actually a franchise to construct, install, maintain and operate public calling stations or pay telephone stations. This is very important for the country and this is also highly recommended by the NTC. They have complied with all the requirements and it is the desire of the Committee to ask for the approval of this bill.

Senator Tatad. Mr. President, since there are no interpellations, I move that the period of interpellations be closed.

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

Senator Tatad. As there are no amendments, I move that the period of amendments be closed.

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

#### APPROVAL OF H. 10377 ON SECOND READING

Senator Tatad. Mr. President, I move that we vote on Second Reading on House Bill No. 10377.

The President. Is there any objection? [Silence] There being none, we shall now vote on Second Reading on House Bill No. 10377.

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

Several Members. *Aye*.

As many as are against the bill, say *nay*. [Silence]

House Bill No. 10377 approved on Second Reading.

9-6-37  
Senator Herrera. Mr. President, may I be allowed to confer with the Majority Leader for one moment.

ADJOURNMENT OF SESSION

Senator Tatad. Mr. President, due to the lateness of the hour, I believe we have covered a lot of ground.

I move to adjourn until three o'clock tomorrow afternoon.

The President. Is there any objection? [Silence] There being none, the session is hereby adjourned until three o'clock tomorrow afternoon.

*It was 8:59 p.m.*