



# Congressional Record

PLENARY PROCEEDINGS OF THE 17<sup>th</sup> CONGRESS, FIRST REGULAR SESSION  
*House of Representatives*

Vol. 3

Tuesday, December 6, 2016

No. 52

## CALL TO ORDER

*At 4:00 p.m., Deputy Speaker Fredenil "Fred" H. Castro called the session to order.*

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The session is called to order.

## NATIONAL ANTHEM

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Everybody will please rise for the singing of the National Anthem.

*Everybody rose to sing the Philippine National Anthem.*

## PRAYER

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Please remain standing for a minute of prayer and meditation.

*Everybody remained standing for the silent prayer.*

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Dep. Majority Leader is recognized.

REP. CRISOLOGO. Mr. Speaker, I move that we defer the calling of the roll.  
I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. CRISOLOGO. Mr. Speaker, I move that we defer the reading of the Journal of the previous session.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. CRISOLOGO. Mr. Speaker, I move that we defer the approval of the Journal.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. CRISOLOGO. Mr. Speaker, I move that we proceed to the Reference of Business.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General will please read the Reference of Business.

## REFERENCE OF BUSINESS

*The Secretary General read the following House Bills on First Reading, and Communication, and the Deputy Speaker made the corresponding references.*

## BILLS ON FIRST READING

House Bill No. 4526, entitled:

“AN ACT DECLARING THE PROVINCE OF PALAWAN AS THE CRUISE SHIP CAPITAL OF THE PHILIPPINES AND FOR OTHER PURPOSES”

By Representatives Acosta, Abueg and Alvarez (F.)  
TO THE COMMITTEE ON TOURISM

House Bill No. 4527, entitled:

“AN ACT REQUIRING ALL DEEP-WELL OWNERS AND OPERATORS, INCLUDING APPLICANTS FOR WATER EXTRACTION PERMITS TO INCORPORATE, CONSTRUCT AND INSTALL ARTIFICIAL RECHARGE WELLS SO THAT THE WATER THEY EXTRACT FROM THE AQUIFERS WILL BE REPLENISHED THUS HELPING MITIGATE THE EFFECTS OF THE EL NIÑO, CLIMATE CHANGE AND OTHER

PROBLEMS ON FRESH WATER, AND FOR OTHER PURPOSES”

By Representative Savellano  
TO THE COMMITTEE ON NATURAL RESOURCES

House Bill No. 4528, entitled:

“AN ACT CREATING THE NATIONAL RAINWATER HARVESTING BOARD UNDER THE OFFICE OF THE PRESIDENT FOR THE PURPOSE OF PROMOTION, DEVELOPMENT AND UTILIZATION OF RAINWATER HARVESTING TECHNOLOGY AS A MEASURE TO MITIGATE THE EFFECTS BROUGHT ABOUT BY CLIMATE CHANGE AND EXTREME WEATHER PHENOMENA LIKE SUPER TYPHOONS AND THE EL NIÑO THAT ARE THE CAUSES OF DOWNSTREAM FLOODING, SEVERE DROUGHT AND OTHER PROBLEMS ON FRESH WATER, AND FOR OTHER PURPOSES”

By Representative Savellano  
TO THE COMMITTEE ON GOVERNMENT REORGANIZATION AND THE COMMITTEE ON NATURAL RESOURCES

House Bill No. 4529, entitled:

“AN ACT INCREASING THE MAXIMUM AMOUNT OF CLAIMS THAT MAY BE APPROVED AND GRANTED BY THE BOARD OF CLAIMS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7309, AN ACT CREATING THE BOARD OF CLAIMS UNDER THE DEPARTMENT OF JUSTICE FOR VICTIMS OF UNJUST IMPRISONMENT OR DETENTION AND VICTIMS OF VIOLENT CRIMES AND FOR OTHER PURPOSES”

By Representative Campos  
TO THE COMMITTEE ON JUSTICE

House Bill No. 4530, entitled:

“AN ACT ESTABLISHING THE PHILIPPINE INSTITUTE OF SPORTS, DEFINING ITS POWERS, FUNCTIONS AND RESPONSIBILITIES AND APPROPRIATING FUNDS THEREFOR”

By Representative Dimaporo (M.)  
TO THE COMMITTEE ON GOVERNMENT REORGANIZATION AND THE COMMITTEE ON YOUTH AND SPORTS DEVELOPMENT

House Bill No. 4531, entitled:

“AN ACT PROVIDING FOR EMPLOYMENT TO INDIGENTS IN RURAL AREAS”

By Representative Ramos  
TO THE COMMITTEE ON LABOR AND EMPLOYMENT

House Bill No. 4532, entitled:

“AN ACT ESTABLISHING THE NEGROS ISLAND REGION TO BE KNOWN AS REGION XVIII”

By Representatives Paduano and Teves  
TO THE COMMITTEE ON LOCAL GOVERNMENT

House Bill No. 4533, entitled:

“AN ACT AMENDING REPUBLIC ACT NO. 7699, OTHERWISE KNOWN AS THE PORTABILITY LAW ”

By Representative Roque (H.)  
TO THE COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION

ADDITIONAL COAUTHORS

Rep. Manuel Jose “Mannix” M. Dalipe for House Bills No. 31, 62, 104, 1981 and 4340;

Rep. Gus S. Tambunting for House Bill No. 2658;

Reps. Ronald M. Cosalan and Roy M. Loyola for House Bill No. 4174;

Rep. Raul V. Del Mar for House Bills No. 1858, 4093 and 4174;

Reps. Teodoro “Ted” G. Montoro and Aniceto “John” D. Bertiz III for House Bills No. 2930, 3946 and 4110;

Rep. Ma. Lourdes R. Aggabao for House Bills No. 2930 and 4110;

Reps. Maria Carmen S. Zamora and Amado T. Espino Jr. for House Bill No. 3946;

Rep. Sherwin N. Tugna for House Bill No. 4110;

Rep. Roy M. Loyola for House Bill No. 2792;

Rep. Edgar R. Erice for House Bills No. 516, 1858, 2286 and 2798;

Rep. Jose Antonio “Kuya Jonathan” R. Sy-Alvarado for House Bills No. 4370 and 4487;

Rep. Christopher S. Co for House Resolution No. 607;

Rep. Mario Vittorio “Marvey” A. Mariño for House Bills No. 3858, 3943 and 4337;

Rep. Rose Marie “Baby” J. Arenas for House Bill No. 4113;

Rep. Christopher “Toff” Vera Perez De Venecia for House Bills No. 2448, 2458, 2464 and 2465; and

Rep. Marlyn L. Primicias-Agabas for House Bills No. 1530 and 4334.

COMMUNICATION

Letter dated November 7, 2016 of Roland A. Rey,

Regional Director, Commission on Audit, Regional Office No. V, submitting copies of the CY 2015 Annual Audit Reports (AAR) on the following:

1. Bulan Water District, Bulan, Sorsogon; and
2. JH Cerilles State College-System, Mati, San Miguel, Zamboanga del Sur.

TO THE COMMITTEE ON APPROPRIATIONS

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Floor Leader is recognized.

#### PRIVILEGE HOUR

REP. PRIMICIAS-AGABAS. Mr. Speaker, with leave of the House, I move that we open the Privilege Hour.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. PRIMICIAS-AGABAS. Mr. Speaker, I now move that the Gentleman from the Party-List BAYAN MUNA, the honorable Rep. Carlos Isagani T. Zarate, be recognized to avail of the Privilege Hour.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The distinguished Rep. Carlos Zarate is hereby recognized.

#### PRIVILEGE SPEECH OF REP. ZARATE

REP. ZARATE. Maraming salamat, G. Ispiker.

G. Ispiker, pumanaw ang detenidong pulitikal na si Bernabe Ocasla noong nakaraang linggo. Matapos po siyang ma-comatose nang tatlong araw at matapos tumigil ang kanyang puso nang may ikatlong ulit, binawian siya ng buhay sa isang pampublikong ospital dito sa Kamaynilaan.

Sixty-six years old po si Ka Oca at labinlima sa mga taong ito ay ginugol niya sa pagkakapiit sa bilangguan. Siya po ay partially deaf, partially blind at mayroong hypertension. Ngunit, para sa mga anak ni Ka Oca, ang marahas na kalagayan sa bilangguan, ang kawalan ng sapat at napapanahong atensyong medikal, at lalo na ang malubhang kawalan ng katarungan ang dahilan ng pagpanaw ng kanilang ama. Estado ang pumatay kay Ka Oca, G. Ispiker.

Isa si Ka Oca sa mga bilanggong pulitikal na matagal na nating ipinapanawagan ang agarang pagpapalaya, hindi lamang sa mabigat na dahilang gawa-gawa ang kasong ipinaratang sa kanila, kundi sa mga batayang humanitarian. Isa si Ka Oca sa mga detenidong pulitikal na may edad na at may karamdaman na karapat-dapat nang kaagad na palayain ng ating pamahalaan.

G. Ispiker, isang malaking inhustisya ang pagkamatay ni Bernabe "Ka Oca" Ocasla. Ang kanyang lakas at kalayaan ay matagal niyang iginugol para sa

mga kapwa niya magsasaka bilang lider at organisador nito sa Western Samar. Isang kabalintunaan na ganito mamamatay nang hindi naibabalik ang kalayaang ipinagkait sa kanya ng pamahalaan ang sinapit ng isang lider-pesante na matagal nang nagtatanggol sa karapatan ng mga magsasaka sa kanilang lupang sakahan.

Nais ko pong hiramín ang mga salita ni Atty. Edre Olalia, isa sa mga abogado ng mga bilanggong pulitikal nang kanyang tinuring at sinabi, and I quote:

Political prisoner Bernabe Ocasla is dead. He was in a coma after a heart attack/stroke on Friday in jail. He was among many other ailing political detainees that should have been released on humanitarian grounds as agreed during the peace negotiations and as promised by the government for the longest time.

But sorry for him, he is obscure, faceless and powerless unlike other high and mighty prisoners who walk free with no sweat to play Candy Crush, have staycations in hospitals, watch boxing matches, attend children's graduations, celebrate birthdays, have dental check-ups or treat LBMs.

There is no justice.

Walang hustisya. At patuloy ang kawalan ng hustisya, G. Ispiker, sa patuloy na pagkakapiit ng mga bilanggong pulitikal sa iba't ibang bahagi ng ating bansa.

Ikalabintatlo na si Ka Oca sa mga bilanggong pulitikal na namatay sa bilangguan. Sana, siya na po ang maging huli, G. Ispiker.

Nitong nakaraang araw ay ibinalita sa atin na dalawa na namang bilanggong pulitikal ang dinala sa ospital.

Si Apolonio Barado, ngayon ay 62 taong gulang na, ay ikinulong noon pang 2001 sa New Bilibid Prison. Siya ay dati nang inatake sa puso sa piitan at may sakit na hypertension at diabetes. Samantala, si Amelia Pond, 64 na taong gulang at isang guro at tagapagsaliksik ng mga paaralang Lumad sa Mindanao na ipiniit noon lamang ika-16 ng Agosto, ay nagpapagalang sa ospital matapos operahan sa kanyang gulugod.

Panawagan namin, G. Ispiker, na sila ay bigyan ng karampatang atensyong medikal at agarang palayain. Gayundin, ipinananawagan namin ang agad na pagpapalaya ng 130 pang bilanggong pulitikal na may mga karamdaman sa iba't ibang bahagi ng kanilang katawan. Huwag na nating hintayin na ikamatay ng mga bilanggong pulitikal ang inhustisyang nagkakait sa kanila ng kanilang kalayaan.

G. Ispiker, sa kasalukuyan ay may 400 bilanggong pulitikal, mahigit-kumulang, na nakapiit sa iba't ibang bahagi ng ating bansa. Dapat nating mapagtanto na ang pagkakaroon ng mga bilanggong pulitikal sa isang bansa ay tanda ng kawalan ng demokrasya at tahasang paglabag sa karapatang pantao.

Kaya naman, G. Ispiker, dapat nating mariing kondenahin ang pagsampa ng gawa-gawang kasong kriminal sa mga aktibista, mga magsasaka, manggagawa, katutubo at mga miyembro ng mga rebolusyonaryong grupo dahil lamang sa kanilang pulitikal na paninindigan.

Malugod ho nating tinanggap, G. Ispiker, ang pahayag ng administrasyon ni Pangulong Digong Duterte sa pagpapalaya sa lahat ng mga bilanggong pulitikal. Sa katunayan, malaki ang kaibahan ng pahayag na ito ni Pangulong Duterte kumpara sa mga nagdaang administrasyong Arroyo at Aquino na lansak na lumalabag sa kasunduan sa usapang pangkapayapaan at pagpapalaya sa mga bilanggong pulitikal.

Ang hindi pagpapalaya sa mga bilanggong pulitikal ay isa sa mga mabigat na dahilan kung bakit hindi umuusad ang usapang pangkapayapaan sa kanilang panunungkulan.

Sa aktuwal, sa kasalukuyan, 19 pa lamang ang lumaya mula sa pangakong ito ng administrasyon ni Pangulong Digong Duterte. Habang papalapit ang Kapaskuhan ay nagiging mas mabigat ang pakiramdam sa kanilang patuloy na pagkakakulong at pagkakait na makapiling nila ang kanilang mga mahal sa buhay. Dapat nang wakasan, G. Ispiker, ang inhustisyang ito.

Mula noong ika-3 ng Disyembre hanggang sa darating na Pandaigdigang Araw ng Karapatang Pantao o International Humanitarian Day sa December 10, bilang pakikiisa at protesta sa patuloy na pagpipiit ng mga bilanggong pulitikal ay magsasagawa ng solidarity fasting ang mga bilanggong pulitikal. Kasama sa fasting na ito ang 524 na mga karaniwang inmates o mga bilanggo, ang mga kaanak ng mga bilanggong pulitikal, at iba pang mga tagasuporta bilang simbolo ng protesta at pakikiisa.

Ang pagpapalaya ng mga detenidong pulitikal ay kagyat tulad sa mga kaso gaya sana ng kay Ka Oca, gaya ng kaso ni Amelia Pond, at gaya ng kaso ni Apolonio Barado. Mabigat din ang implikasyong ito sa inaasam nating kapayapaang nakabatay sa hustisya.

G. Ispiker, linawin po natin, hindi isang precondition sa usaping pangkapayapaan ang pagpapalaya sa mga bilanggong pulitikal, ngunit katuparan ito sa ipinangako ng ating pamahalaan. Higit pa rito, ang pagpapalaya sa mga bilanggong pulitikal ay isang act of justice. Ito po ay sa kapamaraan ng hustisya.

Nitong mga nakaraan, nakuhang parangalan ang isang tyrant at diktador na kagaya ni Marcos ngunit binubusabos at binubulok sa kulungan ang mga tunay na tagapagtanggol sa karapatan ng ating mamamayan. Bawat segundo ng pagkakapiit nila ay isang tahasang inhustisya at paglabag sa karapatang pantao.

G. Ispiker, hayaan po ninyong tapusin ko ang aking talumpati sa pagpaparantal kay Ka Oca at sa iba pang mga bilanggong pulitikal na hindi na nasilayan ang kanilang kalayaan, na pumanaw sa likod ng mga rehas.

Hayaan ninyong basahin ko ang isang taludtod mula sa mga salita ng National Artist for Literature na si Amado Vera Hernandez na isa ring bilanggong pulitikal

noong dekada 50 dahil sa kanyang pagtatanggol sa karapatan ng mga maralita. Kanya pong sinabi:

May araw ding ang luha mo'y masasaid, matutuyo,

May araw ding di na luha sa mata mong namumugto

Ang dadaloy, kundi apoy, at apoy na kulay dugo,

Samantalang ang dugo mo ay aserong kumukulo;

Sisigaw kang buong giting sa liyab ng libong sulo

At ang lumang tanikala'y lalagutin mo ng punglo!

Maraming salamat po, G. Ispiker, at magandang hapon sa ating lahat.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we refer the speech of the honorable Congressman Zarate to the Committee on Rules for its appropriate action.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the privilege speech of the distinguished Gentleman from the Party-List BAYAN MUNA is hereby referred to the Committee on Rules.

REP. MATUGAS. Mr. Speaker, I move that we suspend the Privilege Hour.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the Privilege Hour is suspended.

REP. MATUGAS. Mr. Speaker, at this point, I would like to acknowledge the presence of some guests of our colleagues, the guests of Congressman Manuel Jose "Mannix" M. Dalipe from Zamboanga City, the group of Zamboanga City delegates to the 8th Ako Para sa Bata, who are here now at the session hall.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Please rise. (*Applause*) To all guests of the distinguished Congressman Dalipe, welcome to the House of Representatives.

REP. MATUGAS. Mr. Speaker, we would also like to acknowledge the presence of the guests of Congressman Jonas C. Cortes of the Sixth District of Cebu, from the Kiwanis Club of Mandaue North: Ms.

Marit Stinus Cabugon, Ms. Anita Ardoña, Ms. Dalia Cadungog, Ms. Elvira Suson and Ms. Jen Galvez.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The guests of Congressman Cortes, please rise. (*Applause*) Welcome to the House of Representatives.

REP. MATUGAS. And finally, Mr. Speaker, I would like to acknowledge also the presence of the guests of Congresswoman Juliet Marie D. Ferrer, the following public officials from the Fourth District of Negros Occidental: Vice Mayor Gavan of the municipality of Pontevedra, Councilors Bebs Garita, Alfredo Verona, Edgar Tomas, Arnold Lamela, Jose Marie Suanico, Raymar Gurra and Councilor Larry Cuson.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The guests of Congresswoman Juliet Ferrer, please rise. Welcome to the House of Representatives. (*Applause*)

#### PRIVILEGE HOUR

##### *Continuation*

REP. MATUGAS. Mr. Speaker, I move to resume the Privilege Hour.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the Privilege Hour is resumed.

The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we recognize the Lady from the Party-List GABRIELA, Congresswoman Arlene D. Brosas, for her privilege speech.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The distinguished Lady from the Party-List GABRIELA is recognized.

#### PRIVILEGE SPEECH OF REP. BROSAS

REP. BROSAS. Yes, Mr. Speaker.

I rise today as I ask everyone, where is justice? Sabi nga po, nasaan ang hustisya?

Papalapit na ang ika-10 ng Disyembre, ang Pandaigdigang Araw ng Karapatang Pantao. Noong Sabado ay nagsimula ang Solidarity Fast upang itambol ang panawagan para sa pagpapalaya ng mga bilanggong pulitikal.

Mula nang maipatupad ang Oplan Bayanihan sa ilalim ni Aquino, lumobo ang bilang ng mga progresibo, aktibista at mga rebolusyonaryong sinampahan ng gawa-gawang kasong kriminal, sa layuning sila ay patahimikin at pigilan sa pagtindig para sa mahihirap na mamamayan. Nananatiling nakapiit ang mahigit na 400 bilanggong pulitikal sa buong bansa, kabilang ang 33

kababaihan—33 all in all ang women political prisoners na mayroon tayo. Ang patuloy nilang pagkakapiit ay pagpapatuloy ng inhustisya. Nagkakasakit na ang marami. Ang ilan ay mga inang dapat ay nasa piling ng kanilang mga anak, marami ang matatanda na at matagal nang dapat nakalaya dahil pinilit silang magdusa nang higit pa sa taning na hatol na katumbas ng bintang na ikinaso sa kanila.

Kamakailan ay pumanaw si Bernabe Ocasla. Siya ang ikalabintatlong bilanggong pulitikal na namatay habang nakadetene. Sa kasalukuyan ay nasa ospital rin sina Apolonio Barado, 62 years old, dahil sa pananakit ng dibdib, at si Amelia Pond, 64 years old, dahil sa operasyon sa kanyang spine at chronic renal infection. Si Amelia Pond ay isang guro sa paaralang Lumad at inaresto dahil sa maling pangalan, gamit ang isang pekeng ID na itinanim ng mga operatiba sa kanyang bag nito lamang Agosto 2016.

G. Ispiker, at mga kapwa kong Kinatawan, hangad naming mga kababaihan ang hustisya at kapayapaan. Ang inabot ng dalawang yugto ng usapang pangkapayapaan ay aming kinalulugdan. Subalit walang kapayapaang makakamit kung walang katarungan. Dapat ay agad nang palayain ang lahat ng bilanggong pulitikal kasabay ng pag-usad ng negosasyong pangkapayapaan sa pagitan ng pamahalaan ng Pilipinas at ng National Democratic Front.

Naninindigan tayo na ang pagbibigay ng general amnesty para makalaya ang mga detenido ay makatarungan, at kinakailangang gampanan para sa sinserong pagsulong ng usapan. Hinihingi namin ang inyong suporta para maisulong ang isang resolusyon na nananawagan sa pangkalahatang amnestiya para sa mga bilanggong pulitikal. Nawa ay suportahan rin ng Kapulungang ito ang panawagan ng mga kababaihang itigil na ang Oplan Bayanihan na ang ibinubunsod nito ay red-baiting at vilification, mga walang batayang kriminal na pagpapatang sa mga aktibista at tagapagtaguyod ng karapatang pantao at pagtukoy sa kanila bilang mga target ng mga vigilante, paramilitary at mismo ng Armed Forces of the Philippines.

Gayundin, aming ipinapanawagan ang paggalang ng mga sundalo sa napagkasunduang tigil-putukan. Ang pananatili ng mga bata-batalyong mga sundalo ng AFP sa mga komunidad ng mga magsasaka at katutubo ay nagdudulot ng maraming paglabag sa karapatang pantao.

I would like to call the attention of the House leadership on various resolutions authored and co-authored by this Representation, seeking an investigation on various human rights abuses, including the sexual abuse of women in Kalinga communities, the death of a pregnant Lumad in Bukidnon and the closure of Lumad schools in Sultan Kudarat. Let us promptly take action on these abuses, ignited by heightened military presence, reminiscent of the Martial Law years under the Marcos dictatorship. We call for vigilance, for the

protection of rights and civil liberties amidst continuing drug-related deaths, increased police visibility, and loose comments and threats to suspend the writ of habeas corpus. We want all the remaining vestiges of Martial Law expunged. Palayain na ang lahat ng bilanggong pulitikal at lansagin ang Oplan Bayanihan tungo sa pagsulong ng usapang pangkapayapaan.

Maraming salamat at magandang hapon po sa ating lahat.

REP. DAZA. Mr. Speaker, Mr. Speaker, Mr. Speaker.

REP. MATUGAS. Mr. Speaker, I move that we recognize the Hon. Raul Daza for his interpellation.

REP. DAZA. Mr. Speaker, may I know if the distinguished Congresswoman ...

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Wait, before ...

REP. DAZA. ... from Party-List will submit to ...

THE DEPUTY SPEAKER (Rep. Castro, F.H.). ... before you—we have not recognized you yet, Congressman Daza.

REP. DAZA. ... interpellation. Yes.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Upon motion of the Floor Leader, the distinguished Cong. Raul A. Daza is recognized.

REP. DAZA. Thank you, Mr. Speaker.

Mangyari po bang tumanggap ang butihing Kinatawan ng GABRIELA ng ilang katanungan lamang na nauukol sa kanyang mga binitiwang pananalita ngayong hapon ito?

REP. BROSAS. Opo, Mr. Speaker.

REP. DAZA. Bago po ako magtanong, ibig ko pong iparating sa kanila na mayroon po akong isang constituent na ngayon ay nakakulong sa Correctional Institute for Women ng dahil sa—siguro mga dalawang taon na ang nakalilipas, hinatulan siya ng Regional Trial Court ng Northern Samar na mabilanggo nang panghabambuhay ng dahil sa isang asuntong murder na di-umano ay nakasama siya sa isang engkwentro doon sa Northern Samar sa pagitan ng mga NPA at ng mga kasapi ng sandatahang Pilipino ng ating pamahalaan.

Ako po ay nagtanong. May tinanungan ako na kung sino ang gumagawa ng talaan noong nababanggit sa mga pahayagang mahigit na apat na taon nang nakakulong na hinihiling ng kilusan na mabigyan ng kalayaan sa pamamagitan ng pardon.

Ang tanong ko po ay: Saan po ba ginagawa itong talaang ito at papaano po ba makakasama itong aking constituent, na ang pangalan ay si Felicidad Caparan, na ngayon po ay nakakulong sa National, sa Correctional Institution for Women?

REP. BROSAS. Maraming salamat po Cong. Daza. Mayroon pong 400 mahigit na listahan ano po, iyong KARAPATAN at SELDA, sila po iyong namamahala doon sa mga nakapangalan na political prisoners. Kinuha ko po iyong pangalan na sinabi ninyo, si Felicidad ...

REP. DAZA. Caparan.

REP. BROSAS. Caparan—iyan, at iyan po ay iko-confirm natin sa bahagi ng Northern Samar. Doon po siya nakaano, sa Correctional Institution for Women. Kasi ang mayroon lang po ngayon, ang nabisita ko po ay 11 women political prisoners dito sa Taguig na nagmula din po sa Taguig City Jail, na nagmula din po sa iba't ibang lugar sa Southern Tagalog, sa Central Luzon, mayroon pong mga ganoong ano, na inililipat nila.

Kaya po ito ay iko-confirm po natin, si Felicidad Caparan, para po malaman natin. Tapos, kung hindi man, sasabihin po natin sa KARAPATAN na siya po ay kinasuhan for political reasons din at isa-submit natin ang kanyang pangalan. Ayan po.

REP. DAZA. Maraming salamat po, G. Ispiker.

Maraming salamat po sa butihing Kinatawan ng GABRIELA.

REP. BROSAS. Maraming salamat din po.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we refer the privilege speech of the Hon. Arlene D. Brosas and the interpellation of Representative Raul A. Daza to the appropriate committee, to the Committee on Rules for appropriate action.

I so move, Mr. Speaker

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The privilege speech of the distinguished Lady from the Party-List GABRIELA, including the interpellation, is referred to the Committee on Rules.

REP. MATUGAS. Mr. Speaker, I move that we recognize the Gentleman from the Third District of Negros Oriental, Hon. Arnolfo “Arnie” A. Teves Jr., for his privilege speech.

REP. TEVES. Thank you, Mr. Speaker. Good afternoon.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). You have not been recognized yet.

The Honorable Teves is hereby recognized.

#### PRIVILEGE SPEECH OF REP. TEVES

REP. TEVES. Thank you, Mr. Speaker. Good afternoon everybody.

I rise again today because of a very disturbing incident that happened at the South Wing this morning.

There is a lady who works here in Congress by the name of Diday Pulido who has been harassing my staff. It has been the third time this morning that she has harassed my staff named “Beng.” She has been bullying and harassing her, and I do not think this type of people deserve a place in the House of Representatives.

You know, we, Representatives, Congressmen and Congresswomen, no matter how we differ in our views, we stay civil. We do not hurt each other physically. We do not abuse each other verbally. We can argue for so many hours, but we always respect the other person.

This lady, named Diday Pulido, has been very “bastos” and it has been the third time today that this has happened. I wanted to talk to her boss. Apparently, her boss is not here. She is a friend of mine, Cong. Milagros Tan. She is a very nice Lady. Hindi ko nga alam kung alam niya na bastos iyong tao niya. Sa tingin ko, dapat i-review ng House iyong coverage ng CCTV and I do not think na kailangan pang papasukin iyong babae na iyan dito. I think that she better be banned from Congress as hindi talaga maganda iyong ginawa niya and I do not think we have a place in Congress for people like her.

Pakitingnan na lang iyong CCTV footage. SecGen, kung puwede, pakiimbetiga na lang iyong nangyari kanina dahil hindi lang kanina nangyari raw iyon. That was already the third time that this has happened.

Again, the House of Representatives has no place for people as “bastos” as that Diday Pulido.

Thank you very much, Mr. Speaker. That is all for now.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we refer the speech of the Hon. Arnolfo A. Teves to the Committee on Rules for its appropriate action.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the privilege speech of the distinguished Congressman Teves is hereby referred to the Committee on Rules.

The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we recognize the Lady from the Party-List KABATAAN, the Hon. Sarah Jane I. Elago, for her privilege speech.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The distinguished Lady from the Party-List KABATAAN is hereby recognized.

#### PRIVILEGE SPEECH OF REP. ELAGO

REP. ELAGO. Thank you, Mr. Speaker.

Good day, fellow Legislators!

I am on solidarity fast of no rice and lunch meals since December 3. Today is my fourth day of fasting in support of the #FastingChallenge to drumbeat campaign for the immediate release of all political prisoners.

Early on, in our first State of the Nation Address in the Seventeenth Congress, I brought along as one of my guests, Mrs. Maria Concepcion Montajes, the mother of youth political prisoner Maricon Montajes, in a move to further campaign for the immediate release of all political prisoners in the country.

Maricon Montajes is one of at least 400 political prisoners or people arrested and detained for trumped-up charges due to their political beliefs in the country. Maricon is facing trumped-up charges, including illegal possession of firearms and ammunition. She remains in detention for trumped-up charges due to their political beliefs in the country. She has already been detained for trumped-up charges for over six years. And we hope that political prisoners like Maricon will be given their freedom under the Duterte administration.

As KARAPATAN said in a statement, and I quote:

We have reminded President Duterte and Dureza that the release of political prisoners should not merely be treated as a confidence-building measure in the formal peace talks, but as an obligation and show of adherence to the Comprehensive Agreement on Respect for Human Rights and the International Humanitarian Law or CARHRIHL.

Now, I would like to tell you more about two of our youth political prisoners, Guiller Martin Cadano and Gerald “Geary” Salonga, who were just newly freed yesterday at 1:00 p.m. Ang nakalulungkot at hindi ko po makalilimutan ay ang kanilang salaysay hinggil sa kanilang paglaya at kung paano na-dismiss at naibasura ang mga charges laban sa kanila. Mahigit dalawang taon silang nagdusa sa loob ng kulungan, samantalang ang hearing kung saan dininig ang mga gawa-gawang kaso sa kanila ay hindi pa po tumagal ng 30 minuto. Dalawang taon silang nagdusa sa loob ng mga piitan para sa mga kaso na gawa-gawa at ni wala po silang kaalam-alam o ideya at dalawang taon din iyong nawala sa kanilang

kabataan, imbes na nakapagsisilbi sana sila sa ating bayan. At sa loob ng 30 minuto, doon lamang naresolba at nagkaroon ng pagkakataon na sila nga ay makalaya.

Sino ba si Guiller Cadano at Gerald Salonga? Sila po ay dalawang kabataan, parehong 25 years old, who were fresh graduates of the University of the Philippines–Pampanga when they conducted a research study on the impact of the operations of Dalton Pass Eastern Alignment Project on farmers in Carranglan, Nueva Ecija, in 2014. They were illegally arrested by military men of the 3rd Infantry Battalion under the 7th Infantry Division on August 9, 2014 in Carranglan, Nueva Ecija. They faced false charges of illegal possession of firearms and explosives. Their captors accused them of being combatants of the New People’s Army and subjected them to physical and mental torture overnight. The two were detained in a district jail in San Jose City, Nueva Ecija and, after almost two years, they were transferred to Nueva Ecija Provincial Jail in Cabanatuan City.

Mr. Speaker, ang dalawang ito na nito lamang Linggo ay aking nabisita ay nakalaya na kahapon. Mayroon silang mensahe sa ating mga kapwa kabataan at sa lahat ng sumusuporta sa panawagan na palayain na ang lahat ng mga bilanggong pulitikal sa ating bansa.

Ito ang mensahe ni Gerald Salonga sa lahat ng mga kabataan:

Sa lahat ng aking kababata at sa mamamayang Filipino: Noon, malimit nating maisantabi ang mga bagay na patungkol sa kahirapan, extrajudicial killings, political prisoners at mga usaping ekonomiya sa Pilipinas, ngunit ngayon, paborable ang kasalukuyang sitwasyon sa Pilipinas upang higit pa tayong magsikhay sa pag-aaral, maging mapanuri sa mga usapang pulitikal at maging mapagmatyag sa mga isyu, dahil tuluy-tuloy ang walang habas at walang kagatul-gatul na pagpatay at pasismo. Patuloy ang kahirapan, patuloy ang kasinungalingan, patuloy ang pagnanakaw sa kaban ng bayan at mas lumalala ang panggigipit sa masa, kaya ang hamon sa atin sa kasalukuyang panahon ay tumindig at lumaban, mag-aral at alamin ang kalagayan ng masa.

Rock and roll!

Mula kay Geary.

At ito naman ang mula kay Guiller Cadano o si Gili na tinatawag ng kanyang mga kapwa kabataan at ng kanyang mga kaklase:

The long race to release all political prisoners is truly a difficult one, but every lap we finish is a small triumph we achieve. Each political prisoner we fight the release, each

battle against State fascism, each struggle we march, all of which is a great lift forward to a brighter society. Continue to serve the people no matter how hard each day.

Mula kay Gili.

Mr. Speaker, what greater injustice could there be than to be robbed of one’s youth, to be jailed for one’s beliefs?

For political prisoners and their families, there is no greater change than regaining freedom, the company of loved ones and continuing the struggle for just and lasting peace.

Ngayon po, sa darating na December 10, kung kailan natin ipinagdiriwang, inaalala, ipinaglalaban at patuloy na itataguyod ang mga karapatang pantao sa International Human Rights Day, the Filipino youth vow to intensify the campaigns not only for the release of political prisoners, but also on the importance of the peace negotiations to the youth and the Filipino people.

This Representation is more than willing to accompany you in jail visits to talk, makipagkuwentuhan po sa ating mga political prisoners, and you may also visit the solidarity fasting centers and peace tents along the Mendiola Peace Arch.

Maraming salamat sa inyong suporta, sa lahat ng nakikiisa sa panawagan ng kagyat na pagpapalaya sa lahat ng mga bilanggong pulitikal, at sa ating panawagan para sa makatarungan at pangmatagalang kapayapaan,

Thank you, Mr. Speaker.

THE DEPUTY SPEAKER (Rep.Castro, F.H.). The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we refer the speech of the Hon. Sarah Jane Elago to the Committee on Rules for its appropriate action.

THE DEPUTY SPEAKER (Rep.Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the privilege speech of the Lady from the Party-List KABATAAN is hereby referred to the Committee on Rules. The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we terminate the Privilege Hour.

THE DEPUTY SPEAKER (Rep.Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the Privilege Hour is hereby terminated.

REP. MATUGAS. At this point, Mr. Speaker, we would like to acknowledge the presence of our guests in the gallery. First on the list are the guests of Cong. Oscar “Richard” S. Garin Jr. from the First District of Iloilo and also the guests of Deputy Speaker Sharon S.

Garin. They are the SB members from the First District of Iloilo, to wit: Hon. Carmelo Nochete, Gyryleen Camposagrado, Gerwin Tueres, Ariel Bernardo, Jerry Tueres, Ronnie Paguntalan, Julius Ledesma, Diday Balandra, Anne Eunco, Anthony Ausencio, Vicente Robles, Ferdinand Esmejarda, Neri Caminia and Sherwin Quidato.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). All the guests of Cong. Richard Garin and Deputy Speaker Sharon Garin are welcome to the House of Representatives (*Applause*)

The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, we also acknowledge the presence of the guests of the honorable Deputy Speaker Gwendolyn F. Garcia from the Third District of Cebu. They are Ms. Sara Lundgren and Ms. Vaida Petrosiute. They are students from the University of Boras, Sweden.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). To all the guests of Deputy Speaker Gwendolyn Garcia, welcome to the House of Representatives. (*Applause*)

REP. MATUGAS. Mr. Speaker, may we also acknowledge the presence of the guests of the honorable Deputy Speaker Fredenil "Fred" H. Castro from the Second District of Capiz. They are the SB members from his district, namely: the Hon. Elmer Arevalo, Angela Joy Alfaro, Ma. Ivy Fundal, Nonato Daradar, Rosalie Flores, Rodulfo Cusay, Vivian Combate, Luis Garra, Ma. Cristina Flores, Francis Dave Juanico and Ronnie Dec Juan.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). To all the guests of this Representation, welcome to the House of Representatives. (*Applause*)

REP. MATUGAS. Finally, Mr. Speaker, may we also acknowledge the presence of the guests of the Hon. Lawrence H. Fortun from the First District of Agusan del Norte. They are Councilor Ferdinand Nalcot, Councilor Derek Plaza and Councilor Ernest John Sanchez.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). To all the guests of Cong. Lawrence Fortun, welcome to the House of Representatives. (*Applause*)

The Dep. Majority Leader is recognized.

#### ROLL CALL

REP. CRISOLOGO. Mr. Speaker, I move that we call the roll.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General will please call the roll.

*The Secretary General called the roll, and the result is as follows; per Journal No. 52, dated December 6, 2016:*

#### PRESENT

Abaya	Biron
Abayon	Bolilia
Abellanos	Bondoc
Abueg	Bordado
Acharon	Bravo (A.)
Acop	Bravo (M.V.)
Acosta	Brosas
Acosta-Alba	Bulut-Begtang
Adiong	Cagas
Advincula	Calderon
Agarao	Calixto-Rubiano
Aggabao	Caminero
Aglipay-Villar	Campos
Albano	Canama
Alejano	Casilao
Almario	Castro (F.L.)
Almonte	Castro (F.H.)
Alonte-Naguia	Catamco
Alvarez (F.)	Cayetano
Alvarez (M.)	Celeste
Alvarez (P.)	Ceramica
Amante	Cerilles
Amatong	Chavez
Andaya	Chipeco
Angara-Castillo	Co
Antonio	Cojuangco
Aragones	Collantes
Arcillas	Cortes
Arenas	Cosalan
Atienza	Crisologo
Bag-ao	Cua
Bagatsing	Cuaresma
Baguilat	Cueva
Banal	Dalipe
Barzaga	Dalog
Bataoil	Daza
Bautista-Bandigan	De Venecia
Belaro	De Vera
Belmonte (F.)	Defensor
Belmonte (J.C.)	Del Mar
Belmonte (R.)	Deloso-Montalla
Bertiz	Dimaporo (A.)
Billones	Dimaporo (M.K.)
	Durano

Dy	Maceda	Sambar	Umali
Elago	Madrona	Sandoval	Unabia
Enverga	Malapitan	Santos-Recto	Ungab
Erice	Manalo	Sarmiento (C.)	Unico
Eriguel	Mangaoang	Sarmiento (E.M.)	Uy (J.)
Ermita-Buhain	Mangudadatu (S.)	Savellano	Uy (R.)
Escudero	Mangudadatu (Z.)	Siao	Uybarreta
Espino	Mariño	Silverio	Vargas
Estrella	Marquez	Singson	Vargas-Alfonso
Eusebio	Martinez	Suansing (E.)	Velasco
Evardone	Matugas	Suansing (H.)	Velasco-Catera
Fariñas	Mellana	Suarez	Veloso
Ferrer (J.)	Mending	Sy-Alvarado	Vergara
Ferrer (L.)	Mercado	Tambunting	Villanueva
Ferriol-Pascual	Mirasol	Tan (A.)	Villaraza-Suarez
Flores	Montoro	Tan (M.)	Villarica
Fortun	Nava	Tan (S.)	Villarin
Fortuno	Nieto	Teves	Violago
Fuentebella	Noel	Tiangco	Yap (A.)
Garcia (G.)	Nogralas (J.J.)	Ting	Yap (M.)
Garcia (J.E.)	Nolasco	Tinio	Yap (V.)
Garcia-Albano	Nuñez-Malanyaon	Tugna	Yu
Garin (R.)	Oaminal	Turabin-Hataman	Zamora (M.C.)
Garin (S.)	Olivarez	Ty	Zarate
Gasataya	Ong (E.)		
Geron	Ortega (P.)		
Go (A.C.)	Ortega (V.N.)		
Go (M.)	Pacquiao		
Gomez	Palma		
Gonzaga	Pancho		
Gonzales (A.P.)	Panganiban		
Gonzales (A.D.)	Panotes		
Gonzalez	Pichay		
Gorriceta	Pimentel		
Gullas	Pineda		
Hernandez	Plaza		
Herrera-Dy	Primicias-Agabas		
Hofer	Quimbo		
Jalosjos	Radaza		
Javier	Ramos		
Kho	Revilla		
Labadlabad	Roa-Puno		
Lagman	Robes		
Lanete	Rocamora		
Laogan	Rodriguez (I.)		
Lazatin	Rodriguez (M.)		
Leachon	Roman		
Lee	Romero		
Limkaichong	Romualdez		
Lobregat	Roque (H.)		
Lopez (B.)	Sagarbarria		
Lopez (C.)	Salceda		
Lopez (M.L.)	Salo		
Macapagal-Arroyo	Salon		

THE SECRETARY GENERAL. Mr. Speaker, the roll call shows that 243 Members responded to the call.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). With 243 Members responding to the call, the Chair declares the presence of a quorum.

The Dep. Majority Leader is recognized.

#### CONSIDERATION OF H.B. NO. 4144 ON SECOND READING

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. CRISOLOGO. Mr. Speaker, I move that we consider House Bill No. 4144, contained in Committee Report No. 35, as reported out by the Committee on Ways and Means.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

\* See MEASURES CONSIDERED (printed separately)

THE SECRETARY GENERAL. House Bill No. 4144, entitled: AN ACT AMENDING SECTION 145 (C) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Dep. Majority Leader is recognized.

REP. CRISOLOGO. Mr. Speaker, I move that we recognize the Chairperson of the Committee on Ways and Means, the Hon. Dakila Carlo E. Cua, to begin the sponsorship of the measure.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The distinguished Chairman of the House Committee on Ways and Means, Cong. Dakila Carlo Cua, is hereby recognized.

REP. CUA. Thank you, Mr. Speaker, distinguished colleagues. This Representation is ready to answer questions regarding the proposed measure. May I request that the Explanatory Note of the Bill be considered as the sponsorship speech on the measure.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Dep. Majority Leader is recognized.

REP. CRISOLOGO. There being no interpellator, Mr. Speaker,—we have no objection, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). With no objection, the Chair approves that the Explanatory Note be adopted as the sponsorship speech of the distinguished Cong. Dakila Cua.

The Dep. Majority Leader is recognized.

REP. CRISOLOGO. Mr. Speaker, may we recognize the Hon. Edcel C. Lagman for his interpellation.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The distinguished Congressman from Albay, the Hon. Edcel Lagman, is hereby recognized.

REP. LAGMAN. Thank you, Mr. Speaker.

This is a very important measure which would amend Republic Act No. 10351, otherwise known as the Sin Tax Reform Law, which took effect on January 1, 2013, towards a unitary rate system, a single excise rate by next year, 2017 and index, the tax rate inflation by increasing it by 40 percent annually.

May we know, Mr. Speaker, what impelled the Committee to approve House Bill No. 4144, despite the fact that we have not experienced the unitary rate to be implemented in 2017, which was thoroughly discussed and debated in this House.

*At this juncture, Deputy Speaker Fredenil "Fred"*

*H. Castro relinquished the Chair to Deputy Speaker Rolando G. Andaya Jr.*

THE DEPUTY SPEAKER (Rep. Andaya). Before the Sponsor responds to the question, the Chair would like to declare the period of sponsorship and debate open.

The Chairman may please respond to the question.

REP. CUA. The Committee on Ways and Means, Mr. Speaker, distinguished colleague, was merely acting on its duties, mandated by law to take up matters or bills as proposed by Members of this Chamber. The Committee deliberated for two hearings, and upon motion duly seconded, it was passed by the Committee on Ways and Means.

REP. LAGMAN. Mr. Speaker, distinguished Chairman, that does not answer my question. My question is what impelled the Committee on Ways and Means to approve House Bill No. 4144? What are the merits of this measure so much so that we are going to dispense with the projected one-tier system, the unitary system by next year?

REP. CUA. Mr. Speaker, although this Representation was not the Chairman of the Ways and Means Committee in the past two Congresses, wherein this topic has been debated exhaustively, this debate on whether we should have a two-tier or a three-tier or a unitary tax rate for tobacco has been ongoing for the longest time. It has not been decided upon that any which model is superior to another. Therefore, seeing that this measure will bring about additional revenues to the government, and perhaps since it proposes a higher rate of taxation or excise tax on tobacco as compared to the scheduled rate in 2017, we hope that it also addresses or further improves the law's ability to curb smoking or the prevalence of smoking.

REP. LAGMAN. Well, I am not really satisfied with that answer, but momentarily, Mr. Speaker, may I relinquish the floor to Deputy Speaker Pia S. Cayetano who wants to make a manifestation and she has to attend to a very important meeting shortly.

THE DEPUTY SPEAKER (Rep. Andaya). The Dep. Majority Leader is recognized.

REP. CRISOLOGO. Mr. Speaker, we have no objection.

THE DEPUTY SPEAKER (Rep. Andaya). Deputy Speaker Cayetano is recognized.

REP. CAYETANO. Thank you, Representative

Lagman for yielding. Thank you, Dep. Majority Leader. And to our Sponsor, I regret that I have to rush at a very important time, but I have to be in Malacañang. But, I would just like to put on record as a Sponsor of the Republic Act that governs the sin tax, that, as Representative Lagman had said, in 2017, the Law provides that we will shift to a unitary system. I ask that our Body give this law a chance before we try to move and change that system that has been approved by Congress.

What is the purpose of the existing Republic Act on sin tax? Number one is to raise revenues; and number two is to also protect the health of our people.

Yes, this has been debated on and the conclusion was that we need to balance the two: revenue generation and protection of the health of our people. With the two-tiered system that is currently being proposed by the measure at hand, the cheapest types of cigarettes will be made available at a very cheap price, available to our youth who are the primary targets of tobacco companies. The argument is, let us make it available to the poor. But it is also the poor that are vulnerable to very cheap products that are harmful to their health. We negate all the positive outcomes of the PhilHealth Law, the Graphic Health Warning Law, the billions of pesos that we are generating from sin tax when we know, through another hand, that they make cigarettes easily available to the most vulnerable, our children.

Therefore, I ask that this Bill be remanded to the Committee level because the health issues were not tackled in the Committee on Ways and Means. Our colleagues who were present wanted to discuss the health issues but they were prevailed upon that this is a Ways and Means Committee where health issues should not be discussed.

Well, I pose it to the Body. This measure affects the health of every woman and child, of every man, because we will be promoting cigarette smoking. That is the effect of this two-tiered Bill. And so, at least, let us discuss the issue. We can discuss it on plenary. I would be happy to—I will yield the floor in about half-a-minute—I would be happy to take it up and bring out all the facts, or we can also do this in the Committee level.

So before I put it to a motion, I will just ask it of the Chair if we can do this. I think that is the proper thing to do. We can do it in the Committee on Ways and Means. But since our colleagues were already prevented from doing so yesterday, then let us ask the Committee on Health to discuss this matter. I think that is only fair so that our colleagues who have been asked to consider this measure in a very short amount of time would be duly apprised of what we are deciding on. Perhaps, bigger revenue measures, but at what expense, for the government now to be using these revenues to pay for all the people who will have lung and health problems?

All over the world, sin tax measures are being increased to make it preventive for the youth to have

access to it, and yet, here we are making a bracket to make it very cheap for the children. That is the reality especially since nagbebenta po tayo ng tingi-tingi.

So I pose that to the Body, Mr. Speaker. I ask the Chair if we can do that. Maybe I can ask for a minute of suspension of the session so that this matter can be resolved. Otherwise, I will ask for more time to discuss all the health issues which I feel every single person here should be responsible for if we are about to vote on this measure.

Thank you very much for the time.

Again, Representative Lagman, for giving me a few minutes. Thank you.

REP. ATIENZA. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Andaya). The Dep. Majority Leader is recognized.

REP. CRISOLOGO. I move for the recognition of the Gentleman from Party-List BUHAY.

THE DEPUTY SPEAKER (Rep. Andaya). Before we recognize the Honorable Atienza, ...

REP. CAYETANO. Actually, I had a motion to suspend ...

THE DEPUTY SPEAKER (Rep. Andaya). Yes, I would like to clarify ...

REP. CAYETANO. ... so it can be discussed ...

THE DEPUTY SPEAKER (Rep. Andaya). ... if there is ...

REP. CAYETANO. ... what the decision is, Mr. Speaker.

REP. ATIENZA. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Andaya). Are you proposing a motion for suspension for one minute?

REP. CAYETANO. Yes, Mr. Speaker.

#### SUSPENSION OF SESSION

THE DEPUTY SPEAKER (Rep. Andaya). The session is suspended.

*It was 5:05 p.m.*

#### RESUMPTION OF SESSION

*At 5:16 p.m., the session was resumed.*

THE DEPUTY SPEAKER (Rep. Andaya). The session is resumed.

The Dep. Majority Leader is recognized.

REP. CRISOLOGO. Mr. Speaker, the parliamentary status of this Bill is that we are now in the period of sponsorship and debate, and the Honorable Lagman has the floor. I ask that we recognize the Honorable Lagman.

THE DEPUTY SPEAKER (Rep. Andaya). Honorable Lagman is recognized. Please proceed.

REP. LAGMAN. Thank you, Mr. Speaker.

May we know whether the distinguished Chairman, Mr. Speaker, was with this House when Republic Act No. 10351 was deliberated and subsequently enacted.

REP. CUA. Yes, Your Honor, Mr. Speaker. I was a Member of the Fifteenth Congress.

REP. LAGMAN. May we also know whether he was a member of the Committee on Ways and Means.

REP. CUA. Unfortunately, Your Honor, Mr. Speaker, I was not a member of the Committee on Ways and Means.

REP. LAGMAN. But he was aware that Republic Act No. 10351, before it was enacted, was thoroughly and extensively discussed in the Committee level.

REP. CUA. Yes, I concur and I witnessed the lengthy debates in the Ways and Means Committee in the Fifteenth Congress.

REP. LAGMAN. May we know from the distinguished Chairman, Mr. Speaker, how many hearing dates were consumed in the deliberation of the proposed measure which culminated in the enactment of Republic Act No. 10351.

REP. CUA. I do not have the exact number, Your Honor, Mr. Speaker, but I assume it was a lot, and I would be very happy to be educated by the honorable Gentleman from Albay, if he knows how many Committee hearings it took to pass the Sin Tax Law.

REP. LAGMAN. The technical staff of the Committee on Ways and Means is here, Mr. Speaker. I think they have a historical memory of what transpired before Republic Act No. 10351 was enacted, and how many session days, how many resource persons were invited to give their inputs to the proposed measure. Can we request that the honorable Chairman consult with the technical staff to find out the necessary information?

REP. CUA. I think, Your Honor, Mr. Speaker, the staff is having difficulty estimating the number of resource persons, so I assume it was a lot. As to the number of Committee hearings, the rough estimate is around eight to ten, at least.

REP. LAGMAN. Only eight to ten? Or it could be more, Mr. Speaker, Your Honor.

REP. CUA. It could be more. They said, "at least."

REP. LAGMAN. It could be more. And how many resource persons were invited to give their inputs to the measure?

REP. CUA. He was shaking his head, Mr. Speaker. I take it to mean that he cannot recall the exact figure. I can only assume that it is a very large number.

REP. LAGMAN. Among those who were invited when we were deliberating on the proposed measure which resulted in Republic Act No. 10351 were tobacco planters.

REP. CUA. Yes.

REP. LAGMAN. May we know from the distinguished Chairman, how many organizations of tobacco farmers were invited and who testified during the proceedings.

REP. CUA. For this Congress or this composition of the Committee on Ways and Means, there were about three to four groups of tobacco farmers that were invited and consulted in the hearings.

REP. LAGMAN. No, not this particular Congress.

REP. CUA. In the previous...

REP. LAGMAN. In the previous Congress, which enacted Republic Act No. 10351.

REP. CUA. The answer of the staff is the same, Mr. Speaker.

REP. LAGMAN. Of course, if they could not recall now accurately they can dig the records of the Committee so that we will know, for certain, how many hearings were conducted; how many resource persons were invited, more particularly farmer groups, tobacco farmer groups and the representatives of the industry. Aside from the representatives of the agency, there were also resource persons representing the health sector. Does the Gentleman recall that, Mr. Speaker?

REP. CUA. Yes, Mr. Speaker, I recall that health experts were invited to give their presentations to the Committee.

REP. LAGMAN. And Secretary Ona appeared several times before the Committee to discuss with the Committee the import and impact of the Bill on health. Is that correct?

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. As a matter of fact, the administration Bill, which led to the enactment of Republic Act No. 10351, was ballyhooed as more than a revenue measure but a health measure. Is that correct?

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. Now, may we know how the health aspects of this proposed legislation were tackled or discussed by the Committee on Ways and Means.

REP. CUA. For this round of discussions, Mr. Speaker, the Committee did not fail in inviting the heads of the Health Department and the Finance Department. We had members of civil society organizations to discuss and deliberate on the health impact of this proposed amendment to the Sin Tax.

REP. LAGMAN. Who among the officials of the Department of Health were invited and appeared?

REP. CUA. For the most recent hearing, the DOH was represented by Dr. Mario Baquilod. We are still getting the name of the representatives in the previous hearing.

REP. LAGMAN. And what is the rank of this particular representative from the Department of Health?

REP. CUA. We are currently trying to secure the records so we can accurately answer the question of the distinguished colleague, ...

REP. LAGMAN. Was the ...

REP. CUA. ...as well as of the previous hearing.

REP. LAGMAN. Was the Secretary of Health personally notified of the subject hearing?

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. Was there any submission presented to the Committee by the Department of Health?

REP. CUA. Yes, Mr. Speaker. There was a position paper submitted by the Department of Health.

REP. LAGMAN. May we request for a copy of that position paper.

REP. CUA. Yes, Mr. Speaker. We will furnish the distinguished Gentleman from Albay a copy of that position paper.

REP. LAGMAN. Can we have a copy now?

REP. CUA. We will secure it as soon as we can.

REP. LAGMAN. How many tobacco farmer groups, Mr. Speaker, distinguished Chairman were invited to the meeting?

REP. CUA. Around three to four farmer groups, Mr. Speaker.

REP. LAGMAN. May we know the identity or identities of these farmer groups.

REP. CUA. Yes, Mr. Speaker we will submit it to the Gentleman from Albay.

REP. LAGMAN. I could not terminate this interpellation pending submission of those required materials, Mr. Speaker, but I could go to other topics.

Was there a formal committee report rendered by the subcommittee, by the Committee on Ways and Means, on this particular measure, House Bill No. 4144?

REP. CUA. Yes, Mr. Speaker. There is a committee report.

REP. LAGMAN. Can we have a copy of that committee report?

REP. CUA. Yes, we will secure it and give a copy to the Gentleman from Albay.

REP. LAGMAN. Did the committee report discuss in detail the submissions of the respective resource persons detailing the import of their position papers?

REP. CUA. Mr. Speaker, the recommendations of the recommendatory agencies form part of the minutes but were not included in the committee report as this measure is only an amendatory measure to the Sin Tax Law.

REP. LAGMAN. Well, the Rules require, Mr. Speaker, distinguished Chairman, the rendition of a committee report. But as I see in Committee Report No.

37, dated December 5, 2016, there is nothing here which discusses the submissions of the resource persons which would justify the adoption of House Bill No. 4144. This committee report simply attaches House Bill No. 4144 and its Explanatory Note. This is not what is with respect to the contents of a committee report.

May we know whether this Committee Report No. 35 is the same committee report we are talking about, Mr. Speaker, the distinguished Chairman.

REP. CUA. Well, Mr. Speaker, the copy I have of the committee report contains, among others, a Fact Sheet which indicates the objectives, the key provisions, and the related laws to the subject Bill.

REP. LAGMAN. Well, that is a pro-forma attachment to the committee report. What is important is the discussion by the Committee on the pros and cons submitted by the resource persons to justify the adoption of House Bill No. 4144. It does not appear in this committee report.

REP. CUA. Mr. Speaker, we believe that the committee report complies with all the requirements of the Rules of this Chamber.

REP. LAGMAN. The Committee, Mr. Speaker, distinguished Chairman, invited resource persons. In fairness to the inputs of the resource persons, the committee report should give at least a synthesis of what the resource persons submitted to the Committee in order that the members of the Committee can properly decide on what to do with the proposed measure, but nothing here appears, Mr. Speaker, distinguished Chairman.

REP. CUA. Mr. Speaker, I agree and I subscribe to the notion and to the idea of the Gentleman from Albany. But it is not to say that the committee report submitted by the Committee on Ways and Means was not sufficient in form.

REP. LAGMAN. Yes, Mr. Speaker, it could be sufficient in form, but it is completely inadequate in substance.

Mr. Speaker, distinguished Chairman, may we know how many Committee hearings were held prior to the approval of this amendatory measure.

REP. CUA. We had two Committee hearings, Mr. Speaker.

REP. LAGMAN. Only two Committee hearings? When were these Committee hearings held?

REP. CUA. I think the first one was around

November 28 and the second one, Mr. Speaker, was December 5.

REP. LAGMAN. Such an important measure which would impact not only on revenues but the health of our citizens, and the Committee conducted only two Committee hearings. May we know why there was a rush to fast-track the approval of this measure.

REP. CUA. Mr. Speaker, we exhaustively deliberated on the measure in the two hearings. Both hearings probably lasted for more than half a day, probably until 4:00 p.m., starting in the morning. We deem it reasonable, Mr. Speaker, since this is an amendatory measure to an existing law. We, of course, do not expect the same number of hearings to just amend an already existing law. We have the benefit of learning from and using the debates of the previous Congresses, the previous Chambers, and Committee on Ways and Means as a source of knowledge. Probably, our Members who have also been Members of the Fifteenth and Sixteenth Congresses can tap on their memory and knowledge in order to intelligently debate on this issue. The length of time, Mr. Speaker, we believe, is not a measure of the quality of a bill.

REP. LAGMAN. Mr. Speaker, distinguished Chairman, may we request for copies of the transcript of stenographic notes in order to validate the substance of the proceedings before the Committee. Can we have that assurance?

REP. CUA. I am sorry, Mr. Speaker., may I request the Gentleman to please restate the ...

REP. LAGMAN. We would like to request, Mr. Chairman, Honorable Speaker, for copies of the transcript of stenographic notes of the two hearings conducted, so that we could validate the substance related to the proceedings.

REP. CUA. Yes, Mr. Speaker., we will furnish copies to the Gentleman from Albany.

REP. LAGMAN. When can we have the copies?

REP. CUA. Mr. Speaker., we will request the Committee Affairs Department, which is in charge of stenography, to immediately send a copy to the Gentleman from Albany, as it is not with the Committee on Ways and Means.

REP. LAGMAN. In other words, whatever committee report was made by the Committee on Ways and Means, there was no prior referral to the transcript of stenographic notes. Is that the impression I am given, Mr. Speaker, distinguished Chairman?

REP. CUA. Mr. Speaker, we however have attached the spot report on the minutes, which is an abbreviated version of what the Gentleman is requesting for. So, if he wishes, we can also furnish him a copy of that, which I believe is attached to the committee report.

REP. LAGMAN. Yes, Mr. Speaker, both this spot report, as well as the transcript of stenographic notes.

REP. CUA. We will comply.

REP. LAGMAN. Mr. Speaker, distinguished Chairman, he has mentioned the memory, the historical memory of the Members of the House with respect to the sin taxes, and the most recent memory would be with respect to the deliberations leading to the passage and enactment of Republic Act No. 10351, wherein the end-result was the establishment of a unitary rate system, a single excise tax rate by year 2017. Does he agree with that proposition?

REP. CUA. Yes, Mr. Speaker, that was the design of the existing Sin Tax Law.

REP. LAGMAN. What are the overriding reasons for the Committee to jettison this unitary system, which is yet to be implemented in 2017, in favor of a two-tiered regime?

REP. CUA. One of the points raised in the Committee, Mr. Speaker, was that the unitary tax system will create a bias that will not favor or prejudice the tobacco farmers or the tobacco-producing regions.

So that was one among many points raised in the Committee hearings, Your Honor.

REP. LAGMAN. Well, what were the other important reasons?

REP. CUA. One important notable reason, Your Honor, that might be of interest to the Gentleman from Albay is the health perspective. The current Sin Tax Law proposes or schedules a unitary rate of P30 per pack scheduled in 2017 that will start in January; whereas, the proposed measure proposes a two-tier with a lower tier of P32 per pack, and a higher tier of P36 per pack.

Now, if we are going to debate on the health benefits, Your Honor, it is obviously more discouraging to the smoking public to purchase a pack of cigarettes with a P32-tax imposition compared to the original schedule of P30. So, if we are going to talk about benefits or curbing the prevalence of smoking, Your Honor, the Committee saw it fit that this proposal of P32 and P36 two-tier measure would be a far better model than the proposed schedule of a unitary P30-tax on tobacco.

REP. LAGMAN. What are the other reasons?

REP. CUA. There are many more, Your Honor.

REP. LAGMAN. May we know the other reasons.

REP. CUA. Your Honor, if I may reiterate the answers, this measure is more beneficial to the government on the revenue side, more beneficial to the public on the health side. It is also more beneficial to the tobacco-producing regions on the agri side. So those are the three main points raised in the Committee on Ways and Means.

REP. LAGMAN. Now, with respect to the reason that the unitary system will create a bias against tobacco farmers, was this not thoroughly discussed when Congress enacted Republic Act No. 10351, culminating in the adoption of a unitary rate system by 2017?

REP. CUA. Yes, Your Honor. That is why the original Sin Tax had a two-tier system for the first four years of its implementation.

REP. LAGMAN. But that does not answer the question, Mr. Speaker. My question is, was the aspect of a unitary system creating a bias against farmers not thoroughly discussed when this Republic Act No. 10351 was enacted?

REP. CUA. Yes. The answer was stated, Your Honor, that yes, it was.

REP. LAGMAN. It was.

Well, why are we now jettisoning this unitary rate system and branding it as creating a bias against tobacco farmers?

REP. CUA. Your Honor, that was the contention back in the Fifteenth Congress which still is the contention unto this day. It was as clear then as it is clear today that when you impose a unitary tax rate, it will be prejudicial to the tobacco-producing farmers. Is there any study at all? We believe that there is no study at all that proves otherwise.

REP. LAGMAN. Well, that issue had been resolved. It was put to rest when Congress enacted Republic Act No. 10351 which would culminate by 2017 on a unitary rate system.

REP. CUA. I disagree, Mr. Speaker. As long as there are tobacco-producing provinces and Members of this Chamber that are here to advocate the rights of these farmers, this matter has not been resolved, and

has not been put to rest. That is why there are measures from colleagues from the tobacco-producing regions advocating the two-tier system, Mr. Speaker.

REP. LAGMAN. May we know whether a serious study has been submitted to the Committee saying that the unitary system would create a bias against tobacco farmers.

REP. CUA. Yes, Mr. Speaker, there was a study submitted to the Committee from the National Tax Administration.

REP. LAGMAN. Can we have a copy of that study? Now, ...

REP. CUA. Sorry, that is the National Tobacco Administration. Yes, Mr. Speaker, we will comply and submit the copy to your office.

REP. LAGMAN. Now, with respect to the health aspect, what inputs were given to the Committee?

REP. CUA. Mr. Speaker, we had resource persons from the DOH, from civil society organizations, that gave presentations to the Committee as to the proposals for the proposed measure.

REP. LAGMAN. Are we being impressed, Mr. Speaker, distinguished Chairman, that these resource persons said that a two-tier system would be beneficial to the health of our citizens?

REP. CUA. No, Mr. Speaker, that was not the conclusion of the presentation.

REP. LAGMAN. What was the conclusion, Mr. Speaker?

REP. CUA. The conclusion was that with the two-tier system, according to the health advocates, it would create a transfer from the higher-tier cigarettes to the value or the lower-tier cigarettes. But they failed to recognize the fact that the measure proposes a higher tax. The lower-tier tax of P32 in their proposal is still higher than the proposed schedule of P30 unitary excise tax, Mr. Speaker.

My point is, it is obviously the price of the excise tax that is a deterrent to smoking. I do not subscribe to the idea that a smoker distinguishes whether there is a two-tier taxation system or a unitary taxation system on his cigarettes before he decides to purchase or light his cigarette. He simply looks at the cost and bases his decision on how much he will spend to light a cigarette. It is obvious that a P32 lower tier is far more discouraging to

smokers than a unitary P30 excise tax as scheduled in the existing Sin Tax Law.

REP. LAGMAN. Is that opinion of the distinguished Chairman empirically validated?

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. What is the empirical validation? May we know.

REP. CUA. Mr. Speaker, the records of the sin tax collection alone will show that upon the enactment of the law and the imposition of the excise tax on tobacco, it had a significant impact on the consumption of cigarettes, thereby establishing the connection between price and consumption. It is noteworthy to take that in the first phase of the implementation of the Sin Tax, there was a two-tier system, Your Honor. And yet, it reduced smoking because of the cost of excise tax, not because there was a two-tier or a unitary tax system, precisely because there was not yet a unitary tax measure.

REP. LAGMAN. In the proposal of a two-tier rate, what are the rates?

REP. CUA. The rates proposed in this measure are P32 for the lower tier and P36 for the higher tier.

REP. LAGMAN. It is safe to assume that the lower tier would be more inferior in quality than the higher tier, is that correct?

REP. CUA. I would subscribe to your idea, Your Honor.

REP. LAGMAN. In other words, we will be forcing cigarette smokers to buy the lower inferior rate, so much so that their health may be adversely affected because of the inferior quality of the cigarette, is that correct?

REP. CUA. Yes, Your Honor, but the objective is to reduce smoking prevalence altogether by raising the tax measure.

REP. LAGMAN. No matter how we campaign for the reduction of the smokers, there will always be smokers. And, if we subscribe to the position of the Chairman that smokers would prefer to buy the lower tax rate because of lower prices, then we are encouraging our smokers to smoke poor-quality cigarettes.

REP. CUA. Your Honor, the records show that the market for the higher-tier cigarettes or the premium cigarettes is very inelastic. So, which means, it is the

market for the premium cigarettes, for the smokers of the premium cigarettes who do not really think of cost as much as those who smoke the lower-tier cigarettes. So, on the shift of smokers from the higher tier or the premium cigarettes to the value cigarettes, admittedly there will be, but will not be at that great a number since the smokers of the premium cigarettes are not very price-sensitive.

REP. LAGMAN. May we know, Mr. Speaker, distinguished Chairman, if there is any data on ...

REP. CUA. Your Honor, we will furnish the Gentleman.

REP. LAGMAN. ... on how many smokers are there for the lower inferior cigarettes and for the premium or higher quality cigarettes.

REP. CUA. Your Honor, we will. So the number of, we have it in tax, Your Honor. So, the tax for the low tier, in 2012 is P3,000,593,000, and the higher tier in 2012 is P2.1 billion tax. We also have data from 2013, 2014 and 2015, which we will be happy to share with the distinguished Gentleman from Albay.

REP. LAGMAN. I would be happy to get copies of those data. But when you say 3.5 billion, are we talking about the number of smokers?

REP. CUA. Your Honor, we have data in tax, not in the number of smokers.

REP. LAGMAN. So, what does 3.5 billion represent?

REP. CUA. We will secure some data on the approximation of the number of smokers and the equivalent number in tax, Your Honor.

REP. LAGMAN. Mr. Speaker, distinguished Chairman, I have many more questions to ask and there are many more materials pending submission to this Representation. May we know when we could get copies of those materials so that I can resume my interpellation.

REP. CUA. Your Honor, we will make the data, documents and submissions as early as possible, some of them we can provide today perhaps, the others at a later time.

REP. LAGMAN. Okay.

REP. CUA. But we commit to submitting majority of them within a few days.

REP. LAGMAN. Okay. Well, pending submission, Mr. Speaker, of this data, I would momentarily terminate my interpellation, but I will continue the same as soon as I get the required data together with the other questions I have prepared.

*At this juncture, Deputy Speaker Rolando G. Andaya Jr. relinquished the Chair to Deputy Speaker Fredenil "Fred" H. Castro.*

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Dep. Majority Leader is recognized.

REP. CRISOLOGO. Mr. Speaker, we ask that we recognize the Representative of the Partly-List BUHAY, the Hon. Jose L. Atienza Jr., for his interpellation.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The distinguished Gentleman from the Party-List BUHAY, Congressman Lito Atienza, is hereby recognized.

REP. ATIENZA. Thank you, thank you, Mr. Speaker, for recognizing me. Ito pong sasabihin ko ay dalisay at kaiga-igaya para sa lahat.

We would like to ask the Chairman on the substantive issues involved here. Iyong so-called "sin taxes" would be implemented on a uniform scale, is that correct? Premium and local will have the same taxation, ganoon po ba iyon?

REP. CUA. Tama po.

REP. ATIENZA. Kung hindi babaguhin.

REP. CUA. Kung hindi po babaguhin by January 1, 2017, magkakaroon na po ng iisang tax rate ang lahat ng sigarilyo. Hindi na po kikilalanin ang mas mahalagang sigarilyo or mas mataas na presyo doon sa nakabababang presyo, lahat sila ita-tax ng P30. Iyon po ang nakapanukala sa existing Sin Tax Law.

REP. ATIENZA. Based on the studies made, when the Sin Tax Law was passed after a lengthy deliberation, iyon po bang consumption bumaba o tumaas?

REP. CUA. Mula po noong naipasá ang Sin Tax Law, bumaba po ang smoking prevalence. In fact, a member of one of the civil society organizations who had his PowerPoint presentation in the Committee, even gave us data that since the passage of the law, this Bill has saved P40,500 persons from not smoking at all. Hindi po iyong mga naninigarilyo na tumigil kundi iyong mga susubok pa lang o mga kabataan na nag-iisip na manigarilyo ngunit na-discourage dahil po sa taas ng excise tax.

REP. ATIENZA. Ito po ay para sa appreciation ng lahat. Kung itataas pa natin ang taxes, masasabi ba nating bababa pa ang consumption?

REP. CUA. Iyon po ang ipinapakita ng datos, Your Honor.

If I may correct what I have just said. Iyong 40,500 po ay iyong mga deaths that were prevented since the enactment of this law due to smoking-related diseases. Four point five million po ang numero ng mga taong na-discourage from smoking, 4.5 million po.

REP. ATIENZA. So masasabi po ninyo na itong proposed amendment na ito ay magpapababa pa ng consumption sapagkat itataas ang taxes, ang excise tax—instead of P30 for the premium, it will be P36. Tama po ba iyon?

REP. CUA. Tama po.

REP. ATIENZA. And for the class B, and we would estimate ito po iyong mga local brands, e itataas pa rin ng P2 to P32.

REP. CUA. Opo. May I, if you do not mind, Your Honor, doon po sa class B at doon sa lower tier, hindi lang po ang mga local na sigarilyo ang nagbebenta dito. Mayroon po ding mga malalaking foreign companies that play in the lower-tier market.

So, nais ko lang pong sabihin iyon para malaman ng ating mga kasamahan na itong ating ipinapanukala ay hindi lamang nagpapabor sa mga local dahil mayroon din naman po, at maaari din po ang mga foreign tobacco companies na magbenta at mag-participate sa lower-tier market.

REP. ATIENZA. Opo. Pero masasabi natin na ang general impact nito ay mapapaboran iyong mga local brands na gumagamit ng second-grade tobacco, dahil hindi ka naman gagamit ng second-grade tobacco to compete with the premium brands. That is common business sense.

REP. CUA. Tama po.

REP. ATIENZA. I do not see that happening, manufacturers of the premium brands using class B tobacco. Talo na sila doon sa mga gagamit ng premium tobacco for their premium brands.

So, therefore, what I am trying to point out is, when I attended the hearings, those are the questions that were lingering in my mind. And outright, I would say that taxation, which is basically an economic measure, in this particular sense, it also became a health measure with the passage of the Sin Tax. Following the trend that the higher the tax, the less the consumption, I would tend to agree that if we implemented a Sin Tax Law, even if it

was deliberated for three, four years, or two Congresses, if it is not going to be ideal in its impact and effect on the economy and on the consumer. Palagay ko wala naman sigurong pipigil sa atin na amyendahan na ito bago pa magkaepekto. Kaya, iyon po ang aking naintindihan noong narinig ko iyong mga farmers, narinig ko po naman iyong mga manufacturers, at narinig ko iyong mga um-attend noong hearings ninyo. And, that is why I am sharing this with the Body so that everybody will get an appreciation of the effects of this measure.

It will add more income for the government. Is that expected?

REP. CUA. Yes, Your Honor.

REP. ATIENZA. It will be less attractive to smoke because the prices of cigarettes will further increase?

REP. CUA. Tama po.

REP. ATIENZA. And, it will be fair for those who are in the business of tobacco growing to be considered according to classification, dahil kung hindi po ay para na nating sinabi ang cigarette industry sa Pilipinas ay nakadiin doon sa mga premium brands. Wala na pong laban ang mga local, primarily, and other brands who will not be able to buy premium tobacco.

I would ask a hypothetical question. If we consider the sin tax on cigarettes, would we consider the same for wine and liquor and beverages like San Miguel Beer and all other intoxicating beverages? Puwede bang ang taxation po natin doon sa mga premium brands like Hennessy XO ay pareho sa Tanduay, pareho sa Ginebra San Miguel to call it a unitary form of tax? That would kill the local brands immediately because hindi po talaga makaka-compete ang what we call as the secondary brands to premium brands if the taxes are uniform. That is oversimplifying the problem and developing a bias for the cigarettes of the rich from cigarettes of the poor.

Kaya ako po ay naniniwala na mayroong wisdom dito sa amendments na ito and it is about time we take a more serious look at the other sin taxes so that while we promote the objectives of good health, and at the same time increase the taxes, but let us not be unfair to our local industries. Isipin natin itong mga nagtatanim, isipin natin ang nagma-manufacture na magbabayad ng parehong excise tax, doon sa mga nagma-manufacture ng premium brands. Baka po magaya tayo sa sinapit ng cigar industry ng ating bansa. Once upon a time, we were the number-one cigar manufacturer, but we killed our own cigar industry through a series of measures which ostensibly would have helped them, but otherwise killed the cigar industry, which is now making a lot of money all over the world, but without the Philippine brands being able to compete.

Kaya ito pong Representasyong ito ay sumasang-ayon na pag-aralan nating mabuti at kung mayroon na kayong amendments dito sa measure na ito ay sumasang-ayon po kami. Panahon na upang tingnan natin ang anumang hindi balanse doon sa uniform taxation na inisip ng Sin Tax originally under Republic Act No. 10351, if I am not mistaken.

REP. CUA. Yes. Your Honor.

REP. ATIENZA. It is now intended to be amended to a great extent by giving a second look at the economic situation of our farmers and at the same time without forfeiting the objective of discouraging smoking, because kung mas mataas ang buwis ay mas kakaunti ang maninigarilyo. Iyan ang kanilang sinasabi. Although, mayroon din po namang point na kapag ikaw ay cigarette smoker na and you are hooked on it, maski mataas ang presyo ay babayaran mo. E kung magbabayad ka rin lang at bibili ka rin ng premium, magbayad ka na ng mas mataas. Isa roon sa mga humihithit ng second-grade tobacco.

So, I find logic, I find justice and fairness in this particular measure and we are definitely supporting it.

Thank you.

REP. CUA. Maraming salamat po.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we recognize the honorable Representative from the First District of Negros Oriental, Cong. Jocelyn Sy Limkaichong, for her interpellation.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The distinguished Lady, Cong. Jocelyn Limkaichong, is hereby recognized.

REP. LIMKAICHONG. Thank you, Mr. Speaker, and would the fine Gentleman from the province of Quirino and our Chairman of the Committee on Ways and Means yield to some clarificatory questions?

REP. CUA. I would gladly answer the question of the Vice Chairperson of the Committee on Ways and Means.

REP. LIMKAICHONG. Mr. Speaker, let me ask, how will the Body treat the Bill of Rep. Joey Sarte Salceda, House Bill No. 4575, which is an amendment to this Bill because I am also a coauthor of it?

REP. CUA. Your Honor, the Committee, as you are very well apprised, is trying its best to act on all

proposed measures to the Committee. In fact, if I recall, the Committee has held hearings almost every week of session in the Seventeenth Congress, and we will definitely look into the wisdom of this laudable proposal.

REP. LIMKAICHONG. Thank you for that.

Anyway, my question is one of the objectives of the sin tax, the original Sin Tax Law, is to simplify taxation. In fact, the unitary tax structure on cigarette is implemented in countries like Japan, Australia, Ireland and Thailand, and considered to be best practice globally. So, why must we deviate from such global standards when the current Sin Tax Law already lays down gains for our country?

REP. CUA. What we are trying to do, Your Honor, Mr. Speaker, is not to devalue the sin tax. What we are trying to do is improve on the sin tax.

What we can view from this experience is that at the onset of the sin tax, when it was still a two-tier taxation system, it was already lauded as best practice globally. Why should a proposal to maintain the two-tier system change that perception of the Sin Tax Law since it has already been awarded and recognized globally? It being a currently two-tier taxation measure, it obviously has been effective in addressing the health concerns, the concerns of the farmers, as well as the revenue concerns.

So, therefore, Your Honor, Mr. Speaker, we see no wrong in this proposed measure.

REP. LIMKAICHONG. Mr. Speaker, true, there is the wisdom of that Bill, but what is the basis now of the actual proposed rate of P32 and P36, P32 since it is multi-tiered, right? Would that increase also be enough for the Duterte administration to meet its target smoking prevalence of 10 percent in 2022?

REP. CUA. Your Honor, Mr. Speaker, we would like to support this administration in its sincere effort to pursue a comprehensive tax reform, the crown jewel of which will be to lower income tax rates for the overburdened taxpayers of this country, of this nation. Those workers whose pay are held captive and are daily, and monthly, and annually deducted automatically. Their tax duties, we believe, should be relieved so that they can learn to invest for their families, learn to invest for their future, and contribute to nation-building. In order to achieve that, we really have to impose or to find other revenue sources. Every peso will count, whether this will generate only P10 billion or P14 billion or P20 billion annually, it goes a step closer for this government to realize its promise to its people to lower income tax rates.

REP. LIMKAICHONG. I agree with the Chairman, but do you not think Congressman Joey Salceda's bill, which is a unitary tax system which would increase the tax rate from P30 to P40, will be more beneficial to the government ...

REP. CUA. Perhaps, Your Honor, Mr. Speaker.

REP. LIMKAICHONG. ... and also to fund, to raise more revenues for the universal health care, farmers' alternative livelihood programs, and other programs of the current government?

REP. CUA. Perhaps, Your Honor, Mr. Speaker. At this point, without carefully having heard the salient points of that bill, I cannot intelligently comment on the brilliance of the bill, but I think that there is wisdom there and it is worth looking at. And, perhaps, if it seems to be a superior alternative, then we can also pursue its passage.

REP. LIMKAICHONG. Well, as I promised the Dep. Majority Leader, I am not going to ask many questions since a lot of our colleagues are no longer present here, let me terminate my interpellation and, hopefully, House Bill No. 4575 of Congressman Joey Salceda will also have the same kind of treatment and consideration at the Committee level.

Thank you very much.

REP. CUA. Rest assured, Your Honor, Mr. Speaker, as two authors are Vice Chairpersons of this committee, of the Committee on Ways and Means, we will seriously take up the matter and we will support its fruition.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we recognize the Gentleman from AKBAYAN Party-List, the honorable Cong. Tom S. Villarín, for his interpellation.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Gentleman from the Party-List AKBAYAN, Cong. Tom Villarín, is hereby recognized.

REP. VILLARIN. Thank you, Mr. Speaker. Thank you, Deputy Speaker.

Will the good Sponsor, the Chair of the Ways and Means Committee, yield to some questions?

REP. CUA. Yes, Your Honor, Mr. Speaker.

REP. VILLARIN. Well, I would like to follow up on what was discussed by the former interpellator. I also

want to co-sponsor House Bill No. 4575 of Cong. Joey Salceda. In that context, the bill also seeks to increase tax revenues, and in so doing, it would also benefit the farmers. So, do you think, Your Honor, Mr. Speaker, that instead of having to rush this House Bill, is it possible that there should be discussions and some sort of a consolidation of House Bill No. 4575 and what is now being sponsored on the floor?

REP. CUA. Your Honor, Mr. Speaker, this Representation welcomes any and all suggestions or recommendations to improve this measure, but I cannot debate intelligently upon the bill filed by my colleague, the Representative Salceda, as it appears it has only been filed yesterday. So, I have not had the chance to read it, to consider it, to peruse it, but if you would like to articulate the proposals, maybe we can think about it.

REP. VILLARIN. Well, in this proposal, Your Honor, Mr. Speaker, basically, it still retains a unitary tax on all cigarettes, but increases it from P30.00 unitary tax to be imposed on January 1 of 2017 to P40.00, thereby gaining an increase in revenues. Well, the point here is that, in the Bill, a unitary tax system which is also what we passed under Republic Act No. 10351 which imposes a unitary tax system beginning of 2017. What this Bill proposes is just to increase mainly because there has also been an increase in the income of Filipinos.

Basically, what has been pointed out, Mr. Speaker, Your Honor, is that in smoking, you do not look at the effects of a local brand and the effects of an imported brand, as if it would have different effects on the smokers. So the point is that, we do not discriminate whether this is for imported or local cigarettes because the effect is the same on smokers and it would be the same regardless of brand or nature of leaves, or class of tobacco leaves being used.

So, I think that is one salient point of that measure. Of course, the revenues would be much higher than the proposed P32.00 and P36.00 two-tier increase. But be that as it may, I would like to direct some questions more to the proposed measure on the floor.

REP. CUA. Before the question, Mr. Speaker, may I address one of the points raised by the Gentleman. I would like to dispel any notion or concept that anybody in this Chamber or outside this Chamber may have, that this measure favors local against imported brands.

That is simply false, Mr. Speaker. As I have mentioned earlier during the questions of the Honorable Atienza, this measure is blind to the source of the tobacco product.

Case in point, Mr. Speaker, currently, foreign companies or foreign-controlled companies may engage in the sale of tobacco in both premium cigarettes market

and also in the value cigarettes market. Puwede po silang magbenta ng mahal na sigarilyo at ng murang sigarilyo. Puwede rin, kaya lang po siguro naiisip ito ng ating mga kababayan dahil karamihan ng local boys or locally grown tobacco companies sell in the value market, doon sa mura ang sigarilyo. But that does not mean to say that the foreign-owned or -controlled companies cannot sell or participate in marketing their products in this lower-tier market. Hindi po totoo iyon, Mr. Speaker. Sana po maliwanagan lang ang punto na this is not an issue between the local and the foreign companies dahil wala talagang ganoong aspeto ang batas na ipinapanukala, ang panukalang ito.

REP. VILLARIN. I would like to ask the good Sponsor about that during the two hearings, am I correct?

REP. CUA. Opo.

REP. VILLARIN. In the two hearings of the Ways and Means Committee, who were the tobacco companies that attended the hearings?

REP. CUA. There were representatives from around five to six companies, I believe. Mayroon taga-Anglo-American Tobacco Company, there was one from Japan Tobacco, and there were representatives from Philip Morris and Mighty Corporation. I think there was also a representative from La Suerte, if I am not mistaken. I may have overlooked one or two more, but the records will show makikita natin kung sino ang mga nag-attend.

REP. VILLARIN. Of those present, did all of the tobacco companies support this measure?

REP. CUA. I think there were some who were against, there were some who could go either way, and there were some who were in favor and supportive.

REP. VILARIN. Am I right, Mr. Speaker, Your Honor, to say that during that hearing, one tobacco manufacturer, Mighty Corporation, was the only one that supported the Bill. The Mighty Corporation is a local tobacco corporation. Am I correct, Mr. Speaker?

REP. CUA. Mr. Speaker, to be able to answer that, I would have to ask the tobacco companies if in fact Mighty Corporation is the only one supportive of this measure. I would have to check the records officially which supported or did not support the bill.

REP. VILLARIN. If indeed the local brand, Mighty Corporation, would be supportive of this measure, I think it is just logical because by having a lesser tax for their brands, it would give them advantage

over other brands. But let me go to the specifics. For example, in a stick of a Mighty Corporation cigarette, this is a local brand or local branded cigarettes, what proportion of it comes from imported tobacco leaves? Was that discussed during the Committee hearings, Mr. Speaker?

REP. CUA. Sorry, Mr. Speaker, Your Honor. Hinihingi ninyo ang percentage of local tobacco from which products?

REP. VILLARIN. Specifically, a product of Mighty brand cigarettes. Do we know how much of it is imported leaves? Do we have data to support this?

REP. CUA. Mr. Speaker, Your Honor, I am not the representative of Mighty Corporation and I am unfit to answer the question. But if you wish, we could send a letter to Mighty Corporation and ask them to give the Gentleman that specific amount.

REP. VILLARIN. Did the good Sponsor, Mr. Speaker, also ask the National Tobacco Administration how much tobacco leaves do we import? From the production of our farmers, how much do we export?

REP. CUA. Mr. Speaker, Your Honor, for 2015, ang exports po ng unmanufactured tobacco is at 36 billion.

REP. VILLARIN. Kilos?

REP. CUA. Thirty-six billion kilos. The manufactured is at 23 billion kilos. The total is almost 60 billion kilos. For the 2015 imports, unmanufactured is at 63 billion kilos and the manufactured at two billion kilos or a total of 65 billion kilos.

REP. VILLARIN. I have here data from the National Tobacco Administration saying that 70 percent of our tobacco production, meaning local tobacco production, is for exports. Now, the point is that even these imported brands or these local brands, specifically the local brands are sourcing their tobacco leaves from importation. Is that a correct observation, Mr. Speaker, Your Honor?

REP. CUA. Mr. Speaker, Your Honor, according to the numbers I read into the record, the exports total 60 billion and that imports total 65 billion. It is about the same.

REP. VILLARIN. I have different records, Mr. Speaker, Your Honor. I do not know if we are comparing the same parameters.

The objective, as mentioned in your Bill, Mr.

Speaker, Your Honor, is to increase revenues and also to help tobacco farmers. But considering that part of the consideration is to assist tobacco farmers to shift to other crops, did the committee discuss the implications of tobacco farmers shifting to other crops?

REP. CUA. I believe, Mr. Speaker, Your Honor, it was the subject of the line of question of one of our colleagues. Yes, Mr. Speaker, Your Honor, it was discussed.

REP. VILLARIN. In a sense, imposing a two-tiered tax system would both benefit the farmers as what was mentioned earlier. Does the Sponsor think, Mr. Speaker, that with a unitary system of imposing taxes, would it be more administratively efficient just to have that kind of taxation?

REP. CUA. I agree, Mr. Speaker, Your Honor. It will probably, most likely, be more efficient. But our job in Congress is not to make life easy for the tax administrators. Our job here is to raise revenues and therefore, such is the measure at hand.

REP. VILLARIN. I beg to disagree, Mr. Speaker, Your Honor. Our task here is not to make things easier because legislation, I believe, I mean, we would want to contribute in the efficiency of governance. Naturally, we want measures that would be efficient and effective for the Executive to implement. I think that should be a major consideration when we pass a tax measure that have a very efficient taxing system.

REP. CUA. Mr. Speaker, Your Honor, in a perfect world, we would have our cake and eat it too. But if we have to balance interests, there are lives of farmers at stake, there are tax administration issues at hand, and I guess, as a Chamber, as a collegial body, we come together to decide on this measure.

REP. VILLARIN. Your Honor, Mr. Speaker, again, I would like to go back to the issue of the health benefits of the Sin Tax Law because I think, purposely, the main objective is for health benefits. Before the Sin Tax Law of 2012, the prevalence in smoking was 30 percent. Is that a correct figure, Mr. Speaker, Your Honor?

REP. CUA. I will take your word for it, Mr. Speaker, Your Honor, as I have no data on it at the moment.

REP. VILLARIN. When the Sin Tax Law was discussed, the target for lowering the prevalence of smoking was at 21.3 percent if we impose a unitary tax system. I think that there was a study that discussed

that with a two-tiered system of taxation on tobacco products, the result would be what we call this term as downshifting. Did the Committee make a thorough study on the effects of a two-tiered tax system on tobacco wherein more will shift to the lower taxed tobacco products?

REP. CUA. Opo, Your Honor, Mr. Speaker, na-bring up iyan sa Committee on Ways and Means. In fact, I was the one who addressed or posed this question to the resource person, as well as to the Department of Finance.

I do not question the logic or the concept of downshifting. Totoo po iyon. Kapag may mas mahal na produkto at may mas mura, kapag tinaas natin ang buwis, ang mga dating bumibili ng mas mahal na sigarilyo hindi na kaya bumili ng mahal kaya bibili na lang ng mas mura. Tama po iyon. Pero tulad ng sinabi at tinanong ko rin po during the hearings, ang pinapanukala po is a measure that is higher than the scheduled P30 tax rate of 2017, which is in the current law. So ang aming sinasabi, would we venture to assume na just because dalawang tier ito na P32 at P36, hindi po ba talagang mas makakabawas ito ng smoking prevalence kaysa kung susundin lang natin ang naka-schedule na P30?

REP. VILLARIN. Di ba maganda ding panukala na ang unitary tax from P30 gawin nating P40?

REP. CUA. Maganda rin nga po. Kaya nga kanina, noong binanggit ng ating Vice Chairperson na si Congresswoman Limkaichong, sinabi ko na laudable po ang kanyang panukala. Ang ating pinanghihinayang ay kahapon lang po ito na-file as a bill kaya hindi nakasama sa deliberation. But ang aking pananaw ay dapat din itong seryosohin at pag-usapan sa Committee nang ating makita kung ito ba ay isang superior at mas maganda na panukala kumpara sa pinag-uusapan natin ngayon. Tama po, maganda ang unitary, mas madali ang tax administration, pero ang agam-agam po ng ating ilang mga kasamahan dito sa Kongreso ay ang kanilang constituents na nagsasaka, nagtatanim ng tabako ay maaaring maapektuhan ng sistemang nag-iisa lamang ang balangkas ng buwis. Kaya diyan po natin pinag-aaralan. Iyan nga talaga ang crux of discussion in the Committee hearings and it is still growing, it is still the crux of discussion in this period of debate.

REP. VILLARIN. Mr. Speaker, Your Honor, kaya nga rin po natin pinapanukala at kabahagi ng Sin Tax Law noong 2012 na 15 percent na makokolekta sa buwis ay mapupunta sa tobacco farmers, pero ang tobacco farmers ay binibigyan din natin ng pagkakataon na mag-shift to other crops and to other livelihoods. Meaning, noong ipinasá po ng Kongreso ang Sin Tax Law noong

2012, nandiyan tayo sa isang perspektiba na posibilidad dahil habang pataas, pinapataasan natin ang tinatawag nating sin taxes, talagang ang ating tobacco farmers would have to shift to other crops. Kaya kumbaga, doon sa panukala, doon sa batas sa ngayon, hindi po natin binabalewala ang tobacco farmers. In the same way, kung ang ating panukala is to retain pa rin ang unitary tax system pero taasan, hindi rin naman mawawalan ng share sa revenues ang ating farmers. Hindi ko nakikita na ang argumento na sinasabi natin, kawawa naman ang ating tobacco farmers. Because an increase in a unitary tax for tobacco from the proposed 30 percent next year, that would have a tremendous increase also in revenues mainly for health purposes. But, of course, we do not leave out the tobacco farmers.

Kaya ang request ko lang po sa ating kagalang-galang na Sponsor, mayroon mga Miyembro ng ating Kongreso, mayroon din bagong panukala na excise tax, an improvement on the Sin Tax Law, na kung sana, puwede natin itong i-consolidate. At definitely, mayroon pa pong magtatanong sa inyong Bill na ini-isponsor sa ngayon. Hindi pa huli para pag-isipan ng ating Ways and Means Committee na baka puwedeng pag-usapan at baka puwedeng i-expand ang ating discussion dito sa Sin Tax measures na kung maaari isama ang Committee on Health. So magiging joint committee discussions on measures specific to Sin Taxes.

Iyon lang po kung baga, my plea to the Committee na kung puwedeng mas ma-tackle at ma-broaden natin ang pag-uusap hinggil dito.

Thank you, Mr. Speaker. Thank you, distinguished Sponsor for the privilege of asking questions.

REP. CUA. Maraming salamat po.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Floor Leader is recognized.

REP. MATUGAS. Mr. Speaker, I move that we recognize Deputy Speaker Rolando G. Andaya Jr. for his interpellation.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The distinguished Deputy Speaker Rolando Andaya is hereby recognized.

REP. ANDAYA. Thank you very much, Mr. Speaker.

First of all, let me say that I am in favor of any revenue measure. So my questions should not be taken as a negative vote on this particular Bill.

Just a clarificatory question, Mr. Speaker. We keep on talking about helping the tobacco farmers. How does this help the tobacco farmers? How does shifting from a unitary form of taxation admittedly easier to administer? How does that help when we go back to the two-tier system?

REP. CUA. Mr. Speaker, Your Honor, the simple explanation, just to make it brief, noong nakikinig kami sa aming Committee hearings, naalala ko ang naghalintulad nito ay ang kagalang-galang na taga-Quezon City, si Congressman Crisologo, kung maihalintulad mo ang premium sa value sa mga sasakyan, parang isang imported na Mercedes at isang owner jeep, na kung ipantay mo ang kanilang excise tax na parehong isang milyon, obviously, kung konti na lang ang idadagdag, una, mas maraming mahihirap na hindi makakabili ng sasakyan.

At kung ikaw ay nangangarap bumili ng owner jeep pero napakamahal na, mas lalaki ang market share noong mas mahal na sasakyan. Ang pangamba ng ating mga kasamahan mula sa mga tobacco-producing regions is that, slowly, kakainin ng market share noong mas mamahaling gamit, sasakyan o tobacco iyong market share noong mas mumurahin o value cigarettes. Kung ganoon po, na siyang primary market ng ating local tobacco producers, obviously, tulad ng sinabi ng ating kasamahan mula sa AKBAYAN, liliit ang market. Kung liliit ang market, ang sinasabi po ng ating batas ay ilipat na natin sila sa ibang pananim, huwag na lang silang magtanim ng tobacco. E kung ganoon po, may mas maiksing paraan. Si Congressman Crisologo din po ang nagsabi na kung talaga bang purely health ang ating pag-uusapan, then the shortest way to achieve this is to totally ban the tobacco products.

Sa tingin ko po, ang ating talagang layunin dito ay magkaroon ng balanse—balanse na kung saan mabubuhay ang kabuhayan ng tobacco farmers, kung saan unti-unti nating pinabababa ang prevalence of smoking, at kung saan dumadagdag ang revenue ng gobyerno para sa iba't ibang popondohan ng Kongreso. Iyon lang po, Mr. Speaker.

REP. ANDAYA. Is there any other—wala bang ibang pamamaraan na magbebenepisyo directly iyong ating mga tobacco farmers to say na kakainin siya ng—liliit iyong market share? Unfortunately, since we are shifting or we are not giving the unitary form of taxation any chance? We do not agree with that statement na liliit iyong market share because we have not even seen it. We did not give it a chance, whether a better or an easier mode of administration would lead to a bigger revenue or liliit iyong market share. So, let us veer away from that. Wala bang ibang sistema na bebenepisyo ang mga—because iyon ang advocacy dito e, di ba? Poprotektahan natin iyong tobacco farmers. Wala bang ibang paraan na ...

REP. CUA. Marami naman pong paraan. Basta't may kagustuhan, may paraan. Kaya lang po, iba-iba po kasi e. Tulad po ng kasalukuyang sin tax, yes, there is a—iyon nga po, may flow back mechanisms—it gives livelihood programs to the tobacco farmers; it gives percentage ...

REP. ANDAYA. When you say livelihood program, papaano, how?

REP. CUA. I think ang programa ngayon is to give them alternative livelihood—panananim din po na ibang klase.

REP. ANDAYA. So, you are asking now these farmers to veer away from tobacco.

REP. CUA. Yes, that is the crafting of the existing law.

REP. ANDAYA. I thought we are actually protecting their industry. Why are we asking them to plant something else?

REP. CUA. Iyon nga po, para lang po hindi nakakalito, ang current na batas, ang kasalukuyang batas, ganoon po ang design na ilipat na ang magsasaka ng tobacco papunta sa ibang pananim o ibang activity na kabuhayan.

REP. ANDAYA. So, now, we are going back to the old system to encourage these farmers to continue planting tobacco, then, at the same time, of course, when you plant tobacco, you encourage smoking of course, because if there is no supply, di wala namang magsisigarilyo, di ba? Tama ba ako roon?

REP. CUA. We are not encouraging smoking, Your Honor.

REP. ANDAYA. No, no, no, I am not saying you are encouraging it. You are encouraging the industry.

REP. CUA. We are allowing—ang panukalang ito ay naglalayon na mabigyan ng pagkakataong magpatuloy ang tobacco farming industry.

REP. ANDAYA. Precisely.

REP. CUA. Iyon po ang aming nakikitang argumento.

REP. ANDAYA. Precisely. And the projection, of course, is that with this, every year, your projection—revenue projection goes up.

REP. CUA. Well, at certain point, hindi na po siguro tataas.

REP. ANDAYA. Yes, but of course, in the medium term, it has to go up.

REP. CUA. Tama po.

REP. ANDAYA. So, if it will not go up, then there is no use of talking about this at this point.

REP. CUA. Tama po.

REP. ANDAYA. So, we are encouraging smoking. I am not saying that is bad.

REP. CUA. Hindi po, because the increase in revenue will not be in the prevalence e. Ang taas po ng revenue ay manggagaling sa pagtaas ng buwis.

REP. ANDAYA. ...ng buwis.

REP. CUA. Hindi po sa karamihan ng pabenta.

REP. ANDAYA. Okay. But the number of smokers will be the same.

REP. CUA. Hindi natin masabi.

REP. ANDAYA. You just said a while ago that the premium smokers are inelastic.

REP. CUA. Yes.

REP. ANDAYA. That means whether you increase it two times or three times, it will be the same number of smokers.

REP. CUA. Tama po.

REP. ANDAYA. It does not matter to them whether it is P1,000 per pack or not. Am I correct?

REP. CUA. Iyon po, iyong premium po talaga ang inelastic.

REP. ANDAYA. Yes.

REP. CUA. And sila ang—iyong nasa premium ang mas prone na mag-transfer, pero iyong nasa lower tier po, iyon ang mas prone na tumigil.

REP. ANDAYA. How can the premium smokers with an inelastic behavior go down to a lower bracket? Inelastic nga e.

REP. CUA. Hindi po. Hindi ko naman sinabi iyong lahat. Karamihan talaga magiging inelastic. Pero iyon pong iilan, maliit na porsyento noong gumagamit ng premium na sigarilyo, iyon malamang, may mga kaunting lilipat sa mas mura.

REP. ANDAYA. Okay.

REP. CUA. At iyong mas gumagamit ng mas mura, iyon ang mas prone na ma-encourage na tumigil na lang.

REP. ANDAYA. Na tumigil iyong ...

REP. CUA. Opo.

REP. ANDAYA. So, kung tumigil silang magsigarilyo, anong revenue ang pinag-uusapan natin?

REP. CUA. Ang projection po dito ...

REP. ANDAYA. So, if you make them stop smoking, what revenue now will you collect?

REP. CUA. Iyong projection po.

REP. ANDAYA. So, you now want to kill the industry? If you want them to stop smoking, what revenues are we talking about?

REP. CUA. Iyon nga po ang sinasabi nating balanse, Mr. Speaker, kasi kung gusto nga po talaga nating patigilin, then the measure is to ban smoking. But the point of the measure is to have a balance, balanse po para iyong ...

REP. ANDAYA. Balance in what way?

REP. CUA. Balance na may revenue ang gobyerno, mabawasan ang smoking prevalence, at the same time ay kahit paano, mapagpatuloy ang kabuhayan ng ating tobacco farmers.

REP. ANDAYA. Well, for me, para hindi na humaba ang usapan natin, you can never equate health with smoking and tax revenues because from the way the discussion goes, in every discussion when it comes to smoking, you talk about higher revenues, better collection. You can never have higher revenues if people stop smoking. So it would be better, huwag na lang pag-usapan na it will curb smoking because it will never curb smoking. Inelastic nga e. But the point is, I agree that we need revenue. So, at that point, okay na tayo, walang problema. Ang itinatanong ko lang lastly, would be, anong epekto nito sa R.A. No. 7171?

REP. CUA. Kung tama ang projection na tataas ang revenue, tataas din po iyong share ng 7171.

REP. ANDAYA. By how much? Would you have any ballpark figure?

REP. CUA. Mr. Speaker, the projected revenue here is approximately P14 billion. So, ...

REP. ANDAYA. Additional.

REP. CUA. Incremental, opo. So, 15 percent of that.

REP. ANDAYA. Which would be ...

REP. CUA. Maybe one point—two point one, two point one.

REP. ANDAYA. Two point one. This, to answer my previous question, this would directly benefit the tobacco farmers. Ito mismo iyong sa kanila.

REP. CUA. Mr. Speaker, during the hearing nga po, hindi po sinabi ng mga magsasaka na hindi gaanong nararamdaman dahil hindi—may mga issues on releases, may mga issues na ang portion po nito, ang bahagi ay napupunta sa pag-pave ng kalsada na pinapakinabangan nila ngunit hindi po directly sa kanilang pamilya ang kabuhayan.

REP. ANDAYA. Yes.

REP. CUA. Ang mga bagay na ganoon po ang nabanggit ...

REP. ANDAYA. I agree, those are the problems when it comes to the implementation. But as R.A. No. 7171 was structured, iyong share sa excise tax goes directly to the benefit of the tobacco farmers. Would that be correct?

REP. CUA. As worded in the law, ...

REP. ANDAYA. That is correct.

REP. CUA. ... ideally po.

REP. ANDAYA. Would you say that this is a subsidy?

REP. CUA. It is an earmarking.

REP. ANDAYA. Yes, in terms of budgeting, it is earmarking. In terms of benefit to the farmers, would you say that this is a form of a subsidy?

REP. CUA. Your Honor, if all government expenditures are subsidies, then yes.

REP. ANDAYA. No. Subsidies for the tobacco farmers, to be specific.

REP. CUA. It depends on the definition of subsidy, Your Honor.

REP. ANDAYA. Yes, in your definition, that it goes directly to them. Yes, you may have certain problems in the choice of projects, but in the spirit of the law, would you say it is a subsidy?

REP. CUA. Perhaps, a portion of it becomes subsidy.

REP. ANDAYA. Any other industry, agriculture industry in our nation receiving such a subsidy? Rice? Banana?

REP. CUA. I cannot competently answer this point.

REP. ANDAYA. Yes, none, there is none. The closest that you would have would be your Coco Levy Fund which, at this point, is in limbo. What I am trying to drive at is, these are additional revenues.

Maybe the Committee on Ways and Means can probably, in a way, propose that the additional funds from the sin tax be earmarked for agriculture. As a way of suggestion, subsidy, para matulungan natin iyong ibang industriya, di ba? Since papalakasin naman natin iyong tobacco industry, the accompanying increase in taxes probably could be earmarked at some other more, sabihin natin na iyong subsidy for other industries, probably iyong rice, di ba? We keep on talking about free irrigation, but nothing has been done about it. Iyon lang naman ho iyong akin, I am for this Bill. All I am saying is maybe we could earmark part of its incremental increase for agriculture.

Thank you very much, Mr. Speaker.

REP. CUA. Salamat po.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The Floor Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF H.B. NO. 4144

REP. MATUGAS. Mr. Speaker, I move to suspend the consideration of House Bill No. 4144.  
I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the suspension of consideration of House Bill No. 4144 is hereby approved.

#### APPROVAL OF THE JOURNAL

REP. MATUGAS. Mr. Speaker, I move for the approval of Journal No. 51, dated December 5, 2016.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

#### SUSPENSION OF SESSION

REP. MATUGAS. Mr. Speaker, I move that we adjourn the session until tomorrow, December 7, at four o'clock in the afternoon.

Mr. Speaker, I move for a one-minute suspension of the session.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The session is suspended.

*It was 6:54 p.m.*

#### RESUMPTION OF SESSION

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

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The session is resumed.

The Dep. Majority Leader is recognized.

#### OMNIBUS CONSIDERATION OF LOCAL BILLS ON SECOND READING

REP. BONDOC. Mr. Speaker, I move for the omnibus consideration of the following local bills; to consider the respective Explanatory Notes of the bills as the sponsorship speeches thereon; to close the period of sponsorship and debate, there being no Member who wishes to speak against the measure; to open the period of amendments; to approve the Committee amendments, if any; to approve the individual amendments submitted to the Committee on Rules, if any; and to close the period of amendments, there being no Committee or individual amendments:

1. House Bill No. 938, contained in Committee Report No. 21;
2. House Bill No. 400, contained in Committee Report No. 22;
3. House Bill No. 4469, contained in Committee Report No. 23;
4. Ho House Bill No. 4524, contained in Committee Report No. 31;
5. House Bill No. 4597, contained in Committee Report No. 32;
6. House Bill No. 4598, contained in Committee Report No. 33; and
7. House Bill No. 4599, contained in Committee Report No. 34.

I so move, Mr. Speaker, Your Honor.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. BONDOC. Mr. Speaker, I further move that the above-mentioned local bills be approved on Second Reading.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Castro, F.H.). As many as are in favor of the approval of the bills enumerated in the omnibus motion, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). As many as are against, please say *nay*. (*Silence*)

OMNIBUS APPROVAL OF LOCAL BILLS  
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Castro, F.H.). The

*ayes* have it; the aforementioned local bills are approved on Second Reading.\*

The Floor Leader is recognized.

ADJOURNMENT OF SESSION

REP. MATUGAS. Mr. Speaker, I now move to adjourn the session until tomorrow, December 7, 2016, at four o'clock in the afternoon.

THE DEPUTY SPEAKER (Rep. Castro, F.H.). Is there any objection? (*Silence*) The Chair hears none; the session is adjourned until December 7, 2016, at 4:00 p.m.

*It was 6:56 p.m.*

\* See MEASURES CONSIDERED (printed separately)