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CALL TO ORDER

At 4:00 p.m., Deputy Speaker Raneo "Ranie" E. Abu called the session to order.

THE DEPUTY SPEAKER (Rep. Abu). The session is now called to order.

NATIONAL ANTHEM

THE DEPUTY SPEAKER (Rep. Abu). Everybody is requested to rise for the singing of the Philippine National Anthem.

Everybody rose to sing the Philippine National Anthem.

PRAYER

THE DEPUTY SPEAKER (Rep. Abu). Please remain standing for a minute of silent prayer and meditation especially for our brothers in Marawi City.

Everybody remained standing for the silent prayer.

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

SUSPENSION OF SESSION

REP. DEFENSOR. Good afternoon, Mr. Speaker. I move for a suspension of the session.

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

It was 4:02 p.m.

RESUMPTION OF SESSION

At 4:32 p.m., the session was resumed.

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

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Good afternoon, Mr. Speaker. I move that we defer the roll call.

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

REP. DEFENSOR. Likewise, I move that we defer the approval of the Journal.

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

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

THE DEPUTY SPEAKER (Rep. Abu). 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 and Resolutions on First Reading, Messages from the Senate, and Committee Report, and the Deputy Speaker made the corresponding references:

BILLS ON FIRST READING

House Bill No. 5676, entitled:

“AN ACT ESTABLISHING A NATIONAL MENTAL HEALTH POLICY FOR THE PURPOSE OF ENHANCING THE DELIVERY OF INTEGRATED MENTAL HEALTH SERVICES, PROMOTING AND PROTECTING PERSONS UTILIZING PSYCHIATRIC, NEUROLOGIC AND PSYCHOLOGICAL HEALTH SERVICES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

By Representative Lanete
TO THE COMMITTEE ON HEALTH

House Bill No. 5677, entitled:
“AN ACT PROHIBITING THE DISTRIBUTION,
SALE, AND USE OF GLYPHOSATE IN THE
PHILIPPINES”
By Representatives Casilao, Zarate, De Jesus, Tinio,
Brosas, Castro (F.L.) and Elago
TO THE COMMITTEE ON ECOLOGY

OPERATE, OWN, MANAGE AND MAINTAIN
A DISTRIBUTION SYSTEM FOR THE
CONVEYANCE OF ELECTRIC POWER
TO THE END-USERS IN THE ENTIRE
FIFTH CONGRESSIONAL DISTRICT OF
CAMARINES SUR”
By Representative Fortuno
TO THE COMMITTEE ON LEGISLATIVE
FRANCHISES

House Bill No. 5678, entitled:
“AN ACT PROHIBITING THE DISTRIBUTION,
SALE AND USE OF PARAQUAT IN THE
PHILIPPINES”
By Representatives Casilao, Zarate, De Jesus, Tinio,
Brosas, Castro (F.L.) and Elago
TO THE COMMITTEE ON ECOLOGY

RESOLUTIONS

House Bill No. 5679, entitled:
“AN ACT ESTABLISHING A FINANCIAL
ASSISTANCE PROGRAM FOR POOR
LITIGANTS”
By Representatives Nieto and Maceda
TO THE COMMITTEE ON JUSTICE

House Resolution No. 1011, entitled:
“RESOLUTION CONGRATULATING AND
COMMENDING THE GILAS PILIPINAS
MEN’S NATIONAL BASKETBALL TEAM
FOR WINNING THE GOLD MEDAL IN
THE RECENTLY CONCLUDED 2017
SOUTHEAST ASIAN BASKETBALL
(SEABA) CHAMPIONSHIP HELD IN
MANILA, PHILIPPINES FROM MAY 12-
18, 2017”
By Representatives Roa-Puno and Bagatsing
TO THE COMMITTEE ON YOUTH AND
SPORTS DEVELOPMENT

House Bill No. 5680, entitled:
“AN ACT AMENDING THE OMNIBUS
ELECTION CODE TO INCLUDE THE
MANDATORY DRUG TESTING BY THE
PHILIPPINE DRUG ENFORCEMENT
AGENCY (PDEA) FOR ALL CANDIDATES
AS A PREREQUISITE FOR THE FILING OF
THEIR CERTIFICATES OF CANDIDACY”
By Representative Roman
TO THE COMMITTEE ON SUFFRAGE AND
ELECTORAL REFORMS

House Resolution No. 1012, entitled:
“RESOLUTION CONGRATULATING AND
COMMENDING GILAS PILIPINAS TEAM
FOR SWEEPING THE 2017 SOUTHEAST
ASIA BASKETBALL ASSOCIATION
(SEABA) HELD AT THE SMART ARANETA
COLISEUM, HENCE, BARGING INTO THE
2017 FIBA ASIA CUP”
By Representative Sambar
TO THE COMMITTEE ON YOUTH AND
SPORTS DEVELOPMENT

House Bill No. 5683, entitled:
“AN ACT ABOLISHING THE ROAD BOARD
AND TRANSFERRING ITS POWERS AND
FUNCTIONS TO THE DEPARTMENT
OF PUBLIC WORKS AND HIGHWAYS
AND TO THE DEPARTMENT OF
TRANSPORTATION, AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 8794,
OTHERWISE KNOWN AS THE MOTOR
VEHICLES USER’S CHARGE”
By Representatives Tan (A.), Bravo (M.V.),
Escudero, Deloso-Montalla and Suansing
(E.)
TO THE COMMITTEE ON GOVERNMENT
REORGANIZATION AND THE COMMITTEE
ON PUBLIC WORKS AND HIGHWAYS

House Resolution No. 1013, entitled:
“RESOLUTION DIRECTING THE COMMITTEE
ON AGRICULTURE AND FOOD TO
CONDUCT AN INQUIRY IN AID OF
LEGISLATION ON THE CURRENT
RICE SUPPLY AND STOCK IN THE
COUNTRY”
By Representative Bravo (A.)
TO THE COMMITTEE ON RULES

House Bill No. 5684, entitled:
“AN ACT GRANTING THE IRIGA ELECTRIC
COMPANY, INC., A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH,

House Resolution No. 1014, entitled:
“A RESOLUTION CALLING FOR AN
INVESTIGATION OF THE DEPARTMENT
OF JUSTICE HANDLING OF CASES
INVOLVING SECRETARY AGUIRRE’S
FORMER CLIENTS FROM SULU”
By Representative Arbison
TO THE COMMITTEE ON RULES

ADDITIONAL COAUTHORS

Rep. Luis Raymund F. Villafuerte Jr. for House Bills No. 4334 and 5633;

Rep. Gary C. Alejandro for House Bills No. 324, 1345, 1347, 1348, 2295, 3329, 3520, 3889, 4292, 4505, 4521, and 5514;

Rep. Maria Vida Espinosa Bravo for House Bills No. 4577, 4689, 4743, 4744, 4745, 4746, and 4809;

Rep. Cesar V. Sarmiento for House Bill No. 5038;

Rep. Evelina G. Escudero for House Bills No. 177 and 5038;

Rep. Gus S. Tambunting for House Bills No. 4129, 5242, 5387, 5530, and 5532, and House Resolutions No. 897, 902, 921, 933, and 967;

Reps. Manuel Jose "Mannix" M. Dalipe and Pedro B. Acharon Jr. for House Bill No. 177;

Rep. Isidro S. Rodriguez Jr. for House Bills No. 177, 3641, 5517, and 5519;

Rep. Gerald Anthony "Samsam" V. Gullas Jr. for House Bill No. 5347 and House Resolution No. 878;

Rep. Jesulito A. Manalo for House Bills No. 725 and 2697;

Rep. Angelina "Helen" D.L. Tan, M.D. for House Bill No. 4127;

Rep. Jose Christopher Y. Belmonte for House Bill No. 4742;

Rep. Marlyn L. Primicias-Agabas for House Bills No. 5068 and 5685;

Rep. Pia S. Cayetano for House Bill No. 5661;

Rep. Christopher "Toff" Vera Perez De Venecia for House Bill No. 5366;

Rep. Xavier Jesus D. Romualdo for House Bill No. 3817; and

Rep. Joey Sarte Salceda for House Bills No. 177 and 5038.

MESSAGES FROM THE SENATE

Message dated May 23, 2017, informing the House of Representatives that the Senate on May 22, 2017, designated Senators Francis "Chiz" G. Escudero, Paolo Benigno "Bam" Aquino IV, Ralph G. Recto and Win Gatchalian as conferees should the House of Representatives ask for a conference upon approval of its counterpart version of Senate Bill No. 1304, entitled: "AN ACT ACCELERATING UNIVERSAL ACCESS TO TERTIARY EDUCATION BY PROVIDING FOR A TUITION SUBSIDY AND FINANCIAL ASSISTANCE TO STUDENTS ENROLLED IN STATE UNIVERSITIES AND COLLEGES (SUCs), PRIVATE HIGHER EDUCATIONS INSTITUTIONS (HEIs) AND TECHNICAL-VOCATIONAL INSTITUTIONS (TVIs) AND APPROPRIATING FUNDS THEREFOR"
TO THE COMMITTEE ON RULES

Message dated May 23, 2017, informing the House of Representatives that the Senate on May 22, 2017, designated Senators Franklin M. Drilon, Sonny Angara and Joel Villanueva as conferees to the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 14, entitled:

"AN ACT ADJUSTING THE AMOUNT INVOLVED, VALUE OF PROPERTY OR DAMAGE ON WHICH A PENALTY IS BASED AND THE FINES UNDER ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE REVISED PENAL CODE"

and House Bill No. 5513, entitled:

"AN ACT ADJUSTING THE AMOUNTS OR THE VALUE OF PROPERTY ON WHICH A PENALTY IS BASED, AND THE FINES IMPOSED UNDER THE REVISED PENAL CODE, AMENDING FOR THE PURPOSE ACT NO. 3815, OTHERWISE KNOWN AS 'THE REVISED PENAL CODE', AS AMENDED"

TO THE COMMITTEE ON RULES

COMMITTEE REPORT

Report by the Committee on Government Reorganization and the Committee on Appropriations (Committee Report No. 258), re H.B. No. 5707, entitled:

"AN ACT RIGHTSIZING THE NATIONAL GOVERNMENT TO IMPROVE PUBLIC SERVICE DELIVERY"

recommending its approval in of House Bills Numbered 3781, 3838, 3871 and 3913

Sponsors: Representatives Lacson and Nograles (K.A.)

TO THE COMMITTEE ON RULES

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

REP. DEFENSOR. Mr. Speaker, let us take this opportunity to acknowledge the presence of some guests in the gallery.

First, we have 106 cooperatives represented today in the gallery. From Mindanao, we have cooperatives from Region IX, Region X, Region XI, Region XII, and CARAGA Region; from the Visayas, we have Region VI, my region; Region VII and Region VIII; and from Luzon, we have Region III, Region IV-A, Region IV-B, Region V, the CAR and NCR. *(Applause)*

They are the guests of the Gentleman from AGAP Party-List, the Hon. Rico B. Geron; the Gentleman from Coop-NATCCO, the Hon. Anthony M. Bravo, PhD; and likewise, the Gentleman from Coop-NATCCO, the Hon. Sabiniano S. Canama.

THE DEPUTY SPEAKER (Rep. Abu). To the guests of the Party-List Representatives from AGAP and Coop-NATCCO coming from cooperatives in the different regions, welcome to the House of Representatives. *(Applause)*

REP. DEFENSOR. Mr. Speaker, today, we have H.E. Peng Qinghua, he is the Secretary of the CPC Guangxi Committee, Chairman of the Standing Committee of the Guangxi People's Congress; with H.E. Xiangqi, Chargé d' Affaires of Chinese Embassy in the Philippines. We also have Mr. Shi Donglong, he is the Director-General of the Guangxi Foreign Affairs Office; Mr. Jiang Liansheng, the Director-General of Guangxi Department of Commerce; Mr. Gan Lin, Director-General of Guangxi Tourism Development Commission; and Mr. Wei Ran, Executive Deputy Director-General of the Office for Guangxi Beibu Gulf Economic Zone and Opening Up and Cooperating with ASEAN.

THE DEPUTY SPEAKER (Rep. Abu). To the guests of the House of Representatives mentioned by the Dep. Majority Floor Leader, welcome to the House of Representatives. *(Applause)*

REP. DEFENSOR. We have the guests of the Gentleman from Albay, the Hon. Joey Sarte Salceda, and they are students from the University of the Philippines Los Baños, University of the Philippines Diliman, Philippine Normal University, Pamantasan ng Lungsod ng Maynila, New Era University, and Far Eastern University.

THE DEPUTY SPEAKER (Rep. Abu). The guests of Rep. Joey Salceda, please rise. Welcome to the House of Representatives. *(Applause)*

The Dep. Majority Leader is recognized.

SUSPENSION OF SESSION

REP. DEFENSOR. Mr. Speaker, I move for a suspension of the session.

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

It was 4:38 p.m.

RESUMPTION OF SESSION

At 4:40 p.m., the session was resumed.

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

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we recognize our Dep. Majority Leader Aurelio “Dong” D. Gonzales Jr., the Gentleman from the Third District of Pampanga, on a question of privilege.

THE DEPUTY SPEAKER (Rep. Abu). Rep. Aurelio “Dong” Gonzales from the First District of Pampanga is recognized for his personal and collective privilege.

REP. GONZALES (A.D.). Mr. Speaker, I am from the Third District of Pampanga.

THE DEPUTY SPEAKER (Rep. Abu). Correction—the Gentleman from the Third District of Pampanga. Thank you.

QUESTION OF PRIVILEGE OF REP. GONZALES (A.D.)

REP. GONZALES (A.D.). Thank you, Mr. Speaker. Mr. Speaker, I rise on a question of personal and collective privilege to remind everyone of a huge challenge we have to face as one nation, a challenge which requires unity, discipline, cooperation, setting aside our political and social differences, and most important of all, our utmost faith in God.

We have all been talking about this looming threat which is certain to happen and which we have to, eventually, face. As to when and where in particular it will strike, we are all clueless. I am talking here about the “Big One,” a magnitude 7.2 earthquake to be generated by the West Valley Fault which moves roughly every 400 years. Since the last major earthquake triggered by this fault was in 1658 or 359 years ago, our seismologists predict that this West Valley Fault is already ripe for movement.

Just this month, April 2017, Mr. Speaker, our country had experienced an earthquake of less magnitude. Last April 4, a magnitude 5.5 earthquake struck five kilometers west of Batangas. On April 8, twin earthquakes with a magnitude of 5.6 and 6.0, respectively, hit two barangays in Mabini, Batangas. Two days later, on April 10, a magnitude 5.4 earthquake hit Palapag, Northern Samar. On the same day, another earthquake with a magnitude of 5.7 struck Governor Generoso, Davao Oriental. On April 29, a magnitude 7.2 earthquake struck Sarangani and Davao Occidental provinces. Are these events a telltale sign of a lurking megaquake? An earthquake with a magnitude of 7.2 can do less damage if it happens in a desert, but just imagine the damage and the horrible aftermath it will cause if it strikes the heart of Metro Manila—a densely-populated urban region where the government capital and center

of economy lie. We can just picture a catastrophe of epic proportions—the aftershocks, the great loss of human lives, injuries and trauma, collapsed buildings and structures, impassable roads and bridges, landslides, floods and tsunamis. We also have to deal with the eventual impact on our economy, transportation and communication systems, the peace and order situation, the political stability. There will be chaos, lawlessness, outbreak of disease, lack of basic necessities and medicines, depression and other mental consequences to the survivors.

I do not want to sound paranoid to ruin your calm day or make you wish that I should not have delivered this privilege speech in front of you, but we must face the reality. We must be prepared. We must not just brush off this threat and continue with our daily lives, and when the shaking of the ground starts, that will be the only time that we start to come to our senses and press the panic button—not knowing where to run, where to hide and what to do next.

We are all aware that our National Disaster Risk Reduction and Management Council or the NDRRMC has already come up with plans and preparations, and continues to discuss strategies to deal with the earthquake and the devastation it can potentially cause. We even took part in nationwide simultaneous earthquake drills. The Department of Social Welfare and Development or the DSWD, in coordination with the other members of the NDRRMC, has even prepared predictive analytics for its humanitarian response to make it better equipped to provide all the assistance the people will need if and when the “Big One” strikes.

But are these preparations enough? Is our government ready for this? Are we, the Filipino people, up to the challenge? Is Metro Manila, as well as the nearby provinces, prepared for this major calamity? These are the preparations we need.

What about our very own Batasang Pambansa Complex? Our main building, this building, lies only 800 meters from the fault, and a recent study identified Barangay Batasan Hills as among the five spots in Quezon City that may be affected by a major seismic activity.

About two months from now, His Excellency, Pres. Rodrigo Duterte will be delivering his second State of the Nation Address here in Batasang Pambansa. The top government officials, lawmakers, local and foreign dignitaries, known personalities, media and the Filipino people will convene in this Hall to witness the event. Heaven forbid, but will this building hold if the uninvited “Big One” strikes that very day?

Alam po ninyo, Mr. Speaker, itong sinasabi ko ay napaka-importante po. Sa July 24, magkakaroon tayo ng State of the Nation Address dito at sana po nakahanda na tayo. A 7.2 magnitude earthquake, if dumagan o dumating vertically, lahat po tayo dito sa session hall ay

hindi na makakagalaw at hindi na makakatakbo. Our families are here, mga kaibigan, mga malalapit sa atin—nandito po sila sa gallery at manonood ng State of the Nation Address. Ang point ko lang, kailangan mayroon tayong preparasyon kung ano man ang mangyayari. Hindi po natin masabi sa July 24, kung dumating ang the “Big One,” alas kuwatro kinse ng hapon, hindi po natin alam, baka magtago tayo sa ilalim ng mesa natin. Kung vertical po ang dating, hindi na po tayo makakagalaw, and definitely, hindi na tayo makakaligtas.

Mr. Speaker, iyon lang po ang concern ko. Kung ang MMDA ay mayroong preparedness drills sa mga eskuwelahan, dapat tayo din po dito sa Kongreso kailangang may preparasyon din. Hindi po natin malalaman, only God knows, sa July 24 kung saan nandito po tayong lahat, kaya we still have two months to prepare. Kaya po ako tumayo para malaman natin, bawat isang Mambabatas, na itong the “Big One,” hindi natin alam kung kailan darating.

Last 2011, I also had the privilege to rise in this august hall and speak about the serious threat of the “Big One” and ask how prepared the House of Representatives complex is for this. Being an engineer, I proposed a mandatory structural audit of all the buildings and structures particularly in the halls of Congress, in the House of the People inside the compound, giving priority to those built prior to 1992. Our main building was built in 1978 without considering the earthquake fault in the area and three years prior to the publication of the National Structural Code.

In that same speech, I also suggested that we need to look again at the civil engineering curriculum being used in our schools and see if it is updated and current, as we have to be sure that the civil and structural earthquake seismic analysis engineering courses conform with, or at least approximate, the one being used in Japan and other earthquake-prone countries, where building designs are meant to withstand major earthquakes. I also stated in my speech that we need to check if our infrastructures have enough factor of safety to overcome a high magnitude earthquake. This is important to determine the need to upgrade the factor of safety in our infrastructure designs and reinforce existing structures. Looking back at these proposals, were the necessary steps undertaken?

Now, I am once again standing in front of you in this august hall with the same questions that continue to linger in my mind: What have we done and what must we still do to face the impending “Big One” and survive as a nation? We have to admit that despite our preparations, we cannot guarantee zero casualty and insubstantial damage. However, we can cut down and reduce casualties and damages by focusing on the following steps: first, we have to develop national governance and business systems that are resistant to strong earthquakes; second, we have to improve

resiliency of urban structures and settlements; third, we have to enhance the current risk and emergency management; fourth, we have to enhance the community disaster management capacities; fifth, we have to formulate the reconstruction system; and last, we have to promote research and technology development. We can also plan some activities for risk reduction and to ensure earthquake preparedness which I have classified into three categories: (1) public health, (2) mutual help, and (3) self-help.

These are just my suggestions. I am sure each of us has a brilliant idea in mind on how to prepare for the “Big One.” As legislators, it is within our power to craft the necessary laws to augment our preparations for this calamity. Let us not waste time. Through our collective efforts, we can face this challenge and achieve. As the clock continues to tick, each hour counts and each day matters.

With a sense of urgency, I challenge my colleagues, I dare the government, I urge the Filipino people to do their respective roles in preparation for this test of a lifetime.

Mr. Speaker, on that note, maraming salamat po. Dakal pong salamat kekayu ngan kareng kanakung kayabe keni king House of Representatives. Dakal pong salamat.

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

REP. DEFENSOR. Mr. Speaker, I move that we recognize the distinguished Gentleman from the Fourth District of Manila, the Hon. Edward Vera Perez Maceda, for a brief manifestation which is related to the speech of the honorable Deputy Majority Leader Dong Gonzales.

THE DEPUTY SPEAKER (Rep. Abu). So it is a manifestation and not an interpellation?

REP. DEFENSOR. Yes, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). Representative Maceda from Manila is recognized for his manifestation.

REP. MACEDA. Thank you, Mr. Speaker.

Not to belabor the point, I just would like to give my full support to the question of privilege of the Hon. Aurelio “Dong” Gonzales from the Third District of Pampanga because this is also one of my advocacies even when I was still a councilor; and to say that he is not being paranoid. I do not think anybody can be paranoid because we should treat this problem as if it is already here. Even if the earthquake strikes within 300 to 400 years, which is the cycle which they expect

the “Big One” to occur, that will be a minimum of anywhere from 20 years from now to a hundred years. Even if we started being serious about it, I think it would be too late because kulang na kulang po tayo sa disaster preparedness. Kahit pa noong budget hearing, nagtanong ako sa mga departamento kung may mga badyet sila—napakaliit po ng badyet.

Japan is supposed to be one of the most prepared and equipped countries when it comes to earthquakes and tsunamis because that is where it happens most of the time. Mayroon po silang earthquake drill, fire drill, tsunami drill—pati po sa mga eskuwelahan ng mga elementary ay halos araw-araw po ito, Mr. Speaker. Dito po sa atin, suwerte na kung sa isang linggo o sa isang buwan mayroong isang earthquake drill.

Sa Japan po, ang ginagamit nila na materyales sa pagtayo ng mga building ay ang pinakamatibay sa lahat. Most of their buildings conform to their building code. The structural integrity of their buildings is beyond question. It is second to none. Yet, kapag nagkaroon ng earthquake doon, kahit na 6.2 lang, mga 30,000 tao ang namamatay.

So, Mr. Speaker, my point here, dito sa atin ang layo ng preparedness natin kumpara sa bansang Japan, sobrang layo. We have to start now because may kasabihan po tayo that an ounce of prevention is always better than a pound of cure. It is better to be prepared than to be reactionary. Kapag dumating po ito—pati nga po mga telco, tinanong ko minsan sa hearing, kapag nagkaroon ba ng earthquake at na-down lahat ng communication lines, paano magko-communicate ang mga leader ng bayan sa mga tao? Wala silang plano. Sabi ko: Will we be able to use at least even high frequency radios pag patay na ang mga telco? Wala rin silang plano.

Not to belabor the point, I support a hundred percent the message that is being delivered by the Gentleman from the Third District of Pampanga. We should not take it lightly. We should take it as serious as any other problem that is besetting our country today, as serious as the problem of peace in Mindanao, in Marawi, as serious as any problem. I support Congressman Gonzales 100 percent. Maybe we can urge our colleagues here to come up with measures to make sure that we start preparing already. Mangyari man ito, kahit papano we can mitigate the damage. Kung hindi naman mangyari, mas maganda, magpasalamat tayo sa Panginoon.

Maraming salamat po.

THE DEPUTY SPEAKER (Rep. Abu). For the information of the Members of the House, last Congress, we also did some structural audit of our buildings, and we retrofitted the buildings.

REP. CHIPECO. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). What is the pleasure of the Gentleman from Laguna, Congressman Chipeco?

REP. CHIPECO. Will the distinguished Gentleman from Pampanga yield to a few questions?

THE DEPUTY SPEAKER (Rep. Abu). If the Gentleman from Pampanga so accedes.

REP. GONZALES (A.D.). Yes, Mr. Speaker.

REP. CHIPECO. Unang-una po, Mr. Speaker, hayaan po ninyo batiin ko ang kagalang-galang na Kinatawan ng Pampanga. Binabati ko siya sapagkat sa aking palagay, napakaganda ng kanyang mensahe sa hapong ito. Ang gusto ko po lamang itanong sa kanya—sapagkat nalalaman ko na talagang iniisip niya ang puwedeng mangyari sa atin—would the Gentleman join this Representation that we are also supposed to look into the problems now besetting the construction industry? Sapagkat mayroon po akong nalalaman mga data na sa ngayon, sa palagay ko, ay napapanahon na. Batay sa inyong mensahe, dapat tingnan nating mabuti. Naniniwala po ba kayo na ang ginagamit na mga bakal sa mga konstruksiyon natin ay tama ayon sa tinatawag na ASTM standard? Alam ko na may alam kayo sa konstruksiyon kaya marahil mabibigyan ninyo kami ng ulat kung ano po talaga ang nangyayari. Ako po ay naniniwala na mahalaga pong component sa konstruksiyon natin ay iyon pong paggamit ng bakal.

I have some personal knowledge of this, Mr. Speaker, that is why, I think, it is timely, hindi po ako makatiis na hindi itanong sa ating kagalang-galang na Kinatawan sapagkat ito po ay may kinalaman sa kanyang mensahe ngayong hapong ito.

REP. GONZALES (A.D.). Thank you for that question, Congressman Chipeco. Alam po ninyo, we already did the investigation, meaning, sa engineering, if the strength of materials—you were asking if the specifications, iyong mga reinforcement steel, kung angkop po iyan sa ASTM. Iyong ASTM, ang ibig sabihin po niyon ay American Standard for Testing Materials. So iyon po ang ginagamit natin.

Mayroon po tayong tinatawag na earthquake design. Ang earthquake design ay pinag-aaralan po ng mga civil engineer at mga structural engineer. Kapag gagawin mo ang isang istraktura, you have to investigate kung safe po ang design ng isang building. Like for example, Mr. Speaker, this hall, this Batasang Pambansa Complex, I think the actual magnitude design of this is 7.2 or less than 7, and this was built in 1992. Alam po ninyo, ang sinasabi ko dito, kailangan mayroong preparedness din po tayo, may earthquake

drill po tayo. Kung ang dumating po na earthquake is magnitude 7.2, and we are at the epicenter—800 meters mula sa West Valley Fault—at kung dumating po iyon, ang sinasabi ko po, from today, tinatawagan ko po ang bawat isa sa atin na dapat magkaroon po tayo ng earthquake drill.

Nakaupo po tayo lahat dito sa July 24 at mag-start eksakto ang SONA ng Presidente ng alas kuwatro. Kapag dumating po iyan ng alas kuwatro-singko, alas kuwarto-diyes, anong gagawin natin? Tayong mga Mambabatas, anong gagawin natin? Mayroong mga tao diyan sa bleachers—iyong asawa at anak, ang pamilya natin ay nandiyan, pati mga bisita natin, ano ang gagawin natin kapag magnitude 7.2 vertical, hindi na po tayo makakagalaw dito. Hindi po tayo makakatakbo, hindi po tayo makakalabas, magtatago lang po tayo sa ilalim ng mesa. Kaya iyon ang sinasabi ko na number one—if the structural analysis of those buildings they are implementing now is under specification. Opo, naniniwala po ako doon.

REP. CHIPECO. Mr. Speaker, ang gusto ko lamang maliwanagan mula sa ating Kinatawan ng Pampanga, sapagkat naniniwala po ako na marami ngayong mga ginagawa, sa napakaraming mga buildings sa ngayon na kumakalat sa buong Metro Manila, sa akin pong palagay, ang mga ito ay hindi gumagamit ng tamang sangkap sa konstruksiyon.

Unang-una na po diyan ay iyong ginagamit na bakal. Iyon pong sinasabi ninyo, is it really true that all of the bars being used are of ASTM quality? Mahalaga po ito sapagkat kung tayo ay naniniwala na dapat talagang paghandaan ay bakit pa natin aantayin? Ngayon na ay imbestigahin na natin at tingnan po natin kung iyong mga ginamit na mga sangkap sa konstruksiyon na iyan, kamukha ng bakal, ay tama sapagkat malalaman natin ngayon pa na ang mga ito ay delikado at kinakailangan bigyan natin ng karampatang mga mensahe o warning para sa ganoon matigil na po sila.

Iyon po lamang ang nais ko pong i-share sa Congressman from Pampanga because I believe that there are now so many things that are going on which are not being properly monitored by the appropriate government agencies, especially in the matter of the quality of materials, on the steel bars that are being used.

So, would you agree with me that perhaps, together with so many others, we can file a resolution to conduct perhaps an investigation on all of these things that are being used for purposes of construction, especially In Metro Manila?

REP. GONZALES (A.D.). Mr. Speaker, I agree with Congressman Chipeco. The DPWH is the implementing arm, the different agencies are the implementing arms, they are the lead agencies. That is why we have this

quality control, we have this QAU; we have to test all the materials. Tama po iyan. Minsan, gumagamit sila ng undersized na bakal, at iyong mixture nila ay hindi angkop doon sa given specifications. Tama po kayo. Ang tinatawag po diyan, CSG—cement, sand and gravel. Minsan po, hindi po sinusunod iyon.

Kaya po mayroon tayong mga materials engineer. Ako po ay isang materials engineer. Kaya iyong materials engineer po ay napaka-importante po sa pag-implementa ng bawat proyekto sa ating bansa, lalo na sa Department of Public Works and Highways.

REP. CHIPECO. Mr. Speaker, I would like to thank the Gentleman for his manifestation and, again, may I also congratulate him for his timely warning, because I think it is really time that everybody, every one of us, will be concerned and we will really try to look into this matter.

Marami pong salamat. Thank you, Mr. Speaker.

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

REP. GONZALES (A.D.). Salamat po.

REP. GARCIA (J.). Mr. Speaker, I move that we recognize BUHAY Party-List Cong. Jose “Lito” L. Atienza Jr. for his interpellation.

THE DEPUTY SPEAKER (Rep. Abu.). BUHAY Party-List Representative, the Hon. Lito Atienza, is recognized to interpellate the Gentleman from the Third District of Pampanga, Congressman Dong Gonzales.

REP. GONZALES (A.D.). Yes, sir.

REP. ATIENZA. Salamat po.

Mr. Speaker, the message of the Gentleman from Pampanga is most timely. It is most relevant and needs immediate reaction sapagkat iyong tinuran niya, lahat po may nakaakmang panganib sa lahat ng ating kapuluan. The earthquakes that are now happening are definitely stronger than yesteryears'. An earthquake of magnitude 5 something is now common in the islands. An earthquake of magnitude 6 is already common. So if we do not act now, we may be in for a disaster, a national calamity. Kaya ako po ay sumasang-ayon sa kanya at hinihingi ko sa kanya, ano ang maaari nating gawin immediately about the conditions prevailing in our areas where buildings are being constructed?

Kung mapupuna ninyo, ang mga buildings ngayon ay pataas nang pataas. Sa Metro Manila—in Manila, in Makati, in Pasig, in Bonifacio Global City, we see buildings going up, uncontrolled, para bagang ang control na lamang ngayon ay salapi ng namumuhunan. One of these days, we will have 100-storey tall

buildings being constructed and the designs are even becoming leaner and leaner, thinner and thinner, para bagang mga toothpick na nakatayo sa Metro Manila. Ano po ba ang inyong maipapanukala ngayon na puwede nating pagkaisahan? Ang inyong lingkod ay handang tumulong sa lahat ng paraan upang maiwasan natin ang malaking sakuna, kalamidad na nakaakma na sa ating lahat.

REP. GONZALES (A.D.). Salamat po to the Hon. Jose Atienza, the BUHAY Party-List Representative. Number one po, tama po iyon pataas nang pataas, pakitid nang pakitid, so ang tama po diyan is, we have to strengthen our design analysis. Tama po kayo, the magnitude 5 earthquake ay parang sisiw lang po sa atin ngayon iyan. Seven magnitude, medyo malakas na rin po iyan, at pataas ng pataas na po, like in Haiti, like in other countries. Nagkaroon po tayo ng earthquake na 8 magnitude.

Kaya ang sina-suggest ko po, kung narinig po ng ating mga kasama dito, number one, sa engineering courses sa CHED, we have to augment the subject on structural analysis. What is this? These are the design for earthquake, design for steel, and we are adopting them, but I think on our curriculum, hindi pa po sapat para sa ating mga civil engineering student. Kaya ako nag-file po ng isang panukala to strengthen the subject, especially on the structural analysis for students of civil engineering and for the Association of Structural Engineers of the Philippines. Pangalawa, tama po, kung ano ang puwede natin gawin. Ang pinakamagandang gawin po natin ngayon, na ginagawa na sa pangkalahatan, ang pinaka-concern ko po dito ay, Mr. Speaker, doon sa State of the Nation Address ng Pangulo, wala po tayong preparasyon. I am urging this august Body, while we are on break, na kailangan po magkaroon tayo ng preparedness kung ano ang puwedeng gawin. Sinabi ko po, kung darating iyan sa State of the Nation Address, alas kuwatro-singko, alas kuwatro-diyes, nandiyan po lahat ang mga VIP natin. Nandiyan po ang Pangulo ng Pilipinas, nandiyan po iyong Vice President natin, nandiyan po iyong Senate President natin, nandiyan po iyong Speaker of the House natin, nandiyan po ang Supreme Court Justices natin, at ang ating Chief Justice Sereno—so, lahat po at kapag dumating po iyon, ano ang puwede nating gawin? Mailigtas muna itong mga lider natin palabas para hindi lahat lalaki at mahalo dito sa sakunang darating. Hindi natin sinasabing darating po iyan because only God knows kung kailan po iyan pero naghahanda lang po ako. Sana po, puwedeng tawagin, and I am urging this, the Sergeant-at-Arms of this august Body para sana, while we are on break, we have this preparedness, this earthquake drill na puwede nating gawin on July 21.

REP. ATIENZA. Mr. Speaker, so, it is my

understanding and appreciation that the Gentleman is proposing an honest-to-goodness building structural inspection all over, starting with the building of the Batasang Pambansa. Ang sabi nga po niya ay baka ito pa ang unang-unang ito magiba sapagkat ito po ay napakalaking area na wala pong gaanong suporta. We are not sure if this structure will hold ...

REP. GONZALES (A.D.). Definitely, Mr. Speaker, sa 7.2 magnitude earthquake, una pong babagsak iyan, pinakauna pong babagsak iyan.

REP. ATIENZA. Unang-unang ...

REP. GONZALES (A.D.). That is equivalent to—hindi po sa tinatakot ang mga Mambabatas pero sinasabi ko lang po na pinakaunang babagsak ang Batasang Pambansa.

REP. ATIENZA. Unang-unang matutupok ay ang mga Mambabatas ng ating bansa. Hindi po ba medyo nakakagulantang iyan at kailangan ay aksyunan na natin ngayon. I agree with the Gentleman that this structure has no guarantee whatsoever. In the first place, this was built when we had martial law. No one dared question anything, not even the engineers then, and the building was constructed. So we are not really confident that this building will hold as pointed out by the Gentleman from Pampanga and we are, therefore, demanding that the Batasang Pambansa administrators and building supervisors should really make an honest-to-goodness analysis of the full strength of the structure; otherwise, we may all disappear in one act of nature. I do not know how to interpret that but when that happens, the whole Philippine government could be annihilated and possibly obliterated, and we do not want that. So we have to demand now for a real study on the structural strength of our building and then, for the government to conduct a thorough, massive, corruption-free inspection. I stress the word “corruption-free” because any inspection done by the government will entail a lot of difficulties on the private sector. Alam natin iyan, the Gentleman from Pampanga is an experienced builder, we have had experiences in building, so, we know that any building inspection will mean problems for the building owner.

Kaya ito pong ating iminumungkahi ay hindi para magkaroon ng paraan ang mga building inspectors all over the country to go on a rampage, visiting private buildings, government buildings, and demanding any price that may come into their minds. Alam naman natin iyan—kapag nag-inspeksiyon, mayroong hihingin. So, we are proposing, and I think the Gentleman precisely has this in his mind, that an honest-to-goodness program to inspect buildings is done now so that we may be assured of safety or at least, minimal damage. Baka

hindi natin ma-assure talaga na maski na inspeksiyunin iyan, maski na magkaroon ng retrofitting iyan, ay magkakaroon pa rin ng mga building na guguhu.

Kung maaalala natin iyong World Trade Center sa New York, ang sabi ng mga engineer na gumawa noon, maski raw 747 na eroplano ang bumangga doon ay hindi raw maguguho iyon. Nakita po ng buong mundo, hindi naman 747 iyong bumangga at isang 727 lamang, maliit na eroplano, pero bumagsak iyong dalawang istraktura. Ang sinasabi ninyong maaaring sumapit sa atin ay lindol of 7 plus magnitude, or maybe even reaching 8 magnitude, that will flatten the whole Metro Manila, and I am afraid right now that no one can assure us of the safety of our buildings until and when that study is done, probably caused by a resolution coming from Congress. I would be willing to join the Congressman if he will file this resolution to require all building owners to now cause the inspection of their buildings to make sure that these are prepared for any eventuality. Another point is, Mr. Speaker, while we are doing the actual homework now, hindi po ba magandang na ang ating Building Code na sinusunod ng lahat ng mga engineer, ng mga architect, ng mga LGU, ay atin nang i-adjust to reality. Huwag na nating payagan ang mga skyscraper because hindi po talaga tugma dito sa ating bansa, lalo na sa Metro Manila where the earthquake line is already defined.

Mayroon tayong tinatawag na Marikina Fault Line na kapag malakas ang lindol, baka dito sumentro ang pinsala ng lindol. Hindi po ba magandang bigyan na natin ng kontrol ang pagtatayo ng gusali katulad po ng ginawa sa Japan. Hindi po puwedeng magtayo ng matataas na gusali in certain areas because they know that they are in danger if they construct buildings which are not safe in case of an earthquake. Right now, the earthquakes are becoming common in our country and therefore, it is time that we also adjust our Building Code. Tama po ba iyon? Do you agree with that?

REP. GONZALES (A.D.). I agree with the Sr. Minority Leader and I filed already the amendment of this National Building Code – to revisit and to amend this National Building Code. So, number two, iyon pong sinasabi ninyo na kung papaano natin palalakasin, to investigate all private and government buildings, I did that already in the Fifteenth Congress and I filed already a resolution to investigate all these buildings constructed in 1972, kung angkop sa National Building Code of the Philippines, para maimbestiga po natin kung magho-hold pa ang mga iyan. Kung darating iyong 7.2 magnitude earthquake, kung okay pa rin po iyan. Kung less than the factor of safety, we can tell the owners na hindi na po safe ang kanilang building, kailangang i-R&R na po iyan—remove and replace—para for the safety of the Filipino people at ang gumagamit sa mga building na iyan.

Iyon po, Mr. Sr. Deputy Minority Leader, ginagawa ko na po iyon.

REP. ATIENZA. Mr. Speaker, with that statement of the honorable Gentleman from Pampanga, we therefore urge the Committee on Public Works and Highways, which is possibly handling the proposed action of the Gentleman, to prioritize this particular submitted House bill, na kailangan po nating bigyan ito ng pansin at hindi natin isama sa takbo ng panahon sapagkat baka hindi po tayo umabot sa sinasabi nating time frame or timetable. Kung maaari ay bukas na bukas ay talakayin na natin ito sa komite para mabigyan po ng pansin ang ating Building Code which is the bible of builders and engineers all over the country. Otherwise, the buildings, as we have described them, are getting thinner and thinner and taller and taller, and I really am scared because when I look at these buildings, these thin buildings that we have now—wala nang inisip kung hindi iyong mga units ng condominium na magagawana nila na maibebenta at hindi po iniisip ang mangyayari kung magkaroon tayo ng malaking lindol sa Metro Manila.

It is projected, it is analyzed, it is studied scientifically, and although we cannot predict it, we know that an earthquake is going to come. As to when, nobody knows but it could be tonight, it could be tomorrow. So, before it is too late, we urge the leadership of the House to schedule immediately the action on the proposed measure of the Gentleman who brought this matter to our attention today.

REP. GONZALES (A.D.). Thank you po, Mr. Speaker. I am very thankful to the Gentleman for his support, and to the whole august Body which supports my agenda for this afternoon.

Thank you, Mr. Speaker.

REP. ATIENZA. Mr. Speaker. I would like to congratulate and commend the Gentleman for bringing up this matter. It appears seemingly unimportant because it has not happened yet, but when it does happen, we may not even be around to appreciate the message of today. Gumalaw na tayo ngayon, lalung-lalo na ang building administrator nitong Batasang Pambansa. Kung iyong ulan, tumatagos na dahil tumutulo po rito madalas, iyon pa bang ating kalasag sa ano mang mapinsalang lindol na siguradong tiyak na tiyak, darating dito sa ating panig na ito, as to when, we do not know.

We congratulate the Gentleman as it is a most timely reminder. As we tackle the day-to-day problems of the nation, we should also tackle this particular problem which could erase the whole of our region if we do not act now.

REP. GONZALES (A.D.). Thank you.

REP. ATIENZA. Maraming, maraming salamat po.

REP. GONZALES (A.D.). Thank you, Mr. Speaker.

REP. ATIENZA. I assure the Gentleman of my full support.

REP. GONZALES (A.D.). Thank you, Mr. Sr. Minority Leader. Salamat po.

THE DEPUTY SPEAKER (Rep. Abu). I would like to remind the Gentleman from Pampanga that on a question of privilege, you are only entitled to a 10-minute speech and interpellations, and we have exceeded. We have already given the Gentleman one hour and 41 minutes.

The Floor Leader is recognized.

REP. ALONTE. Mr. Speaker, may I request for an extension because we still have another interpellator, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). There is a motion to extend the time of the Gentleman from Pampanga. Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. ALONTE. Thank you, Mr. Speaker.

Mr. Speaker, the next Member who wishes to interpellate, or the last interpellator, is the Gentleman from the Second District of Pangasinan, the Hon. Leopoldo N. Bataoil.

I move that we recognize him for his interpellation, Mr. Speaker.

Thank you.

THE DEPUTY SPEAKER (Rep. Abu). Is the Gentleman from Pampanga acceding to the request of the Gentleman from Pangasinan?

REP. GONZALES (A.D.). Yes, Mr. Speaker, I will entertain his query.

THE DEPUTY SPEAKER (Rep. Abu). The Gentleman from Pangasinan, Congressman Bataoil, is recognized.

REP. BATAOIL. Thank you very much, Mr. Speaker. Thank you very much, dear colleague from Pampanga.

My concern is something serious that we should consider. The Philippines is the third most disaster-prone country in the world. Being located along the Pacific Ocean Ring of Fire and having five major faultlines, it is vulnerable to disasters such as earthquakes. The

speech of the Gentleman from Pampanga is very timely indeed. The country is no stranger to earthquakes, but one of the most memorable to hit is the quake that hit the island of Luzon 26 years ago. That powerful quake resulted in a number of collapsed buildings and thousands of lives lost.

At around 4:00 p.m., July 16, 1990, to be exact, a magnitude 7.8 earthquake hit Northern and Central Luzon. Its epicenter was recorded in Nueva Ecija and the shaking lasted for about a minute, followed by many aftershocks thereafter. Among the hardest-hit areas were the cities of Baguio, Cabanatuan in Nueva Ecija, and Dagupan in Pangasinan.

Mr. Speaker, I was then the assistant commandant of cadets at the Philippine Military Academy when this happened. I was then presiding over a command conference among my tactical officers and members of the academic group, discussing matters pertaining to the quality of training of our cadets when this happened. When this happened, my order was, "Everybody, under the table," and everybody followed my order. Tactical officers, professors were under the table when we were having a command conference but then, the shaking did not stop. We were afraid that the building where we were having a conference would collapse and so I ordered them to vacate the building. Everybody scampered to wherever they can just to vacate the building while the shaking continued. Thereafter, when we were out in the open, there was a loud bang and then, we saw a cloud, a mushroom-like formation of dust in the air. We saw that part of Sto. Tomas mountain collapsed and this created the mushroom-like cloud of dust in the air. Thereafter, there were reports of buildings that collapsed, the Hyatt building, the Nevada building, and many others. It resulted in 1,600 or more casualties.

We were awaiting orders from whoever, but there was none whatsoever. I took the initiative of organizing rescuers as we heard from sources that there were casualties in the city of Baguio. So, I brought along with me cadets and officers and together, we tried to rescue victims of the earthquake. There was no visible mobilization among government officials at that time because they were in a state of shock as a result thereof. Then after a while, some form of organization, some form of mobilization was felt and seen thereafter, but the most visible, the most impressive responses came from other countries like, for example, Singapore, Great Britain and Japan. Suddenly, we saw their civil defense forces putting up response rescue teams and they brought equipments that were state of the art.

My question is, Mr. Speaker, what is our level of readiness up to this point whenever earthquakes like this would occur? May I know if the Gentleman has somehow networked with other agencies of government and if we have already attained the level of readiness so that we will be able to respond to the needs of our people?

REP. GONZALES (A.D.). Salamat po, Mr. Speaker.

Iyon lang po ang sinabi ko kanina. Congressman Bataoil, salamat. Iyon po kasi ang sinasabi ko na kailangang mayroon tayong preparedness na gagawin. We still have two months, of course. Sabi ko nga, only God knows. Halimbawa, kamukha noong sinabi ninyo, there is a national government na nagre-response sa tawag ninyo—dito po, kailangan po magkaroon tayo ng drills. Siguro po, pagkatapos nito ay puwede nating kausapin ang leadership para makapag-gawa ng mga preparedness plans at kung paano natin, halimbawa, maililigtas ang ating Pangulo, Pangalawang Pangulo, the Senate President, the Speaker of the House and the Chief Justice as they will all be in the hall. Nasa hall na po lahat sila. Iyon po ang aking pakay, kaya po ako tumayo.

Salamat po, Mr. Speaker.

REP. BATAOIL. Salamat po, Mr. Speaker. Thank you very much. God bless our country.

THE DEPUTY SPEAKER (Rep. Abu). The Floor Leader is recognized.

REP. GARCIA (J.). Mr. Speaker, I move that we refer the question of privilege raised by Congressman Dong Gonzales, together with the interpellations, to the Committee on Rules.

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

The Floor Leader is recognized.

CONSIDERATION OF H.B. NO. 5636

Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. GARCIA (J.). Mr. Speaker, under the Unfinished Business, I move that we resume the consideration of House Bill No. 5636 as contained in Committee Report No. 229. For this purpose, may I ask that the Secretary General be directed to read only the title of the Bill.

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

The Secretary General is hereby directed to read the title of House Bill No. 5636 under Committee Report No. 229.

THE SECRETARY GENERAL. House Bill No. 5636, entitled: AN ACT AMENDING SECTIONS 5, 6, 22, 24, 25, 31, 33, 34, 79, 84, 86, 99, 106, 107, 108,

109, 116, 148, 149, 155, 171, 232, 237, 238, 264 AND 288; CREATING NEW SECTIONS 148-A, 150-A, 237-A, 264-A, 264-B AND 265-A; AND REPEALING SECTIONS 35 AND 62, ALL UNDER REPUBLIC ACT NO. 8424 OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF 1997."

THE DEPUTY SPEAKER (Rep. Abu). The Floor Leader is recognized.

REP. GARCIA (J.). Mr. Speaker, the parliamentary status of the bill is that it is in the period of sponsorship and debate. I move that the Chairperson of the Committee on Ways and Means be recognized.

THE DEPUTY SPEAKER (Rep. Abu). The Chairperson of the Committee on Ways and Means is recognized.

REP. LAGMAN. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). What is the pleasure of the Gentleman from the First District of Albay?

REP. LAGMAN. I rise on a point of order.

THE DEPUTY SPEAKER (Rep. Abu). What is the point of order?

REP. LAGMAN. We should first establish a quorum. Under our Rules, we could not conduct business without a quorum. So, we will have to call the roll to establish a quorum.

THE DEPUTY SPEAKER (Rep. Abu). The Floor Leader is recognized.

SUSPENSION OF CONSIDERATION OF H.B.NO. 5636

REP. GARCIA (J.). I move that we suspend the consideration of House Bill No. 5636, as contained in Committee Report No. 229.

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

The consideration of House Bill No. 5636 under Committee Report No. 229 is suspended.

The Floor Leader is recognized.

ROLL CALL

REP. GARCIA (J.). Mr. Speaker, I move that we call the roll of Members.

THE DEPUTY SPEAKER (Rep. Abu). 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. 94, dated May 24, 2017:

PRESENT

Abaya	Canama
Abayon	Cari
Abellanos	Casilao
Abu	Castelo
Abueg	Castro (F.L.)
Acharon	Castro (F.H.)
Acop	Catamco
Acosta	Cayetano
Acosta-Alba	Celeste
Adiong	Cerilles
Advincula	Chavez
Aggabao	Chipeco
Alejano	Cojuangco
Almario	Collantes
Alonte	Cortes
Alvarez (F.)	Cortuna
Alvarez (P.)	Cosalan
Amatong	Crisologo
Angara-Castillo	Cua
Aragones	Cuaresma
Arbison	Cueva
Arenas	Dalipe
Atienza	Daza
Bagatsing	De Jesus
Bataoil	De Venecia
Batocabe	De Vera
Bautista-Bandigan	Defensor
Belaro	Del Mar
Belmonte (J.C.)	Del Rosario
Belmonte (R.)	Deloso-Montalla
Benitez	Dimaporo (A.)
Bernos	Durano
Biazon	Dy
Billones	Erice
Biron	Eriguel
Bolilia	Ermita-Buhain
Bondoc	Espina
Bordado	Espino
Bravo (A.)	Estrella
Bravo (M.V.)	Fariñas
Brosas	Ferrer (L.)
Cagas	Ferriol-Pascual
Calderon	Flores
Calixto-Rubiano	Fortuno
Caminero	Fuentebella

Garbin
 Garcia (G.)
 Garcia (J.E.)
 Garin (R.)
 Gasataya
 Geron
 Go (M.)
 Gomez
 Gonzales (A.D.)
 Gonzalez
 Gullas
 Hernandez
 Herrera-Dy
 Javier
 Labadlabad
 Lacson
 Lagman
 Lanete
 Laogan
 Lazatin
 Lobregat
 Lopez (B.)
 Lopez (C.)
 Lopez (M.L.)
 Maceda
 Madrona
 Malapitan
 Manalo
 Mangaoang
 Mangudadatu (Z.)
 Marcoleta
 Marcos
 Marquez
 Martinez
 Matugas
 Mercado
 Mirasol
 Montoro
 Nava
 Nieto
 Noel
 Nograles (J.J.)
 Nograles (K.A.)
 Nolasco
 Nuñez-Malanyaon
 Oaminal
 Ocampo
 Ong (E.)
 Ong (H.)
 Ortega (P.)
 Ortega (V.N.)
 Pacquiao
 Paduano
 Palma
 Pancho
 Panganiban
 Panotes
 Papandayan
 Pichay
 Pimentel
 Pineda
 Plaza
 Primicias-Agabas
 Quimbo
 Radaza
 Ramirez-Sato
 Ramos
 Relampagos
 Rodriguez (I.)
 Rodriguez (M.)
 Romualdo
 Roque (R.)
 Sacdalan
 Sagarbarria
 Sahali
 Salceda
 Salo
 Salon
 Sambar
 Sandoval
 Sarmiento (C.)
 Sarmiento (E.M.)
 Savellano
 Sema
 Siao
 Silverio
 Singson
 Suansing (E.)
 Suansing (H.)
 Suarez
 Sy-Alvarado
 Tambunting
 Tan (A.)
 Tan (M.)
 Tejada
 Teves
 Ting
 Tinio
 Tugna
 Turabin-Hataman
 Ty
 Umali
 Unabia
 Ungab
 Unico
 Uy (J.)
 Uy (R.)
 Uybarreta
 Vargas
 Vargas-Alfonso
 Velasco-Catera
 Veloso

Vergara
 Villafuerte
 Villanueva
 Villaraza-Suarez
 Villarica
 Yap (M.)
 Yu
 Zamora (M.C.)
 Zamora (R.)
 Zarate
 Zubiri

THE SECRETARY GENERAL. Mr. Speaker, the roll call shows that 213 Members responded to the call.

THE DEPUTY SPEAKER (Rep. Abu). With 213 Members present, the Chair declares the presence of a quorum. The Floor Leader is recognized.

CONSIDERATION OF H.B. NO. 5636
Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. GARCIA (J.). Mr. Speaker, under the Calendar of Unfinished Business, I move that we resume the consideration of House Bill No. 5636 contained in Committee Report No. 229, and for this purpose, may I ask that the Secretary General be directed to read the title of the Bill.

THE DEPUTY SPEAKER (Rep. Abu). The Secretary General is directed to read the title of House Bill No. 5636 under Committee Report No. 229.

THE SECRETARY GENERAL. House Bill No. 5636, entitled: AN ACT AMENDING SECTIONS 5, 6, 22, 24, 25, 31, 33, 34, 79, 84, 86, 99, 106, 107, 108, 109, 116, 148, 149, 155, 171, 232, 237, 238, 264 AND 288; CREATING NEW SECTIONS 148-A, 150-A, 237-A, 264-A, 264-B AND 265-A; AND REPEALING SECTIONS 35 AND 62, ALL UNDER REPUBLIC ACT NO. 8424 OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF 1997."

THE DEPUTY SPEAKER (Rep. Abu). The Floor Leader is recognized.

REP. GARCIA (J.). Mr. Speaker, the parliamentary status of the Bill is that it is in the period of sponsorship and debate. I move that the Chairperson of the Committee on Ways and Means be recognized.

THE DEPUTY SPEAKER (Rep. Abu). The Chairman of the Committee on Ways and Means, the Gentleman from the Lone District of Quirino Province, Cong. Dakila Carlo "Dax" E. Cua, is recognized.

REP. GARCIA (J.). Mr. Speaker, I move that we recognize the Gentleman from the Third District of Negros Oriental, the Hon. Arnolfo Teves Jr., for his interpellation.

THE DEPUTY SPEAKER (Rep. Abu). The Gentleman from the Third District of Negros Oriental, Cong. Arnolfo “Arnie” A. Teves Jr., is recognized to interpellate the Chairman of the Committee on Ways and Means.

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

I would like to ask the honorable Sponsor if they would confirm that by fixing the Customs collection, we could collect P230 billion more?

REP. CUA. Yes, Mr. Speaker, P280 billion is the estimated increment if we have no more smuggling in the country.

REP. TEVES. Is that 230 or 280?

REP. CUA. It is P280 billion. I stand corrected, Your Honor, Mr. Speaker. It is not 280 or 230, it is 208.

REP. TEVES. Come again?

REP. CUA. Two-zero-eight.

REP. TEVES. Two-zero-eight. In the tax reform measure that we are trying to pass, we are looking at a P344 billion additional revenue, right?

REP. CUA. That is correct, Mr. Speaker.

REP. TEVES. So, P344 less P200 or P208, that is about P144 billion. What I am trying to drive at is that if we levy additional excise tax on fuel, I am pretty sure it will definitely drive up the prices of all commodities. Maybe, not so many of us here have experienced being in the grassroots level, but I would like to tell you that I was a barangay captain for six years before I became a Congressman, and P100 matters a lot, even P20 matters to folks in the barangay. Ang sa akin dito, bakit natin kukunin sa taumbayan iyong kakulangan ng trabaho natin, ng gobyerno, na hindi makakolekta sa mga smuggler ng Bureau of Customs? (*Applause*)

THE DEPUTY SPEAKER (Rep. Abu). May I remind the audience not to react to any discussions here, please. Please observe proper decorum.

REP. TEVES. How much will we get if we levy the additional excise tax on fuel? May I know the figures, Mr. Speaker?

REP. CUA. It is P74 billion, Mr. Speaker, sa unang taon.

REP. TEVES. So, P74 billion. Again, if we do the proper collection at the Bureau of Customs which will

amount to P208 billion, then we could easily cover the P70-plus billion that we will levy on all the poor citizens of this country. Again, bakit bubuwisan ang mahihirap kung puwede naman nating ayusin ang trabaho natin at buwisan ang dapat magbayad sa ating gobyerno, the smugglers who are doing their businesses sa Customs natin. I would like to ask the honorable Sponsor, can we not do the proper Customs collection instead of collecting excise taxes from the poor citizens of this country?

REP. CUA. Mr. Speaker, napakaganda ng punto ng ating kasamahan mula sa Negros. Ako rin ay kumakaisa sa kanya sa laban against smuggling. Ito ay isang problema ng ating bayan na matagal na at malalim na ang ugat. Hindi dapat natin ito pahintulutan at dapat seryosohin ng bayan at ng gobyerno ang laban. Ngunit nais ko lang pong ipakita sa ating lahat na ang tax reform is not about taxing the poor.

Tax reform is about fixing what is wrong with our economy. Tax reform, Mr. Speaker, is about the trickling down of or bringing the economic fruits of our country to the grassroots level. Nabalita natin na sa nakaraang lima hanggang 10 taon, naririnig ng ating taumbayan hanggang sa barangay, seven percent, six percent, we are the fastest growing economy in Asia, ngunit hindi nararamdaman ng ating kababayan. Hindi nila nakikita ang kagandahan ng buhay. Naiiwan ang kayamanan sa iilang pamilya na mayaman na dati pa. Mr. Speaker, tax reform is about taxing the rich more and giving better services to the people.

Iyon mismong mga kabarangayan ni Congressman Teves ang gusto nating bigyan ng mas magandang mga kalsada, interisland bridges, mas magandang classrooms at trainings para sa kanilang guro. Iyan po ang hangarin ng tax reform. Dapat po makita natin kung sino ang bubuwisan at saan dadalhin ang mga koleksiyon.

REP. TEVES. Mr. Speaker, granting that it is not taxing the poor, it is taxing everyone. Ang akin dito, again, it is fixing the system or plugging the loopholes. Ibabalik ko ulit—bago tayo maglagay ng bagong buwis, kolektahin muna natin iyong dapat natin makolekta. I am not against additional taxes. What am I trying to drive at? From the P344 billion less P200 billion, P144 billion—dapat iyon na lang ang hanapan natin ng paraan kung paano natin makukuha. Sa Customs pa lang tayo.

Let us go to the BIR. May I ask: how much additional revenue can we get kung inayos ng BIR iyong koleksiyon nila?

REP. CUA. Mr. Speaker, ang tax gap natin ay P433 billion. Napakalaki nga po.

REP. TEVES. Hindi ko maintindihan. Ang

tinatanong ko, kung aayusin natin iyong koleksiyon, magkano iyong dagdag na makukuha ng ating gobyerno para naman maintindihan ng taumbayan? Twenty billion, five billion, one billion pesos. Ang ibig kong sabihin, ang koleksiyon natin ngayon is ganito pero kung inayos natin iyong koleksiyon, mawala iyong tax evaders, magbayad lahat ng tamang buwis, magkano ang madadagdag sa kaban ng gobyerno? Mula sa BIR lang, ha.

REP. CUA. Mr. Speaker, Kagalang-galang na Teves, iyon nga po ang aking gustong isagot, P433 billion ang ating tax gap, na ang ibig sabihin, ang potential dapat na kinokolekta ng ating BIR at ng Customs, together, ay dapat umangat ng P433 billion kung lahat ay nakokolekta.

REP. TEVES. Okay.

REP. CUA. Kaya nga po mayroon tayong pag-aayos ng VAT system dahil lahat po—nais ko lang pong ipaliwanag na ang tax gap ay hindi lamang po dahil sa pandaraya ng ating taxpayers pero may tax gap din po dahil sa mga caveat o iyong mga exemption na mismong ibinibigay ng ating mga batas. Kaya natin inaayos po kung sino ang dapat mapanatili ang kanilang exemption at iyong mga hindi na dapat kagaya ng mga malalaking kumpanya na dapat mabuwisan ng VAT ay magkaroon naman na ng VAT sa kanilang mga transaksyon.

REP. TEVES. Klarong-klaro, Mr. Speaker, na sa tax gap pa lang, mapupunan natin ang ating pangangailangan na P344 billion. Ngayon, ibinabalik ko—bakit natin papahirapan ang taumbayan, dadagdagan ang pasanin nila, dahil lang sa kakulangan sa paggawa ng trabaho ng ating gobyerno sa pangongolekta ng Customs duties at buwis sa BIR? Kung inayos natin iyong koleksiyon sa BIR, mapupunan na. Let me ask the honorable Sponsor—do you think that if we can do proper collections in Customs and BIR, we can cover the P344 billion that we need without doing this new tax measure?

REP. CUA. In an ideal world, Mr. Speaker, kung puwede nating maperpekto ang lahat ng bagay, hindi po tayo magtataas ng buwis.

REP. TEVES. Now, klarong-klaro sa sagot ng ating honorable Sponsor na kung inayos lang ang koleksiyon, hindi na kailangan ang bagong buwis.

With that, gusto kong ipaalang na ako ay hindi boboto sa panukalang buwis na ito because of the answer of the honorable Sponsor na puwede pala na kolektahin ito sa Customs at sa BIR at hindi na kailangang kolektahin sa taumbayan.

Again, I would like to call on my colleagues, pare-pareho tayong may constituency, pare-pareho tayong

nagdi-deal sa mga taumbayan. Let us stop pursuing the additional excise tax, more so on fuel, and let us tax smugglers and tax evaders instead. Mayroon pa, marami pa akong gustong sabihin dito pero baka matamaan na naman iyong ibang kumpanya. Nakikita ko kasi na marami sa mga kumpanya, at tinatanggap ng BIR—I already discussed this on the sidelines—na iyong kinokolekta palang buwis ng iba ay binabase lang sa kung anong sinasabi noong kumpanya at sa tingin ko, ay hindi nila gaanong na-check. I just do not want to name them here because sa tingin ko, hindi na kailangan dahil sinabi na ng ating honorable Sponsor na mapupunan pala iyong P344 billion kung inayos lang ang koleksiyon sa BIR at sa Customs.

Anyway, that is all for today, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). The Floor Leader is recognized.

REP. CUA. Mr. Speaker, if I may just add.

THE DEPUTY SPEAKER (Rep. Abu). Yes, distinguished Sponsor will please proceed.

REP. CUA. Sumasang-ayon ako sa aking kasamahan na si Congressman Teves na kung sana walang umiiwas ng pagbayad ng buwis, kung sana hindi kumplikado ang ating sistema ng pagbubuwis, ay maaaring hindi na tayo kailangang mag-usap sa pakay na ito ngayong gabi. Ngunit nakikita kasi natin at alam nating lahat, na alam ng mga nagbabayad ng buwis kung gaano kakumplikado ang ating tax system; na itong pagkumplikado ng tax system ay nagre-resulta sa korapsyon dahil sa diskresyon ng mga opisyal, hindi naman lahat, pero ng iilang opisyal ng BIR at Customs. Iyan din ang isang pakay ng panukalang ito—ayusin ang mga mali, gawing simple ang mga kumplikado para mabawasan ang korapsyon. Isang pakay rin nito ay magkaroon ng panibagong administrative technology implementation measures—tama po ang inyong sinabi—para umangat ang koleksiyon ng ating mga revenue agencies. Hindi lang po kasi sapat na i-improve ang ating koleksiyon kung hindi mas nararapat na ayusin po natin ang mali sa ating tax system. Kaakibat dito, Mr. Speaker, ang napapanahon na pagbaba ng income tax ng fixed-income earners na matagal nang napapatawan ng mataas na buwis at nagrereklamo na nahihirapan dahil hindi umaangat ang kanilang buhay. Sana po makita natin na the tax reform is not just about excise taxes kundi malaki o malawak po ang sakop at pakay ng ating tax reform package.

Salamat po, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). The Floor Leader is recognized.

REP. GARCIA (J.). Mr. Speaker, I move that we recognize the Gentleman from the First District of Albay, Rep. Edcel C. Lagman, for his interpellation.

THE DEPUTY SPEAKER (Rep. Abu). The Gentleman from the First District of Albay, our distinguished colleague, the Hon. Edcel C. Lagman, is recognized to interpellate the distinguished Sponsor.

REP. LAGMAN. Mr. Speaker, would the distinguished Sponsor yield to an interpellation?

REP. CUA. Yes, Mr. Speaker. I would gladly try to answer all the questions of my dear colleague.

REP. LAGMAN. I would like to preface my interpellation with an acknowledgement that the present administration, like all other administrations and governments, would need additional increases or incremental revenues to fund priority projects and programs like infrastructure, health, education and social protection.

REP. CUA. Tama po, Mr. Speaker.

REP. LAGMAN. However, this is not to excuse the government from failing to plug tax leakages, improve tax collection efficiency and stamp out smuggling. These will have to be a continuing program of the government and the resolution of these serious problems cannot wait in the meantime that the government would not be able to raise incremental revenues. Having said this, Mr. Speaker, distinguished Sponsor, my principal concerns on the Bill are the specific enabling provisions to protect the vulnerable sectors from the ultimate burden of the new and/or additional excise taxes on petroleum products, sugar-sweetened beverages, motor vehicles and the expanded base of the value-added tax consequent to the repeal of VAT exemptions, except for a few.

Mr. Speaker, may I now proceed to some preliminary questions. May we know from the distinguished Sponsor what is meant by a cascading tax or what is the nature of a cascading tax?

REP. CUA. A cascading tax by definition, Mr. Speaker, ay iyong tax na napa-pass on, ultimately, down to the end user.

REP. LAGMAN. In other words, it is a turnover tax that is applied at every stage in the supply chains without any deduction for the tax paid at the early stages. Now, how does a cascading tax work? It is also known as a tax on tax. May we get a thorough explanation or illustration from the distinguished Sponsor, Mr. Speaker, how a cascading tax works?

REP. CUA. A cascading tax, Mr. Speaker, distinguished colleague, occurs when the tax charged on the original transaction is taxed again on the next transaction and therefore, as it goes down the value chain, it cascades and compounds.

REP. LAGMAN. And the burden of a cascading tax is ultimately on the consumer, is that correct?

REP. CUA. The end user, yes, Your Honor, Mr. Speaker.

REP. LAGMAN. Can we have examples of cascading taxes?

REP. CUA. The non-VAT sales tax or the old system of sales tax that the government used to employ is an example of such cascading tax.

REP. LAGMAN. Will an excise tax be considered as cascading tax?

REP. CUA. No, Mr. Speaker, Your Honor.

REP. LAGMAN. Why not when the tax paid by the manufacturer or wholesaler or dealer is passed on to the ultimate consumer?

REP. CUA. Your Honor, Mr. Speaker, the excise tax is paid only once. It is not passed on down the value chain, which is why it is not a cascading tax.

REP. LAGMAN. Literally, it is passed on as far as tax is concerned, but the burden of the tax is passed on because the tax is shifted to the ultimate consumer by the manufacturer, dealer or middleman. Is that correct?

REP. CUA. Your Honor, Mr. Speaker, the excise tax is only applied once upon the sale to the end consumer.

REP. LAGMAN. Yes, but who faces the burden of the said three-peso incremental tax on some petroleum products, is it not the consumer?

REP. CUA. Yes, Your Honor, Mr. Speaker, the one who buys the fuel.

REP. LAGMAN. What about the value-added tax, is it considered a cascading tax because like the excise tax, the burden of the VAT is shouldered by the ultimate consumer. Is that not correct?

REP. CUA. Your Honor, yes, the value-added tax is borne by the end user but given that it has an input-output feature, it is not compounding.

REP. LAGMAN. While it is not compounding because of the input-output but it is not literally a tax on tax, but ultimately, it is the consumer who assumes the burden of the tax because the supplier, manufacturer or seller would pass on the VAT to the ultimate consumer. Is that correct?

REP. CUA. Yes, Your Honor. The VAT is a consumption tax or indirect tax that is borne by the consumer.

REP. LAGMAN. In other words, as to these new taxes or incremental taxes proposed in the Bill, the burden of the tax will be assumed or shouldered by the ultimate consumer—by Juan de la Cruz and the vast majority of the ultimate consumers, the masses or our people. That leads me to my concern that there should be enabling provisions to protect the marginalized sectors from the cascading burden of the tax. Anyway, they are the beneficiaries of the reduction in the income tax rate because the low-income earners are already exempt from tax. While they are exempt from tax, they will suffer the burden of expected increases in the prices of goods and services, including transport and mass housing. Is that correct?

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

REP. LAGMAN. Yes. We will go to that later when we analyze whether in the present Bill, there are these specific enabling provisions to protect the vulnerable sectors.

House Bill No. 5636 is principally a tax or revenue measure, is that correct?

REP. CUA. It is a tax measure, Mr. Speaker, distinguished colleague. It has revenue features. It has lowering of income tax features, as well as efficient administrative features.

REP. LAGMAN. Well, at the end of the day, as was admitted yesterday, the revenue take of the government will be more than what it will surrender in the form of a reduced income tax rate, is that correct?

REP. CUA. Yes, Mr. Speaker. The net will gain revenues for the government.

REP. LAGMAN. Now, the expected incremental revenue would basically come from: one, new and increased excise tax on petroleum products; two, deletion or repeal of VAT exemptions except for a few; three, increased tax on motor vehicles; four, excise tax on sugar-sweetened beverages; and, also from the expanded base of the value-added tax. Is that correct?

REP. CUA. That is correct, Mr. Speaker.

REP. LAGMAN. Now, let us go over this exercise again. How much revenue will be generated from additional or increased revenue taxes? I would refer to the incremental revenue for the next three years after the effectivity of this Bill once it is enacted into law.

REP. CUA. The revenue, Mr. Speaker? Are you requesting for the net or the ...

REP. LAGMAN. No, the total incremental revenue from the additional or increased excise taxes for the next three years after the effectivity of the Act.

REP. CUA. Your Honor, Mr. Speaker, it is approximately P750 billion in total for the three years combined.

REP. LAGMAN. May I get that again, distinguished Sponsor.

REP. CUA. Approximately, P750 billion for three years combined.

REP. LAGMAN. Is that million or billion?

REP. CUA. Billion.

REP. LAGMAN. Billion. What about the incremental revenue to be generated from the increased taxes on motor vehicles for the next three years after the effectivity of the Act?

REP. CUA. It is about P62 billion, Mr. Speaker, for a total of three years combined.

REP. LAGMAN. Okay. What about the incremental revenue from the increased excise tax on sugar-sweetened beverages?

REP. CUA. Approximately, it is P150 billion pesos, Mr. Speaker.

REP. LAGMAN. So, P150 billion pesos. Incidentally, Mexico also imposed an increased tax on sugar-sweetened beverages. Are you aware of that, Mr. Speaker?

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. And the increase was one peso.

REP. CUA. Yes, one Mexican peso, Your Honor, Mr. Speaker.

REP. LAGMAN. One Mexican peso. In our case, it is P10 per liter. Is that correct?

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

REP. LAGMAN. As far as the Mexico experience is concerned, there is no concrete data on the effect of the tax increase on sugar-sweetened beverages on the health of the Mexicans.

REP. CUA. Your Honor, Mr. Speaker, we can furnish the Gentleman with studies done by the international organizations and the World Health Organization, in fact, on the subject matter.

REP. LAGMAN. Mr. Speaker, distinguished Sponsor, I am asking about the experience in Mexico whether there is a validated, updated report on the effect on health by the increase of one Mexican peso tax on sugar-sweetened beverages.

REP. CUA. In Mexico, Mr. Speaker, per capita, it declined by six percent. So, the program was effective.

REP. LAGMAN. No, I am not asking for that, I am asking for a definitive finding that the tax increase of one Mexican peso resulted in health benefits. I understand there is no such finding as of the moment.

REP. CUA. The evaluation is ongoing, Mr. Speaker.

REP. LAGMAN. Yes, but there are no findings yet.

REP. CUA. Because it is a young pilot program.

REP. LAGMAN. Now, let me go to the incremental revenue which will be generated from the expanded base of the valued-added tax, more particularly, the repeal of VAT exemption privileges except for a few for the next three years.

REP. CUA. Mr. Speaker, the total is approximately P350 billion combined for three years.

REP. LAGMAN. So, P350 billion. In other words, the incremental revenue from all sources included in the Bill would be in the vicinity of P1.312 billion for the three years after the effectivity of the Act.

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. By any measure, that is a fairly huge amount. Is that correct, Mr. Speaker, distinguished Sponsor?

REP. CUA. Mr. Speaker, I think it is just appropriate

for the grand infrastructure and socio-economic plans of this administration.

REP. LAGMAN. We will have to go to that. My other concern is with respect to the linkage between the incremental revenues to the expenditure items for infrastructure, health, education and social protection, but I will go to that later. Let me first divert a little. What is the comparative tax collection efficiency in the ASEAN countries?

REP. CUA. We are just trying to gather the data, Mr. Speaker. We will have it in a few minutes.

REP. LAGMAN. While the committee staff is gathering the data, can we also ask, presently, what is the amount of tax leakage, uncollected taxes from all sources?

REP. CUA. Mr. Speaker, distinguished colleague, I have the average tax effort for each country. Would you like the one for the entire ASEAN?

REP. LAGMAN. For example, what is the present tax collection efficiency rate of the Philippines and how does it compare to say, Malaysia, Thailand, Indonesia and Singapore?

REP. CUA. Your Honor, Mr. Speaker, the Philippines tax efficiency is rated at 13 percent. It is about average. The lowest is Myanmar which is six percent and the highest is Vietnam at roughly 20 percent.

REP. LAGMAN. What about Thailand?

REP. CUA. Thailand, Mr. Speaker, is 15.8 percent.

REP. LAGMAN. Malaysia?

REP. CUA. Malaysia has 14.7 percent.

REP. LAGMAN. Singapore?

REP. CUA. For Singapore, Your Honor, Mr. Speaker, it is 13.3 percent.

REP. LAGMAN. So, compared to Vietnam, Thailand, Malaysia and Indonesia, the Philippines has scored the lowest rate in tax collection efficiency?

REP. CUA. No, Your Honor, Mr. Speaker, we are about average. The lowest is—you mean, among the countries you mentioned?

REP. LAGMAN. Yes, compared to them.

REP. CUA. Yes, Your Honor, Mr. Speaker, that is correct.

REP. LAGMAN. Three years back, Mr. Speaker, distinguished Chairman, what was the tax collection efficiency of the Philippines?

REP. CUA. Your Honor, Mr. Speaker, in 2013, our tax effort was 13.3 percent.

REP. LAGMAN. Are we saying that our tax collection efficiency rate has fallen from 13.3 percent three years ago to 13 percent today?

REP. CUA. I would like to correct my figures earlier, Mr. Speaker. The figure I mentioned was, the 13 percent was the average for the period 2010 to 2015. So, the latest data I have is 2015 and we posted a 13.6 percent tax effort. So, it is increasing, Mr. Speaker.

REP. LAGMAN. Okay. Well, I am mentioning this just to tell our colleagues and the public that there is really a need to truly increase our tax collection efficiency.

REP. CUA. We do agree, Mr. Speaker, that there is much room for improvement in the administration.

REP. LAGMAN. Now, let me go to my initial concern, which are the specific enabling provisions in the Bill to protect the vulnerable sectors from the adverse impact of a cascading tax burden. What particular provision in the Bill, Mr. Speaker, distinguished Sponsor, can we point to as a semblance of protection to the vulnerable or marginalized sectors?

REP. CUA. Mr. Speaker, Your Honor, there are a few, for example, the threshold of P250,000 and below income earners will no longer be subject to income tax, which is a protection for the lesser fortunate members of our community. There is also the VAT threshold that we increased from P1.9 million to P3 million so that it can accommodate a larger population of VAT-exempt transactions. In the earmarking portion, we have established or we seek to establish a social benefits program, to which the Executive or the President can roll out targeted subsidies and protective services to the vulnerable members of society.

REP. LAGMAN. Now, with respect to the P250,000 threshold, while those earning this much are exempt from tax, that will not in any way benefit the low-income wage earners because they are already exempt from tax. Now, with respect to the increase in the threshold for VAT which will particularly benefit a particular group more, that would be with respect to professionals and the self-employed. It is with respect to the earmarking provision, that is on

page 57 of the Bill, where I think we will have to discuss thoroughly the protection being granted to the vulnerable sectors.

Yesterday, Mr. Speaker, distinguished Sponsor, you mentioned that the social benefits would include food subsidy, particularly rice. Is that correct, Mr. Speaker?

REP. CUA. Yes, that is correct, Mr. Speaker, distinguished colleague.

REP. LAGMAN. Another form of social benefit is the health subsidy, more particularly the discount on pharmaceutical products or most probably, properly worded, on medical products. Is that correct?

REP. CUA. That is correct, Mr. Speaker.

REP. LAGMAN. The next would be the discount on transportation cost. Is that correct?

REP. CUA. That is correct, Mr. Speaker.

REP. LAGMAN. The subsidy to public utility vehicle operators. Is that correct?

REP. CUA. That is correct, Mr. Speaker.

REP. LAGMAN. Lastly, the unconditional cash transfer. Is that correct?

REP. CUA. Yes, that is correct, Mr. Speaker.

REP. LAGMAN. May we know where in the paragraph on Earmarking of Incremental Revenues from the Tax Reform for Acceleration and Inclusion Act, is it clearly stated that the social benefit would include food subsidy, particularly rice. Is it there or it is not there?

REP. CUA. Your Honor, Mr. Speaker, the earmarking section of this proposed measure has a general wording in terms of social welfare, and there are no specifics mentioned as of yet in this earmarking portion or section.

REP. LAGMAN. Would you agree, Mr. Speaker, distinguished Sponsor, that it would be better to spell out in particular what these social benefits are, like the food subsidy, or particularly the rice subsidy. So, at the proper time, during the period of amendments, we could include this specific provision. Will you agree to that, Mr. Speaker?

REP. CUA. Mr. Speaker, I fully agree and I would appreciate the assistance of my dear colleague in lending his expertise as a former Chairman of the Budget Committee on how to properly word the terminologies of this social benefits program.

REP. LAGMAN. Now, likewise, there is no specific provision in the earmarking of health subsidy of a particular discount on medicine or medical products. Would the distinguished Gentleman agree that at the proper time, we could suggest an amendment so that this particular social benefits program will be spelled out very clearly?

REP. CUA. Yes, Mr. Speaker, we would welcome such a proposal.

REP. LAGMAN. Now, this would go to the same process of amendment with respect to discount on transport cost and subsidy to public utility vehicle operators. Would that be acceptable to the distinguished Sponsor?

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. Now, let us go to this unconditional cash transfer. What exactly is this unconditional cash transfer? This is not included specifically in the earmarking and which should also be included in the period of amendments. Exactly, what is this unconditional cash transfer?

REP. CUA. The unconditional cash transfer, Mr. Speaker, is the proposed social intervention or protective measure of the government to distribute P300 per month to 50 percent of the first households or 10 million households to mitigate the temporary and moderate increase in prices...

REP. LAGMAN. Mr. Speaker, distinguished Sponsor, ...

REP. CUA. ...and we are willing, Your Honor, Mr. Speaker, to be more specific.

REP. LAGMAN. ... do you think it would be proper if we spelled out that unconditional cash transfer and its character in the provision on Earmarking of Incremental Revenues?

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. Now, let me go specifically to this unconditional cash transfer. You mentioned yesterday, distinguished Sponsor, Mr. Speaker, and you reiterated it today, that this would be P300 per month for 10 million families, is that correct?

REP. CUA. That is correct, Mr. Speaker.

REP. LAGMAN. If there would be a family of five per family, this would translate to 50 million Filipinos, is that correct?

REP. CUA. That is correct.

REP. LAGMAN. That would be half of the population of the Philippines, is that correct?

REP. CUA. That is correct, Your Honor, Mr. Speaker.

REP. LAGMAN. It is such an ambitious program. If we multiply P300 a month by 10 million families, that would translate to P3 billion a month. Is that correct?

REP. CUA. That is correct, Your Honor, Mr. Speaker.

REP. LAGMAN. Then, if we multiply P3 billion by 12 months because this is monthly, that would translate to P36 billion.

REP. CUA. Yes, Mr. Speaker, that is correct.

REP. LAGMAN. Do you think this is sustainable on the part of the government?

REP. CUA. The proposal of government, Your Honor, Mr. Speaker, is not for a perpetual implementation, but for a definite time frame implementation to mitigate temporary increase in prices that may occur due to the several tax measures that we intend to implement.

REP. LAGMAN. We are happy with that proposal, but let us not have a rising expectation on the part of our people. The program is not sustainable because P36 billion a year is, what percent of the total incremental revenue for one year?

REP. CUA. It is about 20 percent, Your Honor, Mr. Speaker.

REP. LAGMAN. How much?

REP. CUA. Almost 20 percent.

REP. LAGMAN. It is 20 percent, and there is only a remaining 80 percent for other expenditure items like infrastructure, education, health and other forms of social protection. I think we would have to ask the Department of Finance to tell us very sincerely whether this is really sustainable even for a three-year period. But we would even question the three-year period—why only a three-year period when the increased taxes imposed for the first year, the second year, and the third year would be carried over to the fourth and subsequent years?

REP. CUA. Your Honor, Mr. Speaker, by that time,

the government would have been able to implement many infra programs, many livelihood programs, many incremental socio-economic job-creating programs and therefore, we believe that will more than offset the price effect.

REP. LAGMAN. That is conjectural, Mr. Speaker, distinguished Sponsor. Since the imposition of this additional or new excise tax would be continuing even up to the fourth year, it would be best that these social benefits should also be continuing.

Now, let us go to kerosene. Presently, there is no excise tax on kerosene. Is that correct? It is zero.

REP. CUA. That is correct, Your Honor, Mr. Speaker.

REP. LAGMAN. It is being increased to P3 for the first year, P2 for the second year, and P1 for the third year, or a total of P6 for three years. Is that correct?

REP. CUA. Tama po. That is correct, Your Honor, Mr. Speaker.

REP. LAGMAN. Now, do you have any data on how many Filipinos are consumers of kerosene?

REP. CUA. Ten million, Your Honor, Mr. Speaker.

REP. LAGMAN. So, 10 million Filipinos will be affected by the cascading burden of this tax. Presently, LPG has also zero tax. Is that correct?

REP. CUA. That is correct, Mr. Speaker, Your Honor.

REP. LAGMAN. Like kerosene, it will be taxed at the rate of P3 for the first year, P2 for the second year, and P1 for the third year; for a total of P6. Is that correct?

REP. CUA. That is correct, Mr. Speaker.

REP. LAGMAN. Presently, is there any data on how many Filipinos would be consumers or are consumers of LPG?

REP. CUA. I would assume that, Mr. Speaker, because I have no exact data, practically all families use LPG for cooking.

REP. LAGMAN. So, all families would be affected by the cascading burden of this tax.

REP. CUA. Yes, that is my presumption, Mr. Speaker.

REP. LAGMAN. What about bunker fuel, what is its present tax?

REP. CUA. Your Honor, Mr. Speaker, we do not have data as to the number of families that use bunker fuel. We believe it is ...

REP. LAGMAN. No, Mr. Speaker, I am asking how much is the tax on bunker fuel?

REP. CUA. It is P3 for the first year, Your Honor, Mr. Speaker.

REP. LAGMAN. Presently.

REP. CUA. Presently?

REP. LAGMAN. It is zero.

REP. CUA. Presently, it is zero also.

REP. LAGMAN. It is zero. Now, what is the rationale for imposing an increase of P3, P2, and P1 from zero for kerosene, LPG, and bunker fuel, in the same manner that you are imposing the same increases for petroleum products which are already taxed today?

REP. CUA. Your Honor, Mr. Speaker, the Finance Department believes that these excise taxes on petroleum have not been raised or indexed to inflation since 1996 and therefore, it believes that it is timely to index the excise taxes to inflation.

REP. LAGMAN. Well, I have no basic objection to an incremental tax, but there should be rhyme and reason to our imposition of additional taxes. Why are we classifying kerosene, LPG and bunker fuel, which presently are not taxed, together with those petroleum items which are already taxed, and the increases would be the same?

REP. CUA. Mr. Speaker, Your Honor, the purpose of such excise tax is to curb behavior. Diesel, LPG, bunker fuel and kerosene, together with gasoline and others, are all nonrenewable sources of energy or dirty energy, that is why they are placed under the same category.

REP. LAGMAN. Yes, but since kerosene, LPG and bunker fuel are presently not taxed, then it can be one category where the new tax would be much lower than the increased taxes on those petroleum products which are already being taxed. I think there should be, as I said, rhyme and reason for the imposition. Could the Committee look further into this apparent inequity with the Department of Finance?

REP. CUA. We will look into it, Mr. Speaker, Your Honor, and we will explain the rhyme and reason on the different taxation levels of these dirty fuels.

REP. LAGMAN. Okay. Now, what about asphalt, what is its present tax?

REP. CUA. With asphalt, Mr. Speaker, it is 56 centavos.

REP. LAGMAN. It is 56 centavos only? It is being increased to P3 for the first year, P2 for the second year and P1 for the third year, for a total of P6.

REP. CUA. That is correct, Mr. Speaker.

REP. LAGMAN. Would the distinguished Sponsor know where asphalt is being used?

REP. CUA. The most common use of asphalt would be in road construction and development.

REP. LAGMAN. Road construction, that is infrastructure. Is that not correct, Mr. Speaker?

REP. CUA. That is correct, Mr. Speaker.

REP. LAGMAN. Why are we imposing a huge increase on asphalt when it is being used principally by the government in road building? That would make road building more expensive or that would shorten the length of roads to be asphalted. I think at the proper time, Mr. Speaker, so as not to belabor this point, we might have to consider reducing the increased tax on asphalt in order to make it jive with the government's program on infrastructure called "Build, Build, Build." Would the distinguished Sponsor be kind enough to look into this possibility, Mr. Speaker?

REP. CUA. I will be happy, Mr. Speaker, to sit down with my colleague and discuss the possible adjustment on the excise tax of asphalt.

REP. LAGMAN. Let me go to the earmarking provision in the Bill. It says here:

FOR THREE (3) YEARS, NOT MORE THAN FORTY PERCENT (40%) OF THE YEARLY INCREMENTAL REVENUES GENERATED FROM THE PETROLEUM EXCISE TAX UNDER SECTION 21 OF THIS ACT SHALL BE ALLOCATED TO FUND A SOCIAL BENEFITS PROGRAM.

Let me zero-in on the phrase, "NOT MORE THAN FORTY PERCENT (40%)." When you say "NOT MORE THAN FORTY PERCENT (40%)," it may

be 1 percent, 2 percent or even 5 percent. Ordinarily, the phraseology of this earmarking for benefits should be "not less than x percent" so that there will be an assurance that a definitive percentage of the incremental revenue would go to a particular expenditure item.

Would the distinguished Gentleman agree that at the proper time, we could change the phraseology "NOT MORE THAN FORTY PERCENT (40%)" to "NOT LESS THAN FORTY PERCENT (40%)" or "X PERCENTAGE" to make a very clear assurance that the budget would come for that particular expenditure item, because when you say "NOT MORE THAN FORTY PERCENT (40%)," it is rather deceiving. It could be one percent, two percent, or five percent only because you are fixing the maximum, and you have not fixed the minimum. Is that correct, Mr. Speaker?

REP. CUA. That is a correct assessment, Mr. Speaker.

REP. LAGMAN. To continue with the provision, it further states: "... SHALL BE ALLOCATED TO FUND A SOCIAL BENEFITS PROGRAM WHEREIN QUALIFIED BENEFICIARIES SHALL BE PROVIDED A SOCIAL BENEFIT CARD."

It does not say who are the qualified beneficiaries, how are the beneficiaries supposed to be qualified, and who shall determine the qualified beneficiaries?

I think something is amiss in this provision, Mr. Speaker, which is not consistent with the purpose of giving social protection to the vulnerable sectors. There is need to make a definitive provision here saying who are qualified, who shall make the qualification, what is the frequency of disbursement of the social benefits if they are monetary in nature. Does the distinguished Sponsor agree to that proposition, Mr. Speaker?

REP. CUA. I would beg my colleague, Mr. Speaker, to repeat the proposition.

REP. LAGMAN. In the earmarking of incremental revenues provision, it states "... SHALL BE ALLOCATED TO FUND A SOCIAL BENEFITS PROGRAM WHEREIN QUALIFIED BENEFICIARIES SHALL BE PROVIDED A SOCIAL BENEFIT CARD." But it does not say who are the qualified beneficiaries. Does the distinguished Sponsor not think, Mr. Speaker, that we should provide in the Bill itself a very clear provision on who are the qualified beneficiaries?

REP. CUA. Mr. Speaker, distinguished colleague, I would like to explain a little more about this concept. It is not something new to the world. It is in fact being implemented in other countries. One example would be India. The system is for each citizen to be able to apply for a social benefits card and this card will have a range of

benefits that will differ, depending upon the circumstances of the individual or the citizen. Obviously, if the bulk of the program benefits can be enclosed in such a program, more will be allocated for the bottom 50 percent of the families or population of the society. The question is: how do we jump-start such a database if the plan of government is to begin with an existing list which already is in its possession. This will be derived from the National Household Targeting System.

THE DEPUTY SPEAKER (Rep. Abu). May I remind our two distinguished colleagues that 53 minutes has already been consumed in our one-hour time limit rule.

REP. LAGMAN. Is the Chair telling this Representation that after an hour, I should sit down and terminate my interpellation?

THE DEPUTY SPEAKER (Rep. Abu). According to Section 91 of the House rules on time limit, it states in part that "A Member shall not be allowed to speak for more than one (1) hour in debate on any question."

REP. LAGMAN. Mr. Speaker, as we have said during the death penalty debates, the time should be computed properly. What should be included in the one-hour period would be the time consumed by the one interpellating. It should not include the time consumed by the sponsoring Committee or the sponsoring Chairman in answering the questions.

THE DEPUTY SPEAKER (Rep. Abu). The Chairman of the Rules Committee, who happens to be our Majority Leader, properly explained the definition of Section 91 of our Rules.

REP. LAGMAN. Yes, but we all know that that one-hour period is with respect to the interpellator. That is his time which should not be diluted by the time consumed by the distinguished Sponsor in answering the questions. Otherwise, we will go through the same process of the death penalty where the Members of the House who wanted to interpellate more were muscled. I have many more questions to ask, Mr. Speaker.

Let me go to the linkage between incremental revenues and the projected expenditures. May we know whether in the Bill there is a provision which earmarks a definitive percentage of the incremental revenue to infrastructure?

REP. CUA. There is no definitive percentage, Mr. Speaker, but definitely infrastructure will be one of the priority expenditures from the incremental revenues.

REP. LAGMAN. Within the infrastructure program, is there any priority on the expenditure items like, for example, since we are imposing increased excise taxes on petroleum products, the priority should go to public transportation?

REP. CUA. There is no such specific mention, Mr. Speaker, distinguished colleague, as we believe that Congress, being endowed with the power of the purse, should determine the allocations when the budget process comes along.

REP. LAGMAN. Why should we wait for the budget process? There should be a budgetary authorization from the act itself. Otherwise, there will be the flow of attribution, and we all know by experience that attribution does not approximate what is actually required. May we know whether there is a percentage earmarking for health?

REP. CUA. Mr. Speaker, there are two earmarking provisions, but on the second health promotion fund, there is a little bit of specifics for the tax collection from sugar-sweetened beverages portion. So yes, there is a little bit of specific earmarking related to health programs.

REP. LAGMAN. Could it stand improvements, Mr. Speaker, in the period of amendments? Is that correct?

REP. CUA. Yes, Mr. Speaker.

REP. LAGMAN. Is there a specific linkage between the incremental revenues and the projected expenditures for education?

REP. CUA. None, Mr. Speaker.

REP. LAGMAN. None, Mr. Speaker? Is there a definitive amount of percentage allocated for social protection from the incremental revenues?

REP. CUA. The definitive amount is merely the 40 percent identified that was previously mentioned.

REP. LAGMAN. So it should not be less than 40 percent. Is that correct, Mr. Speaker?

REP. CUA. Yes, Mr. Speaker, distinguished colleague.

REP. LAGMAN. As we are going to propose the amendment subsequently. Now, on the section on sugar-sweetened beverages, there is a fund which is supposed to be created similar to the Tobacco Development Fund under Republic Act No. 7171. Is that correct, Mr. Speaker?

REP. CUA. Yes, Mr. Speaker, distinguished colleague, that is correct.

REP. LAGMAN. Does the distinguished Sponsor not think that there should be a very clear provision on how this fund would be allocated among the sugar-producing provinces which are the beneficiaries of this fund, and avoid any pitfalls which would have characterized Republic Act No. 7171?

REP. CUA. Mr. Speaker, it is the wisdom of the Committee to leave the specific details to the implementing agency tasked to draft the implementing rules and regulations for such fund.

THE DEPUTY SPEAKER (Rep. Abu). With respect to the two Gentlemen, please wind-up. Our one-hour rule had been consumed.

REP. LAGMAN. Mr. Speaker, we know fully well that the implementing rules and regulations cannot improve on the law. The implementing rules and regulations cannot fill in the blanks for the law. The implementing rules and regulations cannot be superior than the law.

REP. CUA. We agree, Mr. Speaker.

REP. LAGMAN. That is why we have to make detailed provisions so that the implementing rules and regulations will be truly implementing rules and regulations, not innovative, not amendatory or repealing. Is that correct, Mr. Speaker?

REP. CUA. Yes, Mr. Speaker. We would be happy to discuss possible improvements on this portion of the Bill with the distinguished Gentleman from Albay.

REP. LAGMAN. Despite my plea that the time of the Sponsor in answering my question should not be computed in my one hour, I am now again reminded by the Chair to stop my interpellation. I would reserve the right to have a second round of my interpellation.

Thank you, Mr. Speaker, distinguished Sponsor.

REP. CUA. Thank you, Mr. Speaker; thank you distinguished colleague.

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

SUSPENSION OF CONSIDERATION OF H.B. NO. 5636

REP. TY. Mr. Speaker, I move that we suspend the consideration of House Bill No. 5636 in the meantime.

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

The Dep. Majority Leader is recognized.

RECONSIDERATION OF APPROVAL OF H.B. NO. 187 ON SECOND READING

REP. TY. Mr. Speaker, I move that we reconsider the approval on Second Reading of House Bill No. 187, entitled: AN ACT PROVIDING FOR THE RESTRUCTURING AND CONDONATION OF UNPAID INTERESTS, PENALTIES, AND SURCHARGES ON LOANS SECURED BY FARMERS, FISHERFOLK AND AGRARIAN REFORM BENEFICIARIES FROM THE DEPARTMENT OF AGRARIAN REFORM (DAR), THE DEPARTMENT OF AGRICULTURE (DA), THE PEOPLE'S CREDIT AND FINANCE CORPORATION (PCFC), THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA), THE NATIONAL FOOD AUTHORITY (NFA) AND THE QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION (QUEDANCOR), to introduce some perfecting amendments.

THE DEPUTY SPEAKER (Rep. Abu). Is there any objection? (*Silence*) The Chair hears none; the motion to reconsider the approval on Second Reading of House Bill No. 187 is approved.

The Dep. Majority Leader is recognized.

REP. TY. Mr. Speaker, I move that we open the period of amendments.

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

The period of amendments is open.

INDIVIDUAL AMENDMENTS

REP. TY. Mr. Speaker, I move that we amend Section 3 (b) of the Bill to read as follows: AGRICULTURAL AND AGRARIAN REFORM CREDIT REFERS TO LOANS GRANTED FOR AGRICULTURAL PRODUCTION; PROMOTION OF AGRICULTURAL BUSINESS AND EXPORTS INCLUDING, BUT NOT LIMITED TO, THE ACQUISITION OF WORK ANIMALS; FARM EQUIPMENT AND MACHINERY; SEEDS; FERTILIZERS; POULTRY; LIVESTOCKS; FEEDS AND OTHER SIMILAR ITEMS; ACQUISITION OF LANDS AUTHORIZED UNDER THE AGRARIAN REFORM CODE OF THE PHILIPPINES AND ITS AMENDMENTS; CONSTRUCTION, ACQUISITION AND REPAIR OF AGRICULTURAL FACILITIES.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

Section 3 (b) of House Bill No. 187 is amended.

REP. TY. Mr. Speaker, I move that we close the period of amendments.

THE DEPUTY SPEAKER (Rep. Abu). Is there any objection? (*Silence*) The Chair hears none; the period of amendments is closed.

The Dep. Majority Leader is recognized.

REP. TY. Mr. Speaker, I move that we approve on Second Reading House Bill No. 187, as amended.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Abu). There is a motion for the approval of House Bill No. 187, as amended, on Second Reading.

As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Abu). As many as are against, please say *nay*.

FEW MEMBERS. *Nay*.

APPROVAL OF H.B. NO. 187, AS AMENDED, ON SECOND READING

THE DEPUTY SPEAKER (Rep. Abu). The *ayes* have it; the motion is approved.

House Bill No. 187, as amended, is approved on Second Reading.

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

CONSIDERATION OF H.B. NO. 5636

Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. TY. Mr. Speaker, I move that we resume the consideration of House Bill No. 5636 and direct the Secretary General to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Abu). 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.

THE SECRETARY GENERAL. House Bill No. 5636, entitled: AN ACT AMENDING SECTIONS 5, 6, 22, 24, 25, 31, 33, 34, 79, 84, 86, 99, 106, 107, 108, 109, 116, 148, 149, 155, 171, 232, 237, 238, 264 AND 288; CREATING NEW SECTIONS 148-A, 150-A, 237-A, 264-A, 264-B AND 265-A; AND REPEALING SECTIONS 35 AND 62, ALL UNDER REPUBLIC ACT NO. 8424 OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF 1997."

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

REP. TY. Mr. Speaker, our parliamentary status is we are in the period of sponsorship and debate. I move to recognize the next interpellator, Rep. Ariel "Ka Ayik" B. Casilao of Party-List ANAKPAWIS.

THE DEPUTY SPEAKER (Rep. Abu). The Chairman of the Committee on Ways and Means is recognized to sponsor House Bill No. 5636 under Committee Report No. 229. We also are recognizing the Representative from ANAKPAWIS Party-List, the Honorable Casilao, for his interpellation.

REP. CASILAO. Thank you, Mr. Speaker, Mr. Dep. Majority Leader.

Will the Gentleman Sponsor yield to some clarificatory questions?

REP. CUA. Yes, Mr. Speaker, distinguished colleague.

REP. CASILAO. G. Ispiker, mula po noong unang salang sa DBCC na ibinukas sa unang pagkakataon ang pangunahing nakalatag na programa sa unang taon ng administrasyong Duterte mula noong naupo ay binuksan ang panukalang magkakaroon ng tax reform na imumungkahi ng Department of Finance. Mula noong panahong na iyon, paulit-ulit na binabanggit ng Department of Finance at Department of Budget and Management na kabilang ito sa first priority sa 10-point Socio-economic Agenda ng administrasyong ito, at ang pangunahing tunguhin ng tax reform package na ito ay magbubunga ng epektong positibo para doon sa ating ekonomiya, maging sa ating mga kababayan.

Ang Kinatawan pong ito, mula noong unang isinalang ang proposal na iyan at hanggang nagkaroon ng House Bill sa pamamagitan ng ating kagalang-galang na Sponsor, ay nagrehistro na ng mga pangunahing guidelines kung ang tax reform package ba na ito ay totoong magsisilbi sa kapakanan ng ating sambayanan. Ang mga naunang interpellators ay nagbanggit na ng mga pangunahing punto ng pagtutol, pagtatanong at pagmumungkahi pero nais ng Kinatawang ito na

palawigin ang ibang mga puntong sa tingin ng ating mga kababayan, lalo pa ang ating constituents.

This Representation, from the moment the tax reform package was aired in different media outfits in Luzon, Visayas, and Mindanao, ay hindi po nawawalan ng mga lugar kung saan ako po ay umiikot, nagkokonsultahan sa aking mga chapters ng ANAKPAWIS Party-List, ay lumalabas po ang mga katanungan: Ano po ba itong tax reform package? Makakabuti ba ito sa atin? Makakatulong ba talaga ito?

Mula noon, tayo po ay nanindigan at naniniwala na totoong kailangan ito ng ating gobyerno. Lahat ng gobyerno sa buong daigdig, maging ang iba't ibang mga bansa, kinakailangan ang pagbubuwis para pangunahin pondohan ang kanilang mga serbisyo at pangunahing implementasyon ng mga programa ng mga gobyerno. Tayo po ay kaisa diyan sa ganyang tunguhin. Ngunit noong una pa man, sinabi natin, kung ang pagbubuwis na ito ay magiging pabigat at lalong mas pabigat sa kanyang mga mamamayan, titindigan natin ito at tututulan.

Ngayon po, paulit-ulit na binabanggit ng ating kagalang-galang na Sponsor sa mga Committee deliberation, hanggang doon sa umabot na ito sa kasalukuyang antas, that the nature of this taxation will benefit the Filipino people, the entirety of the Filipino, the population, at pangunahin ang magpapasan ng mga pagbubuwis na ito ay ang mga mayayaman. Para po sa kaalaman ng ating mga kabayayan, mga taga-subaybay sa deliberasyong ito, nais ko pong malaman mula sa ating kagalang-galang na Sponsor, paki-define po, in layman's term, iyong sinasabi natin at paulit-ulit na sinasabi ng ating Kagalang-galang na Sponsor, Mr. Speaker, ang progressive taxation. I know for a fact, there is a book, a vocabulary definition of what is progressive taxation in tax laws pero nais ko pong humingi ng layman's interpretation or layman's term, pagpapaliwanag. Ano po itong progressive taxation, Mr. Speaker?

REP. CUA. Maraming salamat sa inyong katanungan, G. Ispiker. Ang ibig sabihin, sa isang progressive taxation, iyon pong mas mayaman ay magbabayad ng malaki, at iyong mga mahihirap ay magbabayad ng mas maliit.

REP. CASILAO. Iyong mas mayaman ang magbabayad ng malaki, iyong mas mahihirap ay magbabayad ng maliit. Ano naman po ang regressive taxation?

REP. CUA. Ang regressive taxation, Mr. Speaker, my colleague, ay ang kabaligtaran ng progressive. Ibig sabihin po nito, ang mahirap ang magbabayad ng mas malaki at ang mayaman ang magbabayad ng mas maliit.

REP. CASILAO. Dito po sa binabanggit ng ating Kagalang-galang na Sponsor, Mr. Speaker, sinabi na ang progressive taxation ay kukunin mula sa mas may kapasidad na magbayad o mula sa mga mayayaman. Habang ang regressive taxation ay ang kabaligtaran nito, kung saan kukunin sa mga maliliit at mahihirap. Binabanggit dito sa first package, sa unang pakete ng tax reform package na iminumungkahi ng ating Kagalang-galang na Sponsor, na sa tingin ng Kinatawang ito, mas ang mayayaman ang nakakalibre kumpara sa mas malaking pasanin ng ating mga kababayan.

Una, magkano po ba ang masi-save ng ating gobyerno kapag ipinataw ang tax reform package sa usapin ng income tax? Binabanggit dito sa inyong datos ay P180 billion. Tama po ba, G. Isponsor?

REP. CUA. Kung ang itinatanong ninyo kung anong magiging epekto ng pagbaba ng income tax, mababawasan po tayo ng P140 billion.

REP. CASILAO. One hundred forty billion ang mawawala. Ilan po bang milyon ang tinatarget na mayroong kabuuang kita sa bawat taon na P250,000?

REP. CUA. Eighty-three percent of taxpayers, Your Honor, ang pumapasok diyan.

REP. CASILAO. Ilang milyon po iyon, G. Isponsor?

REP. CUA. Kunin po namin ang kuwenta—7 million ang total number of fixed income earners, at 5.8 million sa kanila ang makikinabang sa panibagong income tax system.

REP. CASILAO. Mayroon po tayong 5.8 million na direktang makikinabang sa P250,000 net income nito kada taon na hindi na magbabayad ng kanyang income tax. Tama po ba?

Pero ikumpara po natin ito. Ilang porsiyento po ba ng ating mamamayang Pilipino ang binabanggit ngayon ng ating mga istatistika na nasa pinakalugmok na kalagayan ng kahirapan, below the poverty threshold. Second, for those who are earning below the minimum wage-earner bracket, ilan pong milyon po iyan, G. Isponsor?

REP. CUA. Ten million po na pamilya ang bilang ng ating Finance Department.

REP. CASILAO. Sa datos po ng ating pananaliksik, iyon pong 10 million na binabanggit ng ating Kagalang-galang na Isponsor, ito po iyong pinaka-minimum average. Ngunit sa datos po maging ng DSWD, umaabot po sa 17 million ang kanilang target na kung saan ang mga pinakamahihirap, ang pinakawalang source of

income hanggang doon sa mga may income pero walang steady minimum wage, at mababa sa minimum wage earners. Ito ay umaabot po ng 17 million. Ibig sabihin, G. Sponsor, at Mr. Speaker, ito iyong 5.8 million na malilibre sa income tax kada taon pero sa ibang pakete at item, sa first package ng tax reform package na ito, ay pare-pareho silang maaapektuhan.

Pangunahin sa binabanggit na pinakamalaking pagkukunan ng revenue sa tax reform package number one na ito ay itong excise tax. Ibig sabihin, malaking bilang ng ating populasyon po kumpara doon sa may mga kapasidad magbayad, at sa may pinakamayayaman na pamilya in the March 2017 Forbes issue sa “10 Richest Filipinos” na may kabuuang P4 trillion iyong net nila—ang 10 pamilyang ito na pinakamayayaman sa ating bansa pero sila itong malilibre dahil po those who are earning P5 million a year will save even more sa bagong panukalang tax reform package sa bracket ng income tax na usapin. They will be paying P112,500 less in the first year of implementation, P260,000 less in the second year. The tax being collected from these very wealthy families, the 10 richest families in our country, are even paliit nang paliit kada taon.

Kaya hindi po namin makikita, in a logical sense, na mas makakalibre ang mahihirap sa binabanggit na depinisyon ng progressive taxation na ito kumpara doon sa pinakamayaman hanggang sa, sabihin na natin na ang kita nila ay mula P2 million a year iyong net income, by bracketing na itinatakda ng ating G. Sponsor ay mas paliit nang paliit sa bawat taon ng implementasyong ito. Kaya po, G. Speaker, G. Sponsor, hindi po ba matatawag na magiging regressive ito sa usapin pa lamang ng unang sub-item number one ng tax reform package number one? Dahil sa iyong depinisyon, mula sa iyong depinisyon, kabaligtaran ang definition ng “regressive” sa “progressive” mula doon sa datos na ating pinag-usapan at itinalakay. Sa tingin po natin, sa unang sub-item number one pa lang ng inyong tax reform package number one ay makita na itong regressive in nature.

Pangalawa po, G. Sponsor, binabanggit po ninyo noong mga nagtalakay tayo sa Komite na ang pangunahing pupuntahan ng mga koleksiyong ito, we will be collecting in the first package—correct me if I am wrong—according to the research of this Representation, Mr. Speaker, Mr. Sponsor, sa first package, mayroon tayong netong P291 billion. Tama po ba iyon o maliit ito? Sa first package po.

REP. CUA. Pakiulit po iyong tanong.

REP. CASILAO. Ito ay P291.2 billion sa first package, iyong net revenue na makokolekta sa unang paketeng iyong minumungkahi.

REP. CUA. Kunin ko lang po, Mr. Speaker. While

I ask for the data, gusto ko lang po sana mag-react sa aking kasamahan at para rin sa appreciation ng lahat ng ating kasamahan dito.

Mr. Speaker, sa ating pinapanukala po, hindi po totoo na ang mayayaman ay mas maliit ang babayaran kaysa mga mahihirap dahil po ang nais nating layunin dito ay ibaba ang binabayaran ng ating middle-class, para sa ganoon ang bawat pamilya sa ating middle-class ay magkaroon ng mas maluwag na bulsa para maaaring ipag-aral nila sa mas magagandang paaralan ang kanilang mga anak, para sila ay maaaring mamuhunan sa isang tahanan o makabili ng isang sasakyan. Puwede rin silang makapag-isip na mag-aral muli at mag-training para sila ay umangat sa trabaho at makahanap ng mas malaking suweldo.

Kapag sinabi po kasi nating “progressive,” ang ibig sabihin po nito ay mas maliit ang babayaran ng mahihirap at mas malaki ang babayaran ng mayayaman. Ang problema po kasi, Mr. Speaker, kapag hindi natin gagalawin ang kumplikadong tax system natin ngayon, to our friend or colleague’s sincere effort to protect the poor, ang mangyayari po, we will be protecting the rich even more.

In our desire to protect our less fortunate brothers and sisters, lalo po nating mapo-protektahan ang interes noong mga mas malalaki at mayayaman. Kaya mahalaga po na isulong ang tax reform package para nga po magkaroon ng hustisya sa ating ekonomiya, ang mapagbayad nang mas malaki ang mga mayayaman at mabigyan ng nararapat na serbisyo ang mga mahihirap. Ang target revenue po, gross revenue sa unang taon ng tax package, ay nasa halagang P297 billion, Mr. Speaker.

REP. CASILAO. I beg to disagree, Mr. Speaker, G. Sponsor, na dito pa lang sa usapin ng sub-item number one ng tax package number one, sa usapin ng income tax, pakipaliwanag in the simplest terms, magkano po ba ang adjustment ng isang kumikita ng P1 milyon kada taon kumpara sa kasalukuyang income tax taxation? Iyong kumikita po sa isang taon ng P1 milyon, iyong net income niya, ikumpara po natin, magkaroon tayo ng comparative matrix. Sa current taxation scheme, magkano ang binabayaran ng taong kumikita ng P1 milyon kada taon, netong income, kumpara dito sa inyong proposal? Dahil sa aming pananaliksik po, sa unang taon, magbabayad ng dagdag P92,700 kumpara sa nakaraang taon o prior to the implementation of this proposed Bill. How much po iyong binabayaran ng isang kumikita ng netong income na P1 milyon?

REP. CUA. Yes, Mr. Speaker, kung ang punto ng ating kasamahan ay bababa ang babayaran ng isang kumikita ng P1 milyon, tama po iyon, bababa po ang babayaran buwis ng lahat ng kumikita ng fixed salary except iyong top bracket na kumikita ng P5 million

and above dahil sila ay mapapatawan ng mas mataas na rate na 35 percent. Ngunit kung ating titingnan ang definition, noong kahulugan ng progressive tax system, iyong kumikita ng P1 milyon ay mas malaki ang babayaran niya kaysa sa kumikita ng P300,000, at ang kumikita ng P300,000 ay mas malaki rin ang babayaran niya doon sa kumikita ng below P200,000. So, in that sense, progressive po ang ating ipinapanukala.

REP. CASILAO. Kaya nga po ang binabanggit ko, G. Isponsor, Mr. Speaker, na ang base ng mga kumikita ng mababa sa P250,000 at sa kumikita ng P250,000, maging ang base o bracket ng kumikita ng P300,000, ng P1 milyon, kumpara dito sa pinakamayayaman na pamilya ng ating bansa, sa top 10 richest families lang iyan, kung bubuuin natin ang 40 richest families ng Pilipinas, na sa usapin ng pagbabayad ng income tax, hindi pala—labas pa diyan iyong nakabinbin na corporate income tax package na hindi kasama sa unang pakete, hindi po ba? Kaya ang pinakamalaking bilang at bahagi ng ating populasyon ang siyang papasan ng karagdagang impact ng anumang adjustment, sa domino effect ng implementasyon ng iba pang mga tax reform package sub-item tulad ng excise tax.

Ganoon pa man, Mr. Speaker, G. Isponsor, binanggit kanina, P297 bilyon sa unang pakete. Sa pangalawang pakete po, sinasabi natin, P9 bilyon. Am I correct? Second package, net revenue na makokolekta sa package number two?

REP. CUA. Wala pa po akong datos tungkol sa package two dahil wala pa po ito sa panukalang naihain natin, Mr. Speaker.

REP. CASILAO. I will understand if there is still no definite computation because in our research group, we are only projecting estimates. However, Mr. Speaker, G. Isponsor, hindi po ba nabanggit ninyo kanina, maging kahapon, sa mga kasama nating nag-interpellate na ang tutunguhin naman nito, ito po ay isang sakripisyo—magtiis muna tayo sa magiging epekto nito sa lahat ng kababayan natin, mahirap o mayaman ka man. At the end of the day, any revenue collected out of this tax reform package, will be felt by virtue of implementing social service programs and infrastructure. Am I correct, Mr. Sponsor?

REP. CUA. Tama po, G. Isponsor at G. Congressman.

REP. CASILAO. G. Isponsor, Mr. Speaker, inilahad po ng Departamentong Pangpinansya at maging ng DBM at ng Economic Cluster in general ng ating administrasyong Duterte, na sa loob ng kanyang administrasyon, sa loob ng anim na taon, magkakaroon ng napakaraming mga proyektong imprastruktura. In

fact, two days ago, in one of the news report after the China visit of the President, binabanggit doon na napakaraming mga deals, kasunduan ang napirmahan, and for that matter, there is an estimate of P8-trillion worth of packages, kasunduan, aid and PPPs for the “Build, Build, Build” Program. Am I correct, Mr. Speaker, Mr. Sponsor?

REP. CUA. Sa tingin ko po, tama ang nakalap na balita ng Kinatawan, Mr. Speaker.

REP. CASILAO. Ngayon po, kung sa ganitong paraan naman, mayroon naman palang nakabinbin na plano ang ating Economic Cluster para mapondohan ang “Build, Build, Build” Program na ito, para magsitayuan ang mga napakalalaking mga building, imprastruktura, para magkaroon ng trabaho ang ating mamamayan. Hindi po ito kukunin sa buwis, ito po ay manggagaling sa utang, ito po ay manggagaling sa mga aid, ayuda ng China at Russia. Ni-reject na po ni Pangulong Duterte ang EU pero these are ODAs, these are partnerships, bunga noong pagkambyo ng international or ng economic foreign policy of the Duterte administration.

Pero nandito sa isang plan, ang ating Department of Finance at ang Economic Cluster ay magpapatupad, whether we like it or not, ng pasanin, pabigat at pasakit sa mamamayang anak-pawis. Sa tingin ko po, G. Isponsor, Mr. Speaker, mayroon pong mga balidong pananaw na, mula dito sa unang pakete, kung himay-himayin natin, mabigat po ang usapin na mas malaki ang impact nito sa mahihirap kumpara doon sa itinatakda o inihahanda na panakip o iyong tinatawag nating pantawid para magkaroon ng ayuda sa mga maaapektuhan. Isang halimbawa lang po, Mr. Speaker, G. Isponsor, P300 iyong tinatawag nating subsidy. Am I correct, Mr. Speaker, Mr. Sponsor?

REP. CUA. Tama po.

REP. CASILAO. Sa Pantawid Pasada po, magkano po iyan?

REP. CUA. Five billion pesos po.

REP. CASILAO. Mr. Speaker, G. Isponsor, naranasan ko po ang buhay ng isang iskwater. I experienced a violent demolition in the locality where I came from in Davao City. Sa isang araw po, kada pisong pagbabago sa presyo ng bigas, ng sardinas, ng tuyo, ay isang napakalaking usapin na po iyan para sa pamilyang isang kahig, isang tuka. The more dito sa excise tax proposal ng unang paketeng ito, P3 per liter for the first year, P2 per liter for the second year, and P1 for the third year. Kahit isang sentimong adjustment o pagtaas lang ng presyo ng pangunahing petrolyong ito

na mayroong epekto sa halos lahat ng usapin ng araw-araw na buhay ng mga mahihirap ay isang calamitous situation na para sa kanila at hindi makukumbinsi ang Kinatawang ito sa anumang panakip-butas o pantawid o subsidiyo na inihahanda ng ating gobyerno para itawid sila sa matinding epektong mangyayari sa panahon na ipapatupad ang usaping ito.

Kaya, Mr. Speaker, G. Isponsor, naibanggit na po ng ibang mga interpellator na kahit magkakaroon ng paghahanda ang ating gobyerno sa magiging epekto nito pero sa kabilang banda, aminado ang ating gobyerno na kasalanan ng nagdaang administrasyon kung bakit nagkaletse-letse ang koleksiyon ng BIR at ng Customs, na hindi nakolekta ang tama. Pero pagpasok ng bagong administrasyong ito, na binabanggit “change is coming,” magbabago ang kalagayan ng ating mga mamamayan at mga mahihirap dahil magbabago sila doon sa mas mahirap na kalagayan, Mr. Speaker, G. Isponsor.

Kaya po hindi po katanggap-tanggap ang usapin na ang mga succeeding adjustment o package ay ang pinakamahihirap at pinakamaraming populasyon ng ating mamamayan ang tatamaan. Hindi po ba naisip ng ating Kagalang-galang na Sponsor, Mr. Speaker, na unahin itong mga talagang mayayaman na kolektahan? Bakit po ba inuna—noong una nga, Mr. Sponsor, alam ninyo po, ang Kinatawang ito kasabay ng aking mga kasamahan sa Makabayan Bloc, nagmungkahi na ihiwalay po natin iyong income tax package pero sinabi po ninyo, mayroon pong relasyon ang income tax sa usapin ng excise tax at iba pang mga adjustment sa package number one pero po nandito po, nakahanay. Sa totoo lang po, itong usapin ng mining tax—natanggal na po si Kalihim Gina Lopez kaya ang saya-saya ng mining industry, pero sa bahagi ng pag-implementa ng possible mining tax package, sana ay mauuna dapat sila dahil kayang-kaya po nilang bayaran ang anumang proposed adjustment na ipapataw ng mining tax increase. Definitely, sa tingin ko naman, G. Isponsor, ay hindi bababa at dapat magpatupad tayo ng mas mataas na taxation scheme dito sa usapin ng nagpapatupad ng negosyong pang-mina.

To end my interpellation, Mr. Speaker, G. Isponsor, ang mga usaping adjustments ng paketeng ito, gaano ninyo man kumbinsihin na hindi makaka-apekto o magkakaroon ng epekto sa mga mamamayan pero kayang-kaya itong itawid at kayang-kaya itong bitbitin dahil ginagamit, may I say, dahil popular ang ating Pangulo sa kasalukuyan, this will eventually lead to a public upheaval. Kahit na anong paliwanag ang magiging gawin ng departamentong nakatutok rito, this will eventually lead to the further suffering of the poor. I beg the Gentleman to consider, of the 77 or 79 special laws that will be lifted by VAT exemptions, not to limit them only to the cooperatives. There are a lot of sub-items there na maliliit lang naman sana ang magiging savings ng ating gobyerno pero malaki ang

magiging epekto nito sa social base ng mga sektor na apektado nito. Sana rin ay maikonsidera ito ng ating Kagalang-galang na Sponsor.

In due time, in the period of amendments and, basically, in the deliberation of how this leadership will treat those proposed amendments, we will present our proposal, Mr. Speaker, G. Isponsor. But to end, nais ko pong ulit-ulitin, kulitin natin, o sa terminong ginamit ni Congressman Teves, ang karate-hin natin dapat iyong nasa Forbes 10 richest families at saka iyong 40 richest families sa nagdaang taong 2016, hindi po ang humigit-kumulang nasa 80 milyones na populasyon ng Pilipino na magdurusa sa ipapataw na adjustment ng panukalang tax reform package.

Magandang gabi. Maraming salamat, Mr. Speaker, G. Ispiker.

REP. CUA. Salamat po, Mr. Speaker, kasamahan. Kung maaari lang po akong magpasalamat, Mr. Speaker, hindi po nagkakalayo ang aming layunin ng ating kasamahan, na nais nating tulungan ang mahihirap. Tulad po ng ating nabanggit kanina, Mr. Speaker, kapag hindi po natin gagalawin ang tax system natin, para lang po nating naprotektahan ang mga pinakamayayaman na sa kasalukuyan po ay nakikinabang sa sistemang hindi tuwid. Kailangan po nating ayusin ang sistema para nang sa ganoon, mas mabuwisan po natin ang mayayaman at magkaroon ng mas maraming programa para sa mahihirap.

Kung atin po iaasa lamang sa pag-uutang o foreign borrowings o foreign aid ang mga programang ito, lahat po ng pag-uutang na iyan ay babayaran at papasanin din ng lahat ng mamamayan. Kaya kung maaari po, ituwid po natin ang ating tax system, bigyan ng paluwag ang ating mga fixed-income earners, buwisan ng mas malaki ang mayayaman, at dagdagan ang serbisyo at investment sa mahihirap.

Maraming salamat, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). The Floor Leader is recognized.

REP. GARCIA (J.). Mr. Speaker, I move that we recognize the Lady from the Third District of Nueva Ecija, the Hon. Rosanna “Ria” Vergara.

THE DEPUTY SPEAKER (Rep. Abu). The Representative from the Third District of Nueva Ecija, Congresswoman Ria Vergara, is recognized.

REP. VERGARA. Good evening, Mr. Speaker. Would our Chairman of the Ways and Means Committee and fellow Congressman, Hon. Cua, yield to questions and suggestions from this humble Representative?

REP. CUA. Hindi po ako nakakatangi sa isang magandang babae na nagtatanong, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). Masarap din pong magluto iyan ng cookies. *(Laughter)*

REP. VERGARA. *(Laughter)* Thank you, Mr. Speaker.

In my district, close to 72 percent of my constituents belong to the D and E class. These are people who do not pay taxes and thus, will not feel any relief in the lowering of personal income tax. They are people who belong to the informal sector: household help, casual or day laborers like carpenters, welders, mechanics, sari-sari store owners, farmers, and tricycle drivers. Even the gentlemen who patiently serve us in the North Lounge form part of this informal sector.

A year ago, April 2016, the number one concern of the people in my district was drug abuse. Today, a year later, April 2017, I am happy to report that drug abuse is no longer one of the top three concerns of my district. It has been replaced by the increase in prices. This ranks as their number one concern.

I know I speak for most Filipinos when I say that we fear this Tax Reform for Acceleration and Inclusion Act which will impose an excise tax on fuel. This will increase the price of transportation, basic commodities, agricultural inputs, and even the price of water may be affected as water utilities use diesel power gensets as standby sources of power supply to draw out water when there is a power failure. However, the ones who will feel it most—this increase in the cost of fuel that will be directly impacting their electricity rates—will be the Filipinos living in off-grid areas, or what we call in the power industry SPUGs or Small Power Utilities Group. These SPUGs use power generator sets that run on diesel and bunker fuel. They are located in islands not reached by the transmission lines of the NGCP and TransCo. The consumers here fall under the missionary electrification program of the Department of Energy.

My question, Mr. Speaker, is: What does this Bill propose for the consumers in the SPUGs? Will you be willing to subsidize or exempt these SPUGs from the fuel excise tax just to keep their power rates reasonable and affordable?

REP. CUA. May panukala po ang ating Finance Department, Mr. Speaker, na bigyan ng lifeline subsidy ang mga pinakamaliliit na consumer sa SPUG areas para sila ay maproteksiyunan sa pagtaas ng presyo.

REP. VERGARA. Mr. Speaker, this lifeline subsidy, is it currently in place or will it be an addition to the existing lifeline subsidy that is already happening in the power industry?

REP. CUA. Karagdagan po ang subsidy na ito sa

mga existing subsidy kung saan nabe-benefit na po ang ating mga kababayan.

REP. VERGARA. Thank you. This will not have a time limit, it will be for as long as these excise taxes are in place?

REP. CUA. Yes, G. Ispiker. Iyon pong mga below 100 kilowatt ang konsumo, hanggang ganoon ang kanilang konsumo, sila ay magiging candidate or eligible sa subsidy na ito.

REP. VERGARA. Thank you, Mr. Speaker. The farmers and tricycle drivers comprise the largest sector in my district. They will also feel this fuel excise tax most acutely. The little profit they make may grow smaller or disappear altogether. I am aware that the excise tax on fuel is a major source of tax revenue that our government needs to provide inclusive growth that will trickle down to the masses, hopefully, and thus, the need to balance the government's needs by strengthening and clearly defining the programs in the Bill to mitigate its effects on those who will feel it most, our countrymen in the informal sector.

My question, in Section 36(F), there is a Social Benefits Program. Is this different from the existing Conditional Cash Transfer Program that we currently have?

REP. CUA. Yes, Your Honor, this will be, kumbaga, expanded to a more comprehensive targeted program para talagang maayos natin na mai-deliver ang mga serbisyo sa mga deserving na kababayan natin.

REP. VERGARA. So, Mr. Speaker, is it possible that the participants in the CCT Program might also be part of the Social Benefits Program that this Bill is proposing?

REP. CUA. Tama po. Malamang po ang CCT beneficiaries are automatic beneficiaries of the Social Benefits Program dahil sila nga po ang kasalukuyang categorized as the least or most vulnerable sector of our community.

REP. VERGARA. Do we have data which we can help use identify the socio-economic class which should be benefitted by this Social Benefits Program?

REP. CUA. Your Honor, ang ating sistema ay mag-ja-jump-start mula sa National Household Targeting System. Ngunit katulad po ng aking naipaliwanag kanina, ang vision po nito ay ang bawat Pilipino ay maaaring mag-apply na maisali sa Social Benefits Program. Kahit po ang mga mayayaman ay maaari pong mag-avail ng isang card ngunit ang menu of

privileges and subsidies will be different according to the circumstances of each individual.

So, siyempre po, kung ikaw ay belonging to the poorest of the poor, malamang kumpleto ang menu ng subsidy ang iyong matatanggap. Kung ikaw naman siguro ay isa sa mga mayayaman ay hindi ka makakatanggap ng gaanong subsidy o baka wala.

REP. VERGARA. May I make a proposal, Mr. Speaker.

REP. CUA. Yes, sig po.

REP. VERGARA. To help the poor sector of our society prepare for the financial impact of this Tax Reform Act, I propose that the Social Benefits Program or the highly-targeted Cash Transfer Program begin three months before the implementation of this Act, and that the social benefit card beneficiaries must be identified prior to the implementation of this Tax Reform Act. The objective here, Mr. Speaker, is to cushion the blow of the dramatic increase of fuel cost on the informal sector that will feel it the most. Cash on hand prior to the implementation will provide them security and send a strong signal that our government works continuously and considers their welfare concerns, and acts on these concerns even before it becomes a problem.

I am aware that this will require additional funds for the 10 million households, as proposed by our Chairman, at P300 per month for three months. This will amount to only P9 billion, a very small amount compared to the P74.4 billion this fuel excise tax will generate. Is our Chairman in agreement?

REP. CUA. Mr. Speaker, our distinguished colleague, ako po ay sumasang-ayon sa inyong magandang proposal. Tulad po ng naging usapan natin ay ipapakiusap natin sa ating Executive Department kung mayroon silang makikitang appropriation item sa kanilang current budget upang kanilang masimulan nang maaga ang programa, at hanggat maaari, three months ahead, according to your proposal, ay masimulan na po ang targeted subsidies sa mga vulnerable families in our community.

REP. VERGARA. Thank you, Mr. Speaker. Thank you, Mr. Chairman. For the Social Benefits Program, will it be administered and implemented by the DSWD like the Conditional Cash Transfer Program?

REP. CUA. Tama po. It will be done through the DSWD, ultimately.

REP. VERGARA. May I make a proposal. I would like to propose that the NEDA be the lead agency to oversee and supervise the Social Benefits Program

so that our President, as Chairman of the NEDA, can closely monitor the program.

REP. CUA. Sa tingin ko po, akma o nararapat ang proposal na ang NEDA ang mag-spearhead ng program na ito para mas scientific and targeted ang approach. So, wala po akong objection and, in fact, I would welcome that suggestion.

REP. VERGARA. Thank you, Mr. Chairman. Thank you, Mr. Speaker. On another note, in Section 109, entitled: "Exempt Transactions," I noticed that it is silent on the VAT exemption for senior citizens and persons with disabilities. I would like the Bill to include Republic Acts No. 9994 and 10754 in its list of exempt transactions. Will you allow this suggestion?

REP. CUA. Mr. Speaker, as previously stated and publicly made known, the House leadership already mentioned that this institution would not want to delete whatever privileges are being enjoyed by our senior citizens when it comes to VAT, as well as the PWDs. At the proper time, we will be more than happy and willing to accept that proposed amendment to make certain that such privileges are maintained for our senior citizens and PWDs.

REP. VERGARA. Thank you, Mr. Speaker. Thank you, Chairman Cua. Taxes will always be a sensitive matter, but as President Duterte said, it is the fuel that runs our government.

I am grateful for this chance to raise the concerns of my constituents so as to cushion the impact of this Tax Reform Act on the impoverished sector of our society.

Magandang gabi po.

REP. CUA. Thank you, Madame; and thank you, Mr. Speaker.

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

REP. TY. Mr. Speaker, I move that we recognize the next interpellator, Rep. Emmi A. De Jesus of the Party-List GABRIELA.

THE DEPUTY SPEAKER (Rep. Abu). Atin pong kinikilala ang Kinatawan mula sa GABRIELA Party-List, ang Kagalang-galang nating Kinatawan na Emmi A. De Jesus.

REP. DE JESUS. Maraming salamat, Mr. Speaker. Hindi ko na tatanungin ang Sponsor kung siya ay nakahanda dahil alam kong handang-handa naman siya sa interpelasyon na ito.

Nais ko ring itala na bagamat alam kong bawal ang naganap kanina na palakpakan ng mga audience sa galeriya, if only to gauge how our representatives of various groups see this tax reform, noong nagsalita po si Congressman Teves at sinabi na malamang na ang Tax Reform Bill na ito ay pasanin pa, nakita natin ang reaksyon ng isang grupo ng mga kinatawan ng mamamayan. Ito ay hindi bago dahil katulad ng nabanggit ng mga unang interpellators, maraming pagkakataon din na ako ay nakaikot at palagay ko, bilang Kinatawan ng sektor ng kababaihan, isang malaking hamon sa amin ang itala ang aming paninindigan kaugnay ng mga panukalang batas na baka magbigay pa ng higit na pabigat na pasanin sa mga kababaihan.

Nais ko ring linawin na kapag sinabi namin na kami ay concerned sa isyu ng mga kababaihan, itinatala namin iyong bias namin sa pinakamaraming kababaihan. Ibig sabihin, ang mga kababaihang maralita, ang mga kababaihang higit na marginalized, ang mga kababaihan na kapag narinig iyong salitang “reform,” aakalain nila na ito ay isang hakbang na pasulong na maaaring mag-angat sa kalagayan ng maraming mga Juana, mga Maria; pero sa kasamaang-palad, sa amin pong pagsusuri, kami po ay naririto ngayon para manindigan para doon sa aming mga nakikitang pamamaraan o idudulot ng Tax Reform Bill na ito. Ang malungkot, habang ang maraming Maria at Juana ay nangangamba, hindi rin natin alam kung ano na nga ba sa totoong buhay ng mga iilan na Henry Sy ang talagang maaapektuhan ng Tax Reform Bill na ito.

Kaya ang Representasyong ito ay nais mag-clarify with regard to paano ba natin iwawasto, halimbawa, doon po sa isyu ng foregone revenue due to tax holidays ng mga korporasyon, nais pong malaman ng Kinatawangs ito, ilan na po ba ang ating special economic zones sa kasalukuyan?

REP. CUA. Nasa humigit-kumulang pong 28 ang datos ng ating Department of Finance.

REP. DE JESUS. Pardon?

REP. CUA. Twenty-eight.

REP. DE JESUS. Ang special economic zone ay binubuo ng maraming korporasyon sa loob. Ilan po ang kumpanya na nasa loob ng ating 28 special economic zones?

REP. CUA. Wala po kaming datos sa ngayon pero maaari naming hingin ang information mula sa PEZA.

REP. DE JESUS. Alam ninyo, napakahalaga po nito dahil mayroon tayong Special Economic Zone Act of 1995 at sa ilalim ng batas na ito, nakakatamasa ng

income tax holiday ang mga kumpanya na nasa loob ng special economic zones ng hanggang limang taon. Tama po ba ito, G. Iponsor, Mr. Speaker?

REP. CUA. Tama po. Mayroong karaniwang five-year income tax holiday na ibibigay sa mga kumpanya na nagsisimula sa isang economic export processing zone.

REP. DE JESUS. Ano pa po ba ang ibang fiscal incentives? Ano pa po ba ang ibang mga kagaanan na ibinibigay ayon sa ating kasalukuyang batas dito sa mga korporasyong nasa loob ng special economic zones?

REP. CUA. Iyong iba po ay maaaring mag-avail ng five percent gross income tax, mayroon pong VAT zero ratings sa mga exports, mayroon pa pong mga ibang duty-free importation, at marami pa po.

REP. DE JESUS. Iyon ang nais po naming mailinaw at maipakita, na habang nagtatamasa nang maluwa at kaluwagan na iskema ang mga korporasyong ito sa loob ng economic zones, dito naman tayo at nag-iisip ng panibagong buwis na alam nating higit na makadadagdag na pahirap sa mas maraming mamamayan. Gusto ko lang malaman po, magkano po ang estimated na nawawalang kita ng gobyerno dahil sa incentive na ito kada taon?

REP. CUA. Ang datos ng ating DOF ay sa taong 2014 at ang pinaka-latest yata ay P126 billion ang foregone revenue because of incentives.

REP. DE JESUS. One hundred six?

REP. CUA. One-two-six.

REP. DE JESUS. One hundred twenty-six billion pesos in foregone revenues dahil sa tax breaks. Tama po ba ito, 2014?

REP. CUA. Tama po.

REP. DE JESUS. Kung ito po ay ganoong halaga, halos katumbas ito ng hindi hihigit sa two percent ng gross domestic product. Sa dami ng bilang pa at tiyak na papalaki pa ang economic zones sa bansa, naniniwala po ba kayo na papalaki pa rin ang halagang mawawala sa gobyerno dahil sa pagdami ng economic zones na ito?

REP. CUA. Naniniwala po ang Department of Finance.

REP. DE JESUS. Nakalulungkot. Pareho tayo ng paniniwala na nawawalan tayo dahil sa mga

libreng insentibong ito. Iyong mga korporasyon po na nagtatamasa ng pagpapababa ng corporate income tax, kung susumahin, ano po ang rough estimate, magkano ang nawawala sa pagpapababa ng corporate income tax na isinasagawa ng ating pamahalaan?

REP. CUA. G. Ispiker, kagalang-galang na kasamahan, wala pa po kaming datos doon dahil wala pa po sa panukalang ito, ngunit ipapa-research po natin iyan para maibigay din po sa inyo.

REP. DE JESUS. Para po sa Representasyong ito, kailangan po na alam natin, lalung-lalo na sa hanay ng nagpapanukala kaugnay ng tax reform, na malaman ito para makita natin ang mabigat na paghahambing habang nagtatamasa ang mga negosyante na malalaki na nga, at siyempre lagi namang profit over people ang bitbit na paninindigan ng papasok sa ganyang mga negosyo—nakalulungkot. Nakalulungkot na ito iyong iiral habang ang mga manggagawa na mataasan lamang ng piso o madagdagan lamang ang ibabawas sa kanilang take-home pay ay napakalaking bagay na.

Kaya para po sa Representasyong ito, mahalaga na higit nating aralin kung ano ba ang dapat na maging pakinabang ng gobyerno sa mga korporasyon, at mismong sa iskema ng special economic zones na ang prevailing law ay ang pagtatamasa nga nila ng paglilibre doon sa pagbabayad ng buwis.

Ito po ang nais naming itala. Habang nag-iisip tayo kung paano palalaking ang buwis, itong malalaking mga korporasyong ito ay tuloy-tuloy na nagpapasasa doon sa incentive na sila ay magpatuloy na kumuha ng tubo, magpalago ng negosyo pero ano ang pakinabang nito sa mamamayan?

Ito po, mahalagang malaman namin kung ano ang nawawala na dapat ay kinukuha ng gobyerno. Ito ang dapat talaga na pagkunan ng malaki dahil ito nga ang kumikita, dahil ito nga ang kumukuha ng tubo, at ang malungkot, iyong tubo pa karamihan diyan ay galing sa mga kapitalistang dayuhan na nagbabayad ng mababang sahod sa manggagawa. Ang tubo nila ay ibabalik sa kanilang respective countries at doon nila tatamasahin iyong kita.

Kaya, ano ito, patong-patong na pasanin lalong-lalo na sa hanay ng mga manggagawa. Dito rin naman po, bagamat maraming kasamahan natin dito sa Kongreso ang nagbigay na ng kanilang interpelasyon kaugnay ng social benefits, ang isang pinakamalungkot, ano, ay tataasan natin, maglalagay tayo ng excise tax sa krudo, pagkatapos bibigyan naman natin sila ng voucher. Para tayong ano, pinapahirapan lang natin iyong sarili natin e. Bakit pa natin tataasan ano, tapos gagawa na naman tayo ng mechanism para naman doon sa pagbibigay ng voucher? Pero ang gusto ko pong malaman, magkano po ang total doon sa sinasabing tax reform package, na iyong tinatawag na social benefit card? Para maibsan

dito ang 10 milyong pamilya, magkano po ang tinatayang gastos dito yearly?

REP. CUA. Sa unang taon po ay P30 billion, sa pangalawang taon po ay P50 billion, at sa pangatlong taon po ay P70 billion. Magma-maximum po ng P150 billion.

REP. DE JESUS. Sa loob po ng tatlong taon ay tinataya na may P150 billion na mapapakinabangan ng 10 milyong pamilya na kanina nga, batay sa datos na nakuha ng unang interpellator mula sa Makabayan ngayong gabi, 17 milyong pamilya nga ang naghihirap. Taun-taon, alam nating dumadami rin ang mga kababayan natin, iyong ating mga migrant workers na sa iba't ibang kadahilanan ay napilitang umuwi o napauwi. Sila ba ay maisasama na rin dito sa 10 milyong pamilya na tinatarget ng ating tax reform package as social beneficiaries?

REP. CUA. Kung sila po ay magrehistro sa social benefits card, then maaari po silang mapasama sa programang ito.

REP. DE JESUS. Pero ang magiging ceiling number or iyong absolute number na mabibigyan lamang ay 10 milyon, tama po ba?

REP. CUA. Tama po.

REP. DE JESUS. Iyon po iyong ending? Kaya kung sinasabi kanina na sa datos ay 17 million at mayroon pang madadagdag na mga OFW na distressed at pag-uwi dito, walang trabaho, ibig sabihin niyan, lolobo at lolobo pa rin talaga ang bilang. Tama po ba ito, G. Isponsor, Mr. Speaker?

REP. CUA. Maaari po talagang ma-expand ang programa, G. Ispiker, Kinatawan, na dahil sa bagong proposal po na social benefits program, palalawakin natin ang serbisyo sa mas nakararaming mga kababayan.

REP. DE JESUS. Ito po iyong isang nakikita rin namin kaya ko rin inuna iyong paghingi sana ng datos. Magkano sana ang makukuha nating tax kung talagang iyong ating mga negosyante na nakikinabang sa labor, sa murang lakas-paggawa dito, sa loob ng bayan ay nakukunan sana ng tax? Iyong binanggit ninyo kaninang 140 plus foregone revenues sana dahil doon sa tax breaks, malaki sanang pagkukunan na. Tama po ba, Mr. Sponsor, na iyong amount na foregone revenues because of the tax incentives given to those big businesses in the special economic zones could have been a big source para po dito sa ating benepisyo sa mahihirap, Mr. Sponsor?

REP. CUA. Tama po, at sana po tayo ay magkasama at magtulungan na sa mga karugtong na measures nang sa gayon ay maisaayos po natin ang mga sistemang ganito.

REP. DE JESUS. Actually, sa pangkaraniwang mamamayan po, sa usapin talaga ng pagbubuwis, ang laging kaakibat na inaasahan niyan, kahit saan, kinikilala ang pagbubuwis na may ibinabalik na serbisyong panlipunan. Tama po ba, G. Isponsor?

REP. CUA. Tama po.

REP. DE JESUS. Kaya ito po iyong isang nakababahala dahil sa totoong buhay, ang hinahangad po ng maraming mahihirap ay iyon sanang social services na hindi ka na dadaan sa mga makutingting na voucher, hindi ka na dadaan sa mga kondisyon, at hindi iyong kinuhanan tayo ng mga buwis. Ang mga nanay sa totoong buhay, sa kahirapan ng pagdadala ng badyet, alam po ba ninyo na sa mga pamilyang mahirap, kapag kapos ang pagkain, halos ang nanay ang huling kumakain? Alam po ba ninyo ito, G. Isponsor?

REP. CUA. Opo.

REP. DE JESUS. Ito po iyong isang larawan na ang sinasabi namin, kapag sinabi nating benefit, dapat diretso doon sa serbisyong panlipunan. Hindi iyong dadaan ka pa, ano, idadaan mo sa voucher, idadaan mo sa kondisyon. Ang tingin po namin, kung tayong mga Mambabatas ay magkakaroon ng panukala ng tax reform—sabi ko nga napaka-misnomer, ano, “reform”, kasi nga ang reform ay dapat reporma tungo sa pagbabago—dapat pasulong pero nakikita po namin dito sa benefit card na anyo ng pagbabalik ng serbisyo, talagang napakapahirap pa. Katulad din ng isang iskema na iyong Pantawid, sabi nga natin pantawid lang iyan, doleout pero may mga kondisyon. Kaya para po sa Representasyong ito, dapat po laging universal. Naniniwala po kami na kung social protection programs ang hinahangad ng ating tax reform o pangongolekta mismo ng buwis, dapat ang magbe-benepisyo ay iyong mga vulnerable sa ating lipunan. Kung seryoso ang Kongreso na pagaangin ang buhay ng mamamayang Pilipino, hindi na kailangan ang mga voucher o iba pang benefit card para lang salagin iyong pagtaas ng presyo. Kaya ito pong excise tax sa oil—marami na rin pong nagsabi pero isa pong paglalarawan na nakikita ko, ito pong kadena na binubuo ng mga links. Kapag po iyong kauna-unahang link ng kadena ay hinila mo paitaas, tama po ba na tataas lahat, Mr. Sponsor, Mr. Speaker?

REP. CUA. Tama po.

REP. DE JESUS. Ang langis na siya ring nagpapagulong ng ekonomiya, nagpapagulong ng mga consumer products, kapag itinaas mo iyan, ito ka, ano bang benefit program ang maibibigay niyan sa majority kung hindi lalong pahirap dahil mas maraming consumers natin ang talagang maaapektuhan ng pagtaas

ng presyo ng mga bilihan. Kaya ito po ay isa sa mga isyu na dapat suriin at kung maninindigan ang ating mga kasamahan sa Kongreso, huwag po nating kalimutan kung kaninong interes higit na maglilingkod ang tax reform na panukalang ito.

Lalong-lalo na sa susunod ko pong katanungan, Mr. Speaker, G, Isponsor. Isa pong nakababahala rin dahil mayroon na tayong inilalaan sa ating 2017 General Appropriations Act na pambayad sa loan, puwede po bang malaman kung magkano po ang inilalaan natin doon po sa interes lamang ng ating utang panlabas?

REP. CUA. Ang ating foreign debt service, Kinatawan, para sa 2016 ay P127 billion.

REP. DE JESUS. Sa amin pong pananaliksik, ang nakalaang pambayad sa interes pa lamang ng foreign debt servicing ay halos P300 bilyon at halos katumbas ito ng 10 porsiyento.

REP. CUA. Ito po iyong pangkalahatan, at iyong pang-foreign lang po iyong nabanggit ko.

REP. DE JESUS. Ibig sabihin lamang nito, iyong national budget natin na P3.35 trillion according to GAA, halos 10 percent, tama po ba, ang inilalaan na natin sa debt servicing?

REP. CUA. Ten percent po ang nakalaan sa...

REP. DE JESUS. So tama po? Ten percent.

REP. CUA. Opo.

REP. DE JESUS. Mahalaga rin na isama natin ito sa pagsusuri habang inilalaban nga itong pagpapasa dito sa Kamara ng Tax Reform Package na kasalukuyan nating isinasalang. Talagang todo papuri, ano, ang mga credit institutions katulad ng credit rating institutions, na isulong na ito at ang nasa likod nito na pinangangambahan namin, ito bang panibagong Tax Reform Package ay mangangahulugan din ng panibagong utang kapag naipasa ang Comprehensive Tax Reform Package?

REP. CUA. Hindi po kasi ito po ay manggagaling sa ating revenue collection so hindi po ito magiging utang.

REP. DE JESUS. Actually, precisely, when you say revenue collection, kasama nga diyan iyong pagkuha ng buwis at iyong sinasabi nating social benefit ay nakababahala na baka imbes na pangtustos o sinasabi nating mararamdaman na ng maraming mahihirap na ang buwis ay babalik sa kanila sa pamamagitan ng mga serbisyo, baka naman ito ay maging pangtustos sa pambayad utang. Sa bandang

huli, hindi mamamayan ang makikinabang at marami pong datos na ang—Mr. Speaker, G. Isponsor, ang sinabi ninyo na ibibigay ninyo sa amin na mahalaga na maging batayan natin katulad noong—specifically on the issue of the number of corporations which wallow in profit while iyon pong benefit ng tax holiday na dapat sana talaga ay napagkukunan na natin ay hindi naman pinakikinabangan, kundi lalo pang nagpapahirap sa mga manggagawa. Kahit paikut-ikutin pa po ang diskusyon dito sa Tax Reform Package, tatlong punto po ang nais bitbitin ng Representasyong ito na kumakatawan din sa boses ng maraming pamilya na sinasalanta ng krisis at dito rin namin kinikilala iyong bias namin. Kapag sinabi naming maraming pamilyang Pilipino ang sinasalanta ng krisis pang-ekonomiya, naririto rin ang maraming kababaihan kaya nakikita namin na magiging pasanin ito para sa mga kababaihan at sa maraming mamamayang Pilipino.

Nananatiling tax-free ang malalaking korporasyon, lalo na iyong nasa special economic zones. Hindi ito awtomatikong magreresulta sa mas mataas na badyet sa direktang serbisyong panlipunan dahil ang inaasahan po na mga pamamaraan o mekanismo ay voucher, circuitous pa, habang ang inaasahan sana ay serbisyong mararamdaman kaagad—serbisyong medikal, serbisyo sa higit na pangangailangan, subsidiyo sa ating mga mahihirap. Kaya dito po sa House Bill No. 5636, at the proper time, itatala po ng Representasyong ito ang kanyang boto at doon po sa mga nabanggit, ito na ang magiging batayan kung bakit kami tututol, dahil ang repormang kinakailangan ng mamamayan sa kasalukuyan ay hindi naman ito talaga iyong repormang magdudulot ng pangmatagalang ginhawa.

Kaya ang totoong magdadala po sana ng ginhawang inaasahan namin ay iyong socio-economic reforms at iyong package na ito, ang tingin namin ay ang higit na dapat sinusuportahan ng ating Kongreso.

So, inaasahan po namin, Mr. Speaker, G. Isponsor, na ang interpelasyon na ito ay pumukaw doon sa mga nagsusulong ng kasagutan sa aming mga katanungan, sa aming mga agam-agam, at inaasahan namin na kahit ang ating mga kasamahan sa Kongreso ay maglalaan ng mas marami pang pag-iisip para dito sa Tax Reform Bill na ito.

So, iyon lamang po at maraming salamat, Mr. Speaker, Mr. Sponsor.

THE DEPUTY SPEAKER (Rep. Abu). The Floor Leader is recognized.

REP. CUA. Maraming salamat din po.

SUSPENSION OF CONSIDERATION OF H.B. NO. 5636

REP. TY. Mr. Speaker, I move that we suspend the consideration of House Bill No. 5636.

I so move, Mr. Speaker.

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

The consideration of House Bill No. 5636 is hereby suspended.

The Dep. Majority Leader is recognized.

RATIFICATION OF CONF. COMM. RPT. ON H.B. NO. 5159 AND S.B. NO. 1353

REP. DEFENSOR. Mr. Speaker, we are in receipt of the Conference Committee Report reconciling the disagreeing provisions of House Bill No. 5159 and Senate Bill No. 1353 on Strengthening the Anti-Hospital Deposit Law.

May I ask that the Secretary General be directed to read only the titles of the measures.

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

The Secretary General is directed to read only the titles of the measures.

With the permission of the Body, and since copies of the Conference Committee Report have been previously distributed, the Secretary General read only the titles of the measures without prejudice to inserting the text of the report in the Congressional Record.

THE SECRETARY GENERAL. House Bill No. 5159 entitled: AN ACT STRENGTHENING THE PROVISION OF EMERGENCY HEALTH CARE SERVICE TO PATIENTS, FURTHER AMENDING FOR THE PURPOSE BATAS PAMBANSA BILANG 702, AS AMENDED, ENTITLED “AN ACT PROHIBITING THE DEMAND OF DEPOSITS OR ADVANCED PAYMENTS FOR THE CONFINEMENT OR TREATMENT OF PATIENTS IN HOSPITALS AND MEDICAL CLINICS IN CERTAIN CASES”; and Senate Bill No. 1353, entitled: AN ACT INCREASING THE PENALTIES FOR THE REFUSAL OF HOSPITALS AND MEDICAL CLINICS TO ADMINISTER APPROPRIATE INITIAL MEDICAL TREATMENT AND SUPPORT IN EMERGENCY OR SERIOUS CASES, AMENDING FOR THE PURPOSE BATAS PAMBANSA BILANG 702, OTHERWISE KNOWN AS “AN ACT PROHIBITING THE DEMAND OF DEPOSITS OR ADVANCE PAYMENTS FOR THE CONFINEMENT OR TREATMENT OF

* See MEASURES CONSIDERED (printed separately)

PATIENTS IN HOSPITALS AND MEDICAL CLINICS IN CERTAIN CASES” AS AMENDED BY REPUBLIC ACT NO. 8344, AND FOR OTHER PURPOSES.

REP. DEFENSOR. Mr. Speaker, I move that we ratify the said Conference Committee Report.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Abu). As many as are in favor of ratifying the Conference Committee Report, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Abu). As many as are against, please say *no*. (*Silence*) The Chair hears none; the motion is approved.

The Conference Committee Report is ratified.

REFERRAL OF HOUSE RESOLUTIONS ON INQUIRIES IN AID OF LEGISLATION

REP. DEFENSOR. Mr. Speaker, in accordance with our Rules Governing Inquiries in Aid of Legislation, I move that we refer the following House Resolutions to the appropriate Committees:

House Resolution No. 969, Inquiry re the mass leave and resignation of immigration officers in the Bureau of Immigration, to the Committee on Justice;

House Resolution No. 970, Inquiry re the formation, operation and control of local water districts, to the Committee on Government Enterprises and Privatization;

House Resolution No. 975, Inquiry re the recent Quiapo blast incident that injured 14 individuals, to the Committee on Public Order and Safety;

House Resolution No. 976, Inquiry re the discovery of the Commission on Human Rights (CHR) of an alleged secret detention room in Manila Police District Station 1, to the Committee on Human Rights;

House Resolution No. 977, Inquiry re the impacts of the importation, use, and sale of high fructose corn syrup, to the Committee on Agriculture and Food;

House Resolution No. 993, Inquiry re the true state of rice inventory in the Philippines, to the Committee on Agriculture and Food;

House Resolution No. 999, Inquiry re the alleged irregularities in the charging of rates by the Panay Electric Company (PECO) being imposed to its customers, to the Committee on Energy;

House Resolution No. 1000, Inquiry re spurious land deals perpetrated by unscrupulous real estate developers in the Municipality of Mariveles, Bataan, to the Committee on Good Government and Public Accountability;

House Resolution No. 1003, Inquiry re the existing system and processes of the Land Transportation Office

(LTO) with regard to the registration of electronic cars and vehicles, to the Committee on Transportation;

House Resolution No. 1004, Inquiry re reports that overseas Filipino workers in Hong Kong are being forced to sleep in toilets, tiny cubbyholes, and on balconies by their employers, to the Committee on Overseas Workers Affairs; and

House Resolution No. 1005, Inquiry re the extraordinary delay and inaction of the Philippine Reclamation Authority on the issues preventing the completion of the construction of the Cagayan De Oro Coastal Road Project, to the Committee on Public Works and Highways.

I so move.

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

APPROVAL OF THE JOURNAL

REP. DEFENSOR. Mr. Speaker, I move that we approve Journal No. 93 of our session on May 23, 2017. I so move.

THE DEPUTY SPEAKER (Rep. Abu). Is there any objection to the motion to approve the Journal? (*Silence*) The Chair hears none; the motion is approved.

SUSPENSION OF SESSION

REP. DEFENSOR. Mr. Speaker, I move for a few minutes suspension of the session.

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

It was 8:24 p.m.

RESUMPTION OF SESSION

At 8:32 p.m., the session was resumed.

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

The Dep. Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 684 ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 684, contained in Committee Report No. 24, as reported out by the Committee on Public Information.

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

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

The Secretary General is directed to read 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.

THE SECRETARY GENERAL. House Bill No. 684, entitled: AN ACT AMENDING REPUBLIC ACT NO. 53, AS AMENDED, OTHERWISE KNOWN AS "AN ACT TO EXEMPT THE PUBLISHER, EDITOR OR REPORTER OF ANY PUBLICATION FROM REVEALING THE SOURCE OF PUBLISHED NEWS OR INFORMATION OBTAINED IN CONFIDENCE" BY INCLUDING WITHIN ITS COVERAGE, JOURNALISTS FROM BROADCAST, NEWS AGENCIES AND INTERNET PUBLICATIONS.

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

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

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

REP. DEFENSOR. Mr. Speaker, while we have here today the distinguished Chairperson of the Committee on Public Information to sponsor the measure, I move that the Explanatory Note of the Bill be considered as the sponsorship speech on the measure.

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

REP. DEFENSOR. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

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

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments.

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

REP. DEFENSOR. Mr. Speaker, there being no Committee amendment, I move that we now proceed to consider individual amendments.

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

INDIVIDUAL AMENDMENTS

REP. DEFENSOR. Mr. Speaker, I move that we recognize the distinguished Gentleman from Bataan, the Hon. Jose Enrique "Jeth" S. Garcia III for the individual amendments.

THE DEPUTY SPEAKER (Rep. Abu). The honorable Gentleman from Bataan is recognized, Congressman Jose Garcia.

REP. GARCIA (J.). Mr. Speaker, on Section 1, delete the phrase "INTERNET, OR" after the word "BROADCAST" and before the phrase "WIRE SERVICE ORGANIZATION."

THE DEPUTY SPEAKER (Rep. Abu). What is the pleasure of the distinguished Sponsor?

REP. HERRERA-DY. I accept, Mr. Speaker.

REP. DEFENSOR. Mr. Speaker, with that, I move that we approve the individual amendment proposed by the Hon. Jose Garcia, subject to style.

THE DEPUTY SPEAKER (Rep. Abu). Is there any objection? *(Silence)* The Chair hears none; the amendment is approved.

REP. GARCIA (J.). Mr. Speaker, on Section 2, line 15, delete the phrase "INTERNET, OR" after the word "BROADCAST" and before the phrase "WIRE SERVICE ORGANIZATION."

THE DEPUTY SPEAKER (Rep. Abu). What is the pleasure of the distinguished Sponsor?

REP. HERRERA-DY. I accept, Mr. Speaker.

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

REP. DEFENSOR. With that, Mr. Speaker, I move that we approve the individual amendment proposed by the Hon. Jose Garcia, subject to style.

THE DEPUTY SPEAKER (Rep. Abu). Is there

* See MEASURES CONSIDERED (printed separately)

any objection? (*Silence*) The Chair hears none; the amendment is approved.

REP. GARCIA (J.). Mr. Speaker, third amendment. On Section 2, line 23, delete the phrase “INTERNET, OR” after the word “BROADCAST” and before the phrase “WIRE SERVICE ORGANIZATION.”

THE DEPUTY SPEAKER (Rep. Abu). What is the pleasure of the distinguished Sponsor?

REP. HERRERA-DY. I accept, Mr. Speaker.

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

REP. DEFENSOR. Mr. Speaker, I move that we approve the individual amendment as proposed by the Gentleman, subject to style.

THE DEPUTY SPEAKER (Rep. Abu). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

REP. DEFENSOR. Mr. Speaker, we have one more individual amendment, Mr. Speaker.

REP. GARCIA (J.). Mr. Speaker, for the fourth and last amendment, I move to amend the title to read as follows: AN ACT AMENDING REPUBLIC ACT NO. 53, AS AMENDED, OTHERWISE KNOWN AS “AN ACT TO EXEMPT THE PUBLISHER, EDITOR OR REPORTER OF ANY PUBLICATION FROM REVEALING THE SOURCE OF PUBLISHED NEWS OR INFORMATION OBTAINED IN CONFIDENCE” BY INCLUDING WITHIN ITS COVERAGE, JOURNALISTS FROM BROADCAST AND NEWS AGENCIES.

THE DEPUTY SPEAKER (Rep. Abu). What is the pleasure of the distinguished Sponsor?

REP. HERRERA-DY. I accept, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Abu). The Dep. Majority Leader.

REP. DEFENSOR. Mr. Speaker, with that, I move that we approve the individual amendment proposed by the Hon. Jose Garcia, subject to style.

THE DEPUTY SPEAKER (Rep. Abu). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, there being no other individual amendments, I move that we close the period of amendments.

THE DEPUTY SPEAKER (Rep. Abu). Is there any objection? (*Silence*) The Chair hears none; the motion is approved. The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we approve on Second Reading House Bill No. 684, as amended.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Abu). As many as are in favor of approving House Bill No. 684, as amended, on Second Reading, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Abu). As many as are against, please say *nay*.

FEW MEMBERS. *Nay*.

APPROVAL OF H.B. NO. 684, AS AMENDED, ON SECOND READING

THE DEPUTY SPEAKER (Rep. Abu). The *ayes* have it; the motion is approved.

House Bill No. 684, as amended, is approved on Second Reading.

The Dep. Majority Leader is recognized.

ADJOURNMENT OF SESSION

REP. DEFENSOR. Mr. Speaker, I move that we adjourn the session until four o'clock in the afternoon of Monday, May 29, 2017.

THE DEPUTY SPEAKER (Rep. Abu).). Is there any objection? (*Silence*) The Chair hears none; the session is adjourned until Monday, May 29, 2017, at four o'clock in the afternoon.

It was 8:38 p.m.