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PRE-PLenary CONFERENCES ON THE FY 2018 BUDGET

COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	<p>Pre-plenary conferences on the proposed FY 2018 budget, and plans and programs of the following agencies:</p> <ul style="list-style-type: none"> Department of the Interior and Local Government (DILG) 	<p>The Committee, chaired by Rep. Karlo Alexei Nograles (1st District, Davao City), held pre-plenary conferences with the Department of the Interior and Local Government (DILG), Philippine Drug Enforcement Agency (PDEA), Department of Health (DOH), National Irrigation Administration (NIA), Games and Amusement Board (GAB), Philippine Racing Commission (Philracom), and the Philippine Sports Commission (PSC) to thresh out issues and concerns raised by House Members relative to their proposed FY 2018 budget prior to the deliberations on their budget in the plenary.</p> <p>Committee Vice Chair and Nueva Vizcaya Rep. Luisa Lloren Cuaresma presided over the pre-plenary conference on the DILG's proposed 2018 budget.</p> <p>On the query of Rep. Zajid Mangudadatu (2nd District, Maguindanao), Acting DILG Secretary Catalino Cuy said that the 15% increase in the proposed DILG budget for next year amounting to P22.7 billion will be used mainly for the recruitment and training of law enforcement personnel.</p> <p>Deputy Speaker Ferdinand Hernandez (2nd District, South Cotabato) supports the reinstatement of the amount of P157 million in the DILG's budget to augment the assistance being given to the heirs of law enforcement personnel who died in the line of duty. The said amount was slashed from the DILG's original budget proposal by the Department of Budget and Management (DBM).</p> <p>Sought to comment on the alleged extra-judicial killing (EJK) of 17-year old Kian delos Santos last August 16 during an anti-illegal drug operation of the Caloocan police, Philippine National Police (PNP) Chief, Director General Ronald dela Rosa, assured the Committee that the PNP will not tolerate abuses of its personnel in the exercise of their functions.</p> <p>The DILG was requested to submit the following reports before the plenary deliberations on its proposed budget:</p> <ul style="list-style-type: none"> Update on the controversial deal involving 76 units of Rosenbauer International AG fire trucks; Status of the 18 political prisoners housed at Camp Bagong Diwa, Taguig City; Components of the P900 million funding for the PNP's anti-illegal drugs campaign plan dubbed as "Double Barrel" which is included in the proposed 2018 budget of the DILG; Details on the 14,855 crime incidences recorded by the PNP for the period July 2016 to August 2017; Status of government's war on drugs, including an update on the Delos Santos case; Status report on kidnapping suspects who remain at large; and Status report by PNP regional directors on the killings of certain local executives allegedly involved in the illegal drug

<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> Philippine Drug Enforcement Agency (PDEA) 	<p>trade, the four captured Maute members, and such other cases which happened during police operations.</p> <p>Committee Vice Chair Rep. Scott Davies Lanete M.D. (3rd District, Masbate) presided over the pre-plenary conferences with PDEA and DOH.</p> <p>PDEA Acting Director for Financial Services Maria Lourdes Jacosalem said that under the FY 2018 National Expenditure Program (NEP), the PDEA is set to receive P1.45 billion, which is 21% lower than its current budget of P1.84 billion.</p> <p>Jacosalem appealed for an increase in PDEA's budget for next year, citing President Rodrigo Duterte's marching orders to "stop the drug problem by all means that the law allows."</p> <p>PDEA is proposing an additional budget of P934.51 million for FY 2018 which will be utilized for the following:</p> <ul style="list-style-type: none"> Establishment of 81 provincial offices, five district offices, and 33 offices in highly urbanized cities, P285.60 million; Establishment of inter-agency drug interdiction task groups in 13 seaports and six airports around the country, P45.60 million; Recruitment, selection and training of 500 drug enforcement officers (DEOs), P100 million; Purchase of equipment, P372.49 million; Construction of regional office building in Regions 9 and 12, P40 million; Construction of provincial office building in Tagbilaran, Urdaneta and Siquijor, P30 million; Fencing of 13 hectares of PDEA lot in Doña Remedios Trinidad in Bulacan, P10 million; Acquisition of 13 additional K9 dogs, P5.82 million; and Procurement of three incinerator machines, P45 million. <p>On the query of Rep. Lanete on the agency's absorptive capacity in 2016 and the current year, Jacosalem said that PDEA was able to utilize 98% of its 2016 budget with the remaining 2% already obligated. For 2017, PDEA was already able to utilize 47% of its budget, with the remaining balance already earmarked for its various programs.</p> <p>On the question raised by Malabon City Rep. Federico "Ricky" Sandoval II, PDEA's Intelligence and Investigation Service Director Gigger Montallana disclosed that 70% of illegal drugs apprehended by PDEA had been traced to have come from China, while the remaining 30% came either from other countries or local manufacturers.</p> <p>On the creation of inter-agency interdiction task groups, Montallana said that this is intended to stop the smuggling of illegal drugs using airports and seaports as entry or exit points.</p> <p>Rep. Lanete manifested that all the country's airports and seaports should have K9 dogs trained to detect illegal drugs. Jacosalem agreed with this suggestion that is why PDEA is asking for additional budget to be able to acquire 13 more K9 dogs.</p> <p>Replying to Rep. Mohamad Khalid Dimaporo's (1st District, Lanao del Norte) query on how the "drug list" of the President is managed and validated, Montallana said that the PDEA, Philippine National Police (PNP), National Intelligence Coordinating Council (NICA), Intelligence Service of the Armed Forces of the Philippines (ISAF), and the National Bureau of Investigation (NBI) submit their respective updated lists to the Office of the President (OP) every month which the OP consolidates.</p>
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<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> • Games and Amusements Board (GAB) • Philippine Racing Commission (Philracom) • Philippine Sports Commission (PSC) 	<p>Rep. Cua also questioned the basis for the 6% service fee imposed by NIA on hydropower developers for the use of its facilities, arguing that it will discourage small hydropower developers to go into this business.</p> <p>The NIA was requested to submit to the Committee a copy of Memorandum Circular 55 once approved by the Board.</p> <p>GAB Chair Abraham Kahlil Mitra said that under the FY 2018 NEP, the GAB will get a total of P107.80 million, a decrease of 2.05% compared to its 2017 budget of P110.06 million.</p> <p>Mitra also presented the agency's mandate, mission, vision and thrusts, and major accomplishments for 2016 and the first semester of 2017. He informed the Committee that GAB has already remitted to the government P2.75 billion as of August 2017 from its share in the revenues of new professional sports, namely: cockfighting, P2.26 billion; football, P459.80 million; motocross, P19.90 million; and e-sports, P10.58 million.</p> <p>Rep. Sambar urged the GAB to submit a policy proposal that will strengthen its regulatory powers over professional sports and allied activities, especially the emerging betting activities utilizing electronic means.</p> <p>Philracom Budget Officer John Edward Timbol said that under the FY 2018 NEP, the agency is set to receive P 194.73 million, which is 23.49% higher compared to its 2017 budget of P157.68 million. The increase in the agency's budget will be used to provide incentives to winning horse owners, and procure equipment and other supplies in the 2nd phase of its equine screening.</p> <p>Timbol said that the Phiracom was created by virtue of Presidential Decree 420 issued in March 1974 to promote and direct the accelerated development and continued growth of horse racing to ensure the full exploitation of the sport as a source of revenue and employment. It is now a member of the International Federation of Horse Racing Authorities (IFHA) whose mission is to promote good regulation and best practices in the conduct of the sport. The agency also established the Jockeys and Trainers Academy, accredited by the Technical Education and Skills Development Authority (TESDA), to provide the highest standards of training for jockeys and trainers.</p> <p>PSC Chair William Ramirez presented the PSC's proposed 2018 budget of P244.06 million, which is 5.36% lower than its 2017 budget of P 257.89 million.</p> <p>Ramirez presented a brief history of the development of sports in the Philippines, the agency's profile and structure, and the Philippine Sports Development Plan 2017-2022. The PSC was created by virtue of RA 6847 as the sole policy-making and coordinating body of all grassroots sports development programs and institutions.</p> <p>For 2018, Ramirez said the PSC will push for the amendment of RA 6847 in order to institutionalize the Philippine Sports Institute (PSI) and to establish sports development councils at the national and local levels, down to the barangay.</p> <p>BAGONG HENERASYON Party-List Rep. Bernadette Herrera-Dy urged the PSC to develop and implement sports programs for children, especially those in the rural areas, to give them something productive to focus on and spare them from being recruited by rebel groups.</p> <p>Ramirez gave his assurance that the PSC, in collaboration with other government agencies, will continue to develop sports programs for</p>
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Continuation... Appropriations		children to keep them from becoming child-soldiers, in line with Rep. Herrera-Dy's suggestion, and also as a form of rehabilitation for children affected by armed conflicts.
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COMMITTEE MEETINGS				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Dangerous Drugs	HR 456	Rep. Jalosjos	Inquiry into the illegal drug trading activities in the Province of Zamboanga del Norte	<p>The Committee, chaired by Rep. Robert "Ace" Barbers (2nd District, Surigao del Norte), will continue its inquiry into the alleged illegal drug trade in Zamboanga del Norte, as raised in HR 456, and Privilege Speeches 84 and 88.</p> <p>Rep. Seth Frederick Jalosjos (1st District, Zamboanga del Norte), author of the three measures, said that he hopes that a credible Committee Report will come out of the inquiry and merit the attention of President Rodrigo Duterte, especially in light of his recent pronouncement that he will not tolerate abuses committed by the police force in the pursuit of his administration's war against illegal drugs.</p> <p>In the three measures, Rep. Jalosjos named several political and police personalities allegedly involved in the illegal drug trade or serving as protectors of drug lords.</p> <p>Rep. Jalosjos disclosed that some of the witnesses who were supposed to testify in today's meeting have been killed, emphasizing what happens to those who want to testify against those involved in illegal drug trade and drug-related killings. Two of them, Crisanto Gulang and Jeanette Acevedo, were killed while in the custody of the Philippine Drug Enforcement Agency (PDEA).</p> <p>PDEA agent Jury Rocamora was asked to recall the events that transpired leading to the death of Gulang and Acevedo. He said that the vehicle he was driving carrying Gulang and Acevedo was stopped by several armed men wearing bonnets while on the way to PDEA's crime laboratory. The armed men fired gunshots which killed Gulang and Acevedo.</p> <p>When asked by several Committee Members on some other details of the incident, such as the caliber of guns used by the armed men, Rocamora said that he would rather defer to the report of the Scene of the Crime Operatives (SOCO). The lawmakers chided Rocamora for not providing enough information about the incident.</p> <p>Dipolog City Police Senior Inspector Lito Andaya gave his account of what he saw when he arrived at the scene where Gulang and Acevedo were killed. He also said that he</p>
	Privilege Speech 84	Rep. Jalosjos	On the illegal trade in the 1 st District of Zamboanga del Norte	
	Privilege Speech 88	Rep. Jalosjos	On the press releases of certain personalities denying their involvement in drug-related activities in the 1 st District of Zamboanga del Norte	

<p>Continuation... Dangerous Drugs</p>				<p>was the one who called up the SOCO. He added that paraffin and ballistic tests conducted on the PDEA operatives and their firearms both yielded negative results.</p> <p>Witness Rolly Daligdig, who claimed to be an “asset” of the PNP, testified about his knowledge of the illegal drug trade in Zamboanga del Norte, naming in the process some of the people behind drug-related killings in the province, as follows: PNP Police Superintendent Reynaldo Maclang; Police Officer 2 Roy Vertudez; Police Inspector Edison Alviar; Zamboanga del Norte Governor Roberto Uy; and former Dipolog City Mayor Roberto “Pinpin” Uy Jr.</p> <p>Daligdig also claimed that he was a hitman who was given targets by the police, particularly Alviar.</p> <p>Alviar denied the allegations but admitted that Daligdig had been his asset. Alviar was asked to submit his counter affidavit to the Committee.</p> <p>Another witness by the name of Ronald Realiza also claimed to be a police asset from years 2012 to 2014. According to Realiza, he worked for Vertudez, who was his protector.</p> <p>Vertudez denied that Realiza was his asset, adding that the latter is a notorious drug pusher who had been arrested several times for firearms and drug-related offenses.</p> <p>On the denial of Vertudez that he used any alias aside from his real name, Rep. Jalosjos presented an identification card as proof that Vertudez is also Jay Suarez who had been claiming cash from the M. Lhuiller branch in Dipolog City. Rep. Jalosjos also said that he can obtain CCTV footage as well as affidavits from the branch’s employees to bolster his claim that Vertudez used the said ID card.</p> <p>When asked about the state of peace and order in Zamboanga del Norte, PNP Region 9 Regional Director Billy Beltran said that the drug trade continues to be a problem despite the large number of arrests the police have already made.</p> <p>According to Beltran, drug supplies seem to be coming from the cities of Ozamiz and Tangub in Misamis Occidental and Zamboanga City. Beltran added that there is a large number of shooting incidents in Zamboanga del Norte, most of which are perpetrated by gun-for-hires, who he claimed are often assets of the police.</p> <p>The Committee will subpoena Roberto and Pinpin Uy to testify on what they know about the issues raised.</p>
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Continuation... Dangerous Drugs				The PNP, PDEA, and the National Bureau of Investigation (NBI) were asked to provide separate explanations on why the killing of Acevedo and Gulang and other drug-related killings in the 1 st District of Zamboanga del Norte remain unsolved.
Good Government and Public Accountability	HR 882	Majority Leader Fariñas	Inquiry into the use by the Provincial Government of Ilocos Norte of its shares from the excise taxes on locally manufactured Virginia-type cigarettes or the Special Support Fund under RA 7171 for a purpose other than those provided for by the said law, and into its highly irregular purchase of motor vehicles made through cash advances without the benefit of public biddings for the total amount of P66.45 million	<p>The Committee, chaired by Rep. Johnny Ty Pimentel (2nd District, Surigao del Sur), continued its inquiry relative to HR 882.</p> <p>Majority Leader Rodolfo Fariñas (1st District, Ilocos, Norte) asked Fabian Go, president of Granstar Motors and Industrial Corporation, if he knew at the time of the purchase of the motor vehicles, subject of HR 882, that his company was transacting with the Provincial Government of Ilocos Norte (PGIN).</p> <p>As in the previous meeting of the Committee, Go maintained that he did not transact with the PGIN but with Mark Chua, a relative of Ilocos Norte Governor Imee Marcos. Granstar Motors and Industrial Corporation is the distributor of Foton-Forland mini trucks purchased by the PGIN.</p> <p>When asked if she met Go in connection with the questioned purchase, Marcos said she could not recall. However, Go disclosed that he met Marcos in Singapore together with Chua but he could not remember the date when it happened. He added that on the second week of April of this year, the three of them met again during which he was informed that the transaction will be under investigation by Congress.</p> <p>Deputy Speaker Gwendolyn Garcia (3rd District, Cebu) believes that Go knew that he was transacting with the government when he acquired a certificate of exclusive distributorship of Foton mini cabs. Under RA 9184 or the Government Procurement Reform Act, a supplier who wants to transact with the government is required to submit a certificate of exclusive distributorship in a direct contracting method of procurement.</p> <p>Go confirmed that he acquired a certificate of exclusive distributorship because the Bureau of Customs (BOC) questioned the legality of importation of the mini cabs since another company is claiming exclusive distributorship of Foton vehicles.</p> <p>Photocopies of documents pertaining to the purchase of the mini cabs were submitted by Go and were marked accordingly as evidence by the Committee.</p> <p>The Committee agreed to grant legislative immunity to Go to encourage him to reveal the truth behind the alleged highly irregular purchase of motor vehicles worth about P66.45 million.</p>

<p>Continuation... Good Government and Public Accountability</p>				<p>Gov. Marcos, responding to queries why the subject motor vehicles were not registered with the Land Transportation Office (LTO), explained that the provincial government did not see the need to do so because the vehicles were used for agricultural purposes. She, however, said that the provincial government is now in the process of registering the motor vehicles in response to LTO's communication on the matter.</p> <p>Majority Leader Fariñas sought the comment of the Department of Budget and Management (DBM) if the funds from the local government's share from the tobacco excise tax can be used to purchase motor vehicles.</p> <p>DBM's Local Government and Regional Coordinating Bureau Director Leila Rivera said that it may be allowed as long as the justification is in line with the objectives of RA 7171. Rivera added that since 2015, concerned local governments are required to submit to DBM a utilization report on their share from the tobacco excise tax.</p> <p>With regard to the resolution of Ilocos Norte's <i>Sangguniang Panlalawigan</i> (SP) declaring Majority Leader Fariñas as <i>persona non grata</i> in the province, Atty. Vicentito Lazo, member of the <i>Sangguniang Panlalawigan</i>, assured that a new resolution will be issued to withdraw the <i>persona non grata</i> status of the Majority Leader. Another draft resolution of the <i>Sangguniang Panlalawigan</i> denouncing the conduct of the House inquiry was not adopted and later shelved. Lazo said that the SP members will issue a resolution as well expressing their apologies to the members of the House of Representatives and withdrawing their statements in the draft resolution.</p> <p>Majority Leader Fariñas said that this incident should serve as warning to other entities to respect the proceedings of Congress.</p> <p>The Committee agreed to subpoena Mark Chua, Irene Mendoza, who was with Chua during a meeting with Go in 2009, and Granstar's Vice President Gilbert Suribas to compel their attendance in its next meeting.</p>
	<p><i>Motu proprio inquiry</i></p>		<p>Inquiry into the transactions of the Provincial Government of Ilocos Norte, particularly on the following:</p> <ul style="list-style-type: none"> • Purchase of portrait bust sculpture and services for the development of Paoay Museum on July 17, 2012; • Materials and installation of precast concrete for Paseo de Paoay on July 18, 2012; • Purchase of medicines and Libspray 211 for distribution to the different municipalities on October 24, 2012; • Purchase of Panlaban 5EC for 	<p>The Committee will deliberate further on the alleged irregular transactions of the Provincial Government of Ilocos Norte made in 2012.</p> <p>ABS Party-List Rep. Eugene Michael de Vera inquired into the process of procurement with regard to the precast concrete project for Paseo de Paoay.</p> <p>Joseph Castro, PGIN's general services officer (GSO), admitted that he issued a check representing cash advance for the project amounting to P4.8 million with an</p>

<p>Continuation... Good Government and Public Accountability</p>			<p>distribution to the different municipalities on November 23, 2012; and</p> <ul style="list-style-type: none"> • Purchase of medicines for distribution to the different municipalities on December 11, 2012 	<p>endorsement authorizing Genedine Jambaro, who is an employee at the Office of the Ilocos Norte Provincial Treasurer, to encash the check. Castro, however, said that he does not have any knowledge of the transaction as he only signed documents with his name on them as signatory.</p> <p>Jambaro admitted that she encashed the check and kept the cash in the vault of the Office of the Provincial Treasurer of Ilocos Norte.</p> <p>When asked by Majority Leader Fariñas why the GSO was bonded and allowed to hold cash, Marcos said that the treasurer is not the only officer allowed to be bonded but also other officers like the GSO.</p> <p>Under the Local Treasury Operations Manual, every officer of the local government unit whose duties permit or require the custody of funds and property/accountable forms shall be covered by a fidelity bond and such officer shall be accountable and responsible for said funds and property/accountable forms.</p> <p>Replying to the question on whether the transactions being questioned were published in the Philippine Government Electronic Procurement System (PhilGEPS), Executive Director Rosa Maria Clemente of PhilGEPS said that the reference numbers used for the four transactions belong to other government offices, while the other was not found in PhilGEPS' records.</p> <p>Rep. Juan Pablo "Rimpy" Bondoc (4th District, Pampanga) asked if the PGIN is aware of the allegedly fake PhilGEPS documents.</p> <p>PGIN's Bids and Awards Committee (BAC) Chairman Pedro Agcaoili answered in the negative, adding that BAC's notices for the transactions were prepared by the BAC secretariat.</p> <p>Marcos was shocked to hear of the irregularities at the BAC and assured the Committee that the provincial government will investigate the matter.</p> <p>Rep. Pimentel asserted that Agcaoili should be held responsible for the alleged irregularities in the BAC, as the head of this office.</p>
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