



# Congressional Record

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

Vol. 1

Tuesday, August 15, 2017

No. 11

## CALL TO ORDER

*At 4:00 p.m., Deputy Speaker Sharon S. Garin called the session to order.*

THE DEPUTY SPEAKER (Rep. Garin, S.). The session is now called to order.

## NATIONAL ANTHEM

THE DEPUTY SPEAKER (Rep. Garin, S.). Everybody is requested to rise for the singing of the National Anthem.

*Everybody rose to sing the Philippine National Anthem.*

THE DEPUTY SPEAKER (Rep. Garin, S.). Please remain standing for the Invocation to be led by Rep. Emi G. Calixto-Rubiano of the Lone District of Pasay City. Happy Birthday, Ma'am.

*Everybody remained standing for the Invocation.*

## INVOCATION

REP. CALIXTO-RUBIANO. Thank you.

Let us remember that we are in the holy presence of the Lord.

Almighty Father, King of kings and Lord of lords, our hearts are full of gratitude for the opportunity You have given us to gather together and perform the duties You have entrusted to us as legislators of the Seventeenth Congress.

We are dependent on You and our trust rests in You completely. We believe that without You in our midst, our work will be meaningless and empty. Grant us Your wisdom and vision as we consecrate to You all our plans and endeavors. Inspire our hearts today that our deliberations may be graced only with Your truth.

Enlighten our minds at all times and instill in us the heart of a true public servant, to see You in the persons we work with, and we vow to serve with love, respect and sincerity.

Guide us always as we work harder to improve and strengthen the services of the government, so that this

would serve as a channel of Your bountiful blessings and immense love for everyone.

Dear Lord, we pray for all the public servants that we may always be faithful to our values and ideals, stay undaunted and maintain principled leadership in loving service.

Loving Father, we pray that we may always advance the interest of our people in the spirit of love, justice, and peace. Remind us constantly that with great power comes great responsibilities.

We humbly ask You to reign in our minds at all times, so that we would always base our decisions on what is right and just. Strengthen our will to carry out faithfully our sacred duties and responsibilities as the voice of our people. Enable us to implement Your will for us no matter what difficulty it may entail.

All of these we ask in the mighty name of our Lord, our model in genuine servant-leadership.  
Amen.

THE DEPUTY SPEAKER (Rep. Garin, S.). Amen.

REP. CALIXTO-RUBIANO. In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Dep. Majority Leader is recognized.

## ROLL CALL

REP. CRISOLOGO. Mme. Speaker, I move that we call the roll of Members.

THE DEPUTY SPEAKER (Rep. Garin, S.). 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. 11, dated August 15, 2017:*

PRESENT

Abaya

Abayon

Abellanosa	Castelo	Gullas	Pancho
Abu	Castro (F.L.)	Hernandez	Panganiban
Abueg	Castro (F.H.)	Herrera-Dy	Panotes
Acharon	Catamco	Hofer	Papandayan
Acop	Celeste	Jalosjos	Pichay
Acosta	Cerilles	Kho	Pimentel
Acosta-Alba	Chavez	Khonghun	Pineda
Advincula	Co	Labadlabad	Primicias-Agabas
Aggabao	Cojuangco	Lacson	Radaza
Aglipay-Villar	Cortes	Lagman	Ramirez-Sato
Albano	Cortuna	Lanete	Ramos
Alejano	Cosalan	Laogan	Relampagos
Almario	Crisologo	Lazatin	Revilla
Almonte	Cua	Lee	Roa-Puno
Alvarez (F.)	Cuaresma	Limkaichong	Rocamora
Alvarez (M.)	Cueva	Lobregat	Rodriguez (I.)
Alvarez (P.)	Dalipe	Lopez (B.)	Rodriguez (M.)
Amante	Datol	Lopez (C.)	Roman
Amatong	Daza	Lopez (M.L.)	Romualdez
Andaya	De Jesus	Loyola	Romualdo
Angara-Castillo	De Venecia	Macapagal-Arroyo	Roque (R.)
Antonio	De Vera	Maceda	Roque (H.)
Aquino-Magsaysay	Defensor	Madrona	Sacdalán
Aragones	Del Mar	Malapitan	Sahali
Arcillas	Deloso-Montalla	Manalo	Salimbangon
Arenas	Dimaporo (A.)	Mangaoang	Salo
Atienza	Dimaporo (M.K.)	Mangudadatu (S.)	Salon
Bagatsing	Dy	Mangudadatu (Z.)	Sambar
Banal	Elago	Marcoleta	Sandoval
Barbers	Enverga	Marcos	Santos-Recto
Barzaga	Erice	Mariño	Sarmiento (C.)
Bataoil	Eriguel	Marquez	Sarmiento (E.M.)
Batocabe	Ermita-Buhain	Martinez	Savellano
Bautista-Bandigan	Escudero	Matugas	Sema
Belaro	Espino	Mellana	Siao
Belmonte (F.)	Estrella	Mendoza	Singson
Belmonte (J.C.)	Eusebio	Mercado	Suansing (E.)
Belmonte (R.)	Evardone	Mirasol	Suansing (H.)
Bernos	Fariñas	Montoro	Suarez
Bertiz	Ferrer (J.)	Nava	Tambunting
Biazon	Flores	Nieto	Tan (A.)
Billones	Fortun	Noel	Tan (M.)
Biron	Fortuno	Nogralas (J.J.)	Tan (S.)
Bolilia	Garbin	Nogralas (K.A.)	Tejada
Bondoc	Garcia (G.)	Nolasco	Tiangco
Bordado	Garcia (J.E.)	Nuñez-Malanyaon	Ting
Bravo (A.)	Garin (R.)	Oaminal	Tolentino
Bravo (M.V.)	Garin (S.)	Ocampo	Treñas
Brosas	Gasataya	Olivarez	Tugna
Bulut-Begtang	Gatchalian	Ong (E.)	Tupas
Calderon	Go (A.C.)	Ong (H.)	Ty
Calixto-Rubiano	Go (M.)	Ortega (P.)	Umali
Caminero	Gomez	Ortega (V.N.)	Unabia
Canama	Gonzales (A.P.)	Pacquiao	Ungab
Cari	Gonzales (A.D.)	Paduano	Unico
Casilao	Gonzalez	Palma	Uy (J.)

Uy (R.)	Villaraza-Suarez
Uybarreta	Villarica
Vargas	Villarin
Vargas-Alfonso	Violago
Velarde	Yap (A.)
Velasco	Yap (M.)
Velasco-Catera	Yu
Veloso	Zamora (M.C.)
Vergara	Zamora (R.)
Villafuerte	Zarate
Villanueva	Zubiri

THE SECRETARY GENERAL. The Speaker is present.

Mme. Speaker, the roll call shows that 248 Members responded to the call.

THE DEPUTY SPEAKER (Rep. Garin, S.). With 248 Members present, the presence of a quorum is hereby declared.

REP. CRISOLOGO. Mme. Speaker, I move for the deferment of the approval of the Journal of the previous session.

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

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

THE DEPUTY SPEAKER (Rep. Garin, S.). 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, and Communications, and the Deputy Speaker made the corresponding references:*

#### BILLS ON FIRST READING

House Bill No. 6143, entitled:

“AN ACT CREATING THE VISAYAS DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES”

By Representative Benitez  
TO THE COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION AND

THE SPECIAL COMMITTEE ON VISAYAS DEVELOPMENT

House Bill No. 6144, entitled:

“AN ACT PROVIDING FOR A MAGNA CARTA FOR BARANGAY HEALTH WORKERS”

By Representative Benitez  
TO THE COMMITTEE ON LOCAL GOVERNMENT

House Bill No. 6145, entitled:

“AN ACT ALLOWING THE EXTENSION OF SERVICES OF RETIRABLE OFFICIALS AND EMPLOYEES IN THE GOVERNMENT SERVICE UNDER EXCEPTIONAL CIRCUMSTANCES”

By Representative Chipeco  
TO THE COMMITTEE ON CIVIL SERVICE AND PROFESSIONAL REGULATION

House Bill No. 6146, entitled:

“AN ACT TO FURTHER STRENGTHEN THE STANDARD OF PROTECTION AND ENHANCEMENT OF THE WELFARE OF SELF-EMPLOYED WORKERS AND CRAFTSMEN AND THE PROMOTION OF ENTREPRENEURSHIP THEREBY AMENDING FOR THE PURPOSE, SECTION 8 OF REPUBLIC ACT NO. 8282 OTHERWISE KNOWN AS THE SOCIAL SECURITY ACT OF 1997”

By Representative Macapagal-Arroyo  
TO THE COMMITTEE ON LABOR AND EMPLOYMENT

House Bill No. 6147, entitled:

“AN ACT ESTABLISHING POLYTECHNIC UNIVERSITY OF THE PHILIPPINES-SABLAYAN CAMPUS IN THE MUNICIPALITY OF SABLAYAN, OCCIDENTAL MINDORO TO BE KNOWN AS ‘PUP-SABLAYAN CAMPUS’ APPROPRIATING FUNDS THEREOF AND FOR OTHER PURPOSES”

By Representative Cortuna  
TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 6148, entitled:

“AN ACT MANDATING ALL STUDENTS IN STATE UNIVERSITIES AND COLLEGES (SUCs) RECEIVING SCHOLARSHIPS, GRANTS, OR SUBSIDY FROM THE GOVERNMENT TO RENDER AT LEAST ONE YEAR OF RETURN SERVICE IN

THE PHILIPPINES FOR EVERY YEAR OF FREE TUITION/SCHOLARSHIP GRANT AND APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

By Representative Lopez (M.L.)  
TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

AN INQUIRY ON THE STATUS OF THE PLANNED INTEGRATED ‘NEW TOWNS’ AS RECOMMENDED IN THE TRANSPORT DEVELOPMENT PLAN OF NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY”

By Representatives Benitez and Sarmiento (C.)  
TO THE COMMITTEE ON RULES

House Bill No. 6149, entitled:

“AN ACT PROVIDING FOR AN INCREASE IN THE STANDING FORCE OF THE ARMED FORCES OF THE PHILIPPINES THROUGH THE RECRUITMENT AND SPECIAL ENLISTMENT OF PROVISIONAL ENLISTED PERSONNEL”

By Representative Alejano  
TO THE COMMITTEE ON NATIONAL DEFENSE AND SECURITY

House Resolution No. 1175, entitled:

“RESOLUTION URGING THE HOUSE OF REPRESENTATIVES THE COMMITTEE ON GOOD GOVERNMENT AND PUBLIC ACCOUNTABILITY TO INVESTIGATE IN AID OF LEGISLATION THE ALLEGED RECENT CORRUPTION IN THE COURT OF APPEALS”

By Representative Teves  
TO THE COMMITTEE ON RULES

House Bill No. 6150, entitled:

“AN ACT GRANTING EDUCATIONAL BENEFITS IN THE FORM OF SCHOLARSHIP GRANTS TO THE ORPHANED CHILDREN OF UNIFORMED GOVERNMENT PERSONNEL KILLED IN THE LINE OF DUTY AND FOR OTHER PURPOSES”

By Representative Tambunting  
TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Resolution No. 1176, entitled:

“RESOLUTION URGING THE HOUSE OF REPRESENTATIVES THE COMMITTEE ON WAYS AND MEANS TO INVITE FOR DISCUSSION THE BUREAU OF INTERNAL REVENUE (BIR) AND BUREAU OF CUSTOMS (BOC) ON THE MATTER OF INEFFICIENT COLLECTION OF LOCAL TAXES BY THE BIR AND TO INVESTIGATE THE RAMPANT CORRUPTION THAT HAS PLAGUED THE BOC FOR DECADES, BOTH OF WHICH CAUSED THE TAX GAP TO BALLOON TO MORE THAN 400 BILLION PESOS IN DEFICIENCY”

By Representative Teves  
TO THE COMMITTEE ON RULES

House Bill No. 6151, entitled:

“AN ACT ESTABLISHING A FISH PORT IN BARANGAY ICHON, MUNICIPALITY OF MACROHON, PROVINCE OF SOUTHERN LEYTE”

By Representative Mercado  
TO THE COMMITTEE ON AQUACULTURE AND FISHERIES RESOURCES

House Resolution No. 1177, entitled:

“A RESOLUTION URGING THE HOUSE COMMITTEE ON HEALTH TO LOOK INTO THE WIDESPREAD PREVALENCE OF SCHISTOSOMIASIS IN THE COUNTRY AND PRESCRIBE LEGISLATIVE MEASURES TO PREVENT THE DISEASE FROM FURTHER SPREADING AND PROMOTE ITS ELIMINATION”

By Representative Sarmiento (E.M.)  
TO THE COMMITTEE ON RULES

House Bill No. 6153, entitled:

“AN ACT INSTITUTIONALIZING NATIONAL INTEGRATED CANCER CONTROL AND APPROPRIATING FUNDS THEREFOR”

By Representative Vargas  
TO THE COMMITTEE ON HEALTH

RESOLUTIONS

House Resolution No. 1174, entitled:

“A RESOLUTION DIRECTING THE COMMITTEE ON HOUSING AND URBAN DEVELOPMENT AND THE COMMITTEE ON TRANSPORTATION OF THE HOUSE OF REPRESENTATIVES TO CONDUCT

House Resolution No. 1178, entitled:

“RESOLUTION URGING THE ASEAN MEMBER STATES TO PROMOTE FAIR AND ETHICAL RECRUITMENT AND ABOLISH RECRUITMENT FEES FOR MIGRANT WORKERS”

By Representative Arenas  
TO THE COMMITTEE ON OVERSEAS  
WORKERS AFFAIRS

House Resolution No. 1179, entitled:

“RESOLUTION CALLING FOR AN  
INVESTIGATION TO THE DEATH OF  
TRIATHLON ATHLETE ERIC NADAL  
MEDIAVILLO IN THE 2017 COBRA ENERGY  
DRINK IRONMAN 70.3 PHILIPPINES”

By Representatives Uybarreta and Velasco-Catera  
TO THE COMMITTEE ON RULES

House Resolution No. 1180, entitled:

“A RESOLUTION COMMENDING THE  
ASSOCIATION OF SOUTHEAST ASIAN  
NATIONS (ASEAN) ON ITS 50TH  
FOUNDING ANNIVERSARY”

By Representative Silverio  
TO THE COMMITTEE ON RULES

House Resolution No. 1181, entitled:

“A RESOLUTION URGING A LEGISLATIVE  
INQUIRY ON THE ACCUSATIONS RAISED  
AGAINST THE INCUMBENT COMELEC  
CHAIRMAN ATTY. ANDRES BAUTISTA”

By Representative Erice  
TO THE COMMITTEE ON RULES

#### ADDITIONAL COAUTHORS

Rep. Salvador B. Belaro Jr. for House Bills No. 6091, 6092, and 6113 and House Resolution No. 895;

Rep. Manuel Jose “Mannix” M. Dalipe for House Bills No. 11, 168, 921, 1143, 3177, 5018, and 5881;

Rep. Aniceto “John” D. Bertiz III for House Bill No. 649;

Rep. Jose Antonio “Kuya Jonathan” R. Sy-Alvarado for House Bills No. 5808, 5902, 5908, 5915, 5916, 5917, 5918, 5922, 5951, 5952, 5956, 5957, 5958, 5963, 5964, 6000, 6001, 6002, 6003, 6004, 6006, 6007, 6010, 6014, 6015, 6062, 6064, 6066, 6067, 6068, 6072, 6074, 6078, 6079, 6082, 6083, 6085, 6086, 6090, 6095, 6096, 6098, and 6120;

Rep. John Marvin “Yul Servo” C. Nieto for House Bills No. 1033, 1396, 5213, 5675, 5875, 6015, 6033, 6034, and 6051 and House Concurrent Resolution No. 9;

Rep. Lorna C. Silverio for House Bills No. 4421, 4430, 4433, 4992, 5549, 6019, 6066, and 6120;

Rep. Harlin Neil J. Abayon III for House Bill No. 1584;

Rep. Linabelle Ruth R. Villarica for House Bills No. 321, 929, and 2683;

Rep. Alfred D. Vargas for House Bills No. 5960 and 5994;

Rep. Carmelo “Jon” B. Lazatin II for House Bills No. 5524, 5829, 5830, 5832, and 5846 and House Resolutions No. 1048 and 1102;

Rep. Ramon V.A. “Rav” Rocamora for House Bill No. 1617;

Reps. Lorna P. Bautista-Bandigan, Elisa “Olga” T. Kho, Lianda B. Bolilia, and Juliette T. Uy for House Bill No. 5213;

Rep. Florida “Rida” P. Robes for House Bills No. 621, 5269, 5699, 5704, and 5705;

Rep. Emi G. Calixto-Rubiano for House Bills No. 11, 12, and 5269;

Rep. Rico B. Geron for House Bills No. 3, 1396, and 5269;

Rep. Raul V. Del Mar for House Bill No. 5524;

Rep. Mylene J. Garcia-Albano for House Bill No. 5811;

Rep. Greg G. Gasataya for House Bills No. 2881, 3118, and 3641;

Rep. Ma. Lourdes R. Aggabao for House Bill No. 3641;

Rep. Gus S. Tambunting for House Bills No. 5777 and 6034;

Reps. Luis Raymund F. Villafuerte Jr., Yedda Marie K. Romualdez, Geraldine B. Roman, Frederick W. Siao, Estrellita B. Suansing, Johnny Ty Pimentel, Deogracias B. Ramos Jr., Alex “AA” L. Advincula, and Mercedes K. Alvarez for House Bill No. 5549;

Rep. Strike B. Revilla for House Bills No. 5549 and 6095;

Rep. Eleanor C. Bulut-Begtang for House Bills No. 11, 4822, 5298, 5922, and 5956;

Rep. Tricia Nicole Q. Velasco-Catera for House Bills No. 12 and 4174;

Rep. Vini Nola A. Ortega for House Bill No. 3468;

Rep. Ben P. Evardone for House Bill No. 4383;

Rep. Pantaleon D. Alvarez for House Bill No. 4711;

Rep. Erico Aristotle C. Aumentado for House Bill No. 4174;

Rep. Bernadette “BH” Herrera-Dy for House Bill No. 6136;

Reps. Sherwin N. Tugna, Orestes T. Salon, Gabriel H. Bordado Jr., and Joaquin M. Chipeco Jr. for House Bill No. 1396; and Rep. Rodante D. Marcoleta for House Bills No. 6016 and 6152.

#### COMMUNICATIONS

Letter dated June 27, 2017 of Ernesto M. Pernia, Secretary, National Economic and Development Authority, submitting to the House of Representatives the NEDA Secretariat’s Report on the CY 2016 ODA Portfolio Review.

TO THE COMMITTEE ON WAYS AND  
MEANS

Letter dated July 4, 2017 of Allan S. Borromeo, CESO IV, OIC-Regional Director, Regional Office No. XI, Department of Public Works and Highways, furnishing the House of Representatives the Monthly Progress Status Reports of projects implemented by their office for the month of June 2017.

TO THE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

Letter dated July 12, 2017 of Gen. Ricardo R. Visaya (Ret.), Administrator, National Irrigation Administration, submitting to the House of Representatives the CY 2017 Second Quarter Progress Report on NIA CARP-IC for Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD) Project.

TO THE COMMITTEE ON AGRICULTURE AND FOOD

Letter dated July 12, 2017 of Gen. Ricardo R. Visaya (Ret.), Administrator, National Irrigation Administration, submitting the Second Quarter Report on NIA CARP-Irrigation Component for CY 2017.

TO THE COMMITTEE ON AGRICULTURE AND FOOD

Letter dated July 13, 2017 of Catalino S. Cuy, Officer-in-Charge, Department of the Interior and Local Government (DILG), submitting to the House of Representatives the Statement of Allotments, Obligations and Balances (Current and Cont. Appropriations) of the Office of the Secretary, DILG, as of June 30, 2017, in compliance with Section 91 of the General Provisions of Republic Act No. 10924.

TO THE COMMITTEE ON LOCAL GOVERNMENT

Letter dated July 17, 2017 of Catalino S. Cuy, Officer-in-Charge, Department of the Interior and Local Government (DILG), submitting to the House of Representatives the DILG's 2nd Quarter Progress Report on the Performance Challenge Fund for CY 2017, pursuant to Special Provision No. 1 of Republic Act No. 10924.

TO THE COMMITTEE ON LOCAL GOVERNMENT

Letter dated July 19, 2017 of Pelilia C. Veloso, Director IV, Regional Director, Regional Office No. II, Commission on Audit, furnishing copies of the Annual Audit Reports/Management Letter for the following Water Districts for CY 2016.

- A. Province of Cagayan
1. Calayan Water District (2009 to 2016)
  2. Sta. Praxedes Water District
  3. Sto. Niño Water District
  4. Metropolitan Tuguegarao Water District
  5. Santa Ana Water District

- B. Province of Isabela
6. Santiago Water District
  7. Angadanan Water District
  8. Gamu Water District
- C. Province of Quirino
9. Diffun Water District

TO THE COMMITTEE ON APPROPRIATIONS

#### SUSPENSION OF SESSION

THE DEPUTY SPEAKER (Rep. Garin, S.). May we request for a one-minute suspension of the session.

*It was 4:17 p.m.*

#### RESUMPTION OF SESSION

*At 4:17 p.m., the session was resumed with Deputy Speaker Eric D. Singson presiding.*

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

The Floor Leader is recognized.

REP. LOPEZ (B.). Mr. Speaker, before we resume, I would like to read the names of the guests in the gallery of Hon. Cheryl P. Deloso-Montalla of the Second District of Zambales and Hon. Jeffrey D. Khonghun of the First District of Zambales.

THE DEPUTY SPEAKER (Rep. Singson). Please rise to be recognized.

REP. LOPEZ (B.). They are Aquilino Cortez Jr., Erika M. Cortez, Jose Benedicto Felarca, Christian Esposito, Geraldo Dalupang, Lugil Ragadio, Richard Lance Ritual, Leo John Farrales, Eda Medrano, Irene Maniquez, Doris Ladines, Generoso Amog, Leonidas Echon, Miguel Maniago, and Mae Eay.

They are from the Vice Mayors' League of the Philippines, Zambales Chapter.

THE DEPUTY SPEAKER (Rep. Singson). Welcome to the House of Representatives. *(Applause)*  
The Floor Leader is recognized.

REP. LOPEZ (B.). Also, Mr. Speaker, we would like to greet the guests of the Hon. Jorge "Bolet" Banal of the Third District of Quezon City.

THE DEPUTY SPEAKER (Rep. Singson). Please rise.

REP. LOPEZ (B.). Yes.  
They are teacher Rizalyn S. Camacho and the Grade 12 students from Miriam College. *(Applause)*

THE DEPUTY SPEAKER (Rep. Singson). Welcome to the House of Representatives.

REP. LOPEZ (B.). Greeting the guests, as well, we would like to acknowledge the presence of the guests of Cong. Mario Vittorio “Marvey” A. Mariño.

THE DEPUTY SPEAKER (Rep. Singson). Please rise to be recognized.

REP. LOPEZ (B.). They are the Barangay Chairmen from Batangas City: Cirila Lilay De Ocampo, Digna Fajarito, Ricardo Abaya, Lucila De Ocampo, Pastor Perez, Roberto Quinere, Melecio Delica, Marcelo Evangelio, Nenelita Zaraspe, Lorenzo M. Burog, Moises Dudas and Ruel Perez.

THE DEPUTY SPEAKER (Rep. Singson). Welcome to the House of Representatives. (*Applause*)

REP. LOPEZ (B.). Also, we would like to acknowledge the presence of the guests of Rep. Evelina G. Escudero of the First District of Sorsogon. They are the exchange students from Nanzan University–Japan, hosted by the Ateneo de Manila University, headed by Professor David M. Potter.

THE DEPUTY SPEAKER (Rep. Singson). Please rise. Welcome to the House of Representatives, guests of Congresswoman Escudero. (*Applause*)

REP. LOPEZ (B.). We would also like to acknowledge the presence of the guests of the Hon. Sherwin N. Tugna, Representative of CIBAC Party-List, and Cong. Gavini “Apol” C. Pancho of the Second District of Bulacan. They are from Barangays Lagundi, Sipat and Banga I of Plaridel, Bulacan. They wish to be acknowledged in the session as well, Mr. Speaker. (*Applause*)

THE DEPUTY SPEAKER (Rep. Singson). Welcome to the House of Representatives. The Floor Leader is recognized.

#### CONSIDERATION OF H.B. NO. 5745 *Continuation*

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. LOPEZ (B.). Mr. Speaker, under the Calendar of Unfinished Business, I move that we consider House Bill No. 5745, contained in Committee Report No. 262, as submitted by the Committees on Agriculture and Food, and Appropriations and for this purpose, may I ask that the Secretary General be directed to read the title of the Bill.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Singson). The Secretary General will please read the title of the Bill.

THE SECRETARY GENERAL. House Bill No. 5745, entitled: AN ACT ESTABLISHING THE COCONUT FARMERS AND INDUSTRY DEVELOPMENT TRUST FUND AND PROVIDING FOR ITS MANAGEMENT AND UTILIZATION.

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

REP. LOPEZ (B.). Mr. Speaker, the parliamentary status of the Bill is that it is in the period of sponsorship and debate. I move that the Hon. Jose T. Panganiban Jr., CPA, LLB., Chairperson of the Committee on Agriculture and Food, be recognized.

THE DEPUTY SPEAKER (Rep. Singson). The Honorable Panganiban, the Chairperson of the Committee, is recognized.

REP. LOPEZ (B.). Mr. Speaker, to resume his interpellation, I move that we recognize the Gentleman from the First District of Albay, the Hon. Edcel C. Lagman, for his continuing interpellation.

THE DEPUTY SPEAKER (Rep. Singson). The Honorable Lagman of Albay is recognized to interpellate the Sponsor.

You may proceed, Honorable Lagman.

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

The preparation of the Coconut Farmers and Industry Development Plan is the task of the Ad Hoc Committee. Is that correct?

REP. PANGANIBAN. Yes, Mr. Speaker, distinguished interpellator, that is correct.

REP. LAGMAN. In discharging this function, the Coconut Farmers and Industry Development Plan shall be, and I quote, “consistent with the Philippine Development Plan,” under Section 21 of the Bill. Is that correct?

REP. PANGANIBAN. Yes, Mr. Speaker, distinguished interpellator, that is correct.

REP. LAGMAN. What does the Philippine Development Plan say specifically about the utilization of the Coco Levy Funds, Mr. Speaker, distinguished Sponsor?

REP. PANGANIBAN. With respect to the coco levy and the Coconut Development Plan, the Philippine Development Plan has yet to come up with the plan for the development of the coconut industry, Mr. Speaker, distinguished Sponsor.

REP. LAGMAN. The Philippine Development Plan has been approved by the President, and the same has been issued—and the plan is up to 2022 and under the legislative agenda of the Philippine Development Plan with respect to the utilization of the Coco Levy Funds, there is already a very specific mandate. Is the distinguished Sponsor aware of this particular mandate?

REP. PANGANIBAN. Mr. Speaker, distinguished interpellator, the Sponsor is not aware of the specific mandate as embodied in the Philippine Development Plan.

REP. LAGMAN. Well, let me quote for the record, Mr. Speaker, what the Philippine Development Plan provides with respect to the utilization of the Coco Levy Funds, and I read the same, Mr. Speaker. It says here, “To consolidate all assets and benefits emanating from the coconut levy, and create a” Coconut Farmers and Industry “Trust Fund” to exclusively—let me underscore that—exclusively benefit coconut farmers and farm workers. That is the very specific mandate of the Philippine Development Plan with respect to the utilization of the Coco Levy Funds. Let me repeat that, Mr. Speaker, “To consolidate all assets and benefits emanating from the coconut levy, and create a” Coconut Farmers and Industry “Trust Fund” to exclusively benefit coconut farmers and farm workers.

Now, with that disclosure of what is contained in the Philippine Development Plan with respect to the utilization of the Coco Levy Funds, I am willing to momentarily terminate—no, momentarily suspend my interpellation and even eventually terminate the same, and I am willing to sit down with the distinguished Sponsor, so that we could now discuss possible compromises and amendments to House Bill No. 5745 in order to follow the mandate of the Philippine Development Plan, more particularly prioritizing, if not exclusively prioritizing, the utilization of the Coco Levy Funds in favor of the coconut farmers and farm workers. If the distinguished Gentleman is willing to sit down with this Representation, then I will momentarily suspend my interpellation so that we could discuss possible amendments to the Bill.

REP. PANGANIBAN. Mr. Speaker, the Sponsor is willing to sit down with the distinguished interpellator, but before we move, Mr. Speaker, I would just like to take the attention of the distinguished interpellator to

Section 7 of the proposed House Bill, which provides, and I quote:

Purpose of the Trust Fund. The Trust Fund shall be used exclusively for the ultimate benefit of coconut farmers and farm workers as embodied in the Coconut Farmers and Industry Development Plan prepared pursuant to Section 21 hereof.

Having said that, Mr. Speaker, the Sponsor is more than willing to sit down with the distinguished interpellator because as has been discussed by the distinguished interpellator, the purpose of the fund, as embodied in Section 7, shall be used exclusively for the ultimate benefit of the coconut farmers.

REP. LAGMAN. Well, thank you, Mr. Speaker.

Thank you, distinguished Sponsor, for your willingness to sit down and possibly draft amendments to the proposed Bill, consistent with the Philippine Development Plan.

REP. PANGANIBAN. Willingly, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Singson). So, what is the pleasure now of the Sponsor?

REP. PANGANIBAN. Mr. Speaker, as just mentioned by the distinguished interpellator, the Sponsor is willing to sit down with the distinguished interpellator to discuss what possible amendments, if there are any, are consistent with Section 7 of the proposed House Bill.

REP. LAGMAN. And consistent with the Philippine Development Plan.

THE DEPUTY SPEAKER (Rep. Singson). With that statement of the Sponsor, Mr. Floor Leader, ...

REP. LOPEZ (B.). Mr. Speaker, with that, there being no other Member who wishes to interpellate the Sponsor, I move that we now terminate the period of sponsorship and debate.

REP. LAGMAN. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Singson). Yes.

REP. LAGMAN. I said that I am momentarily suspending my interpellation so that I can sit down with the distinguished Sponsor to draft possible amendments. If we are successful, then I will eventually terminate my interpellation; otherwise, I will pursue my interpellation.

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



## SUSPENSION OF SESSION

REP. PANGANIBAN. Mr. Speaker, we would like to suspend the session.

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

*It was 4:31 p.m.*

## RESUMPTION OF SESSION

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

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

The Floor Leader is recognized.

REP. LOPEZ (B.). Mr. Speaker, upon checking, I would like to withdraw my previous motion. I move to withdraw my previous motion to terminate the period of sponsorship and debate.

I so move, Mr. Speaker.

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

The motion is withdrawn.

REP. LOPEZ (B.). Mr. Speaker, I move that we suspend the consideration of Committee Report No. 262 on House Bill No. 5745.

I so move, Mr. Speaker.

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

The Floor Leader is recognized.

## CONSIDERATION OF H.B. NO. 5828

*Continuation*

## PERIOD OF SPONSORSHIP AND DEBATE

REP. LOPEZ (B.). Mr. Speaker, also under the Calendar of Unfinished Business, I move that we resume the consideration of House Bill No. 5828, as contained in Committee Report No. 295, submitted by the Committee on Economic Affairs, and for this purpose, may I ask that the Secretary General be directed to read the title of the Bill.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Singson). The Secretary General is directed to read the title of the Bill.

THE SECRETARY GENERAL. House Bill No. 5828, entitled: AN ACT PROVIDING FOR THE DEFINITION OF PUBLIC UTILITY, FURTHER AMENDING FOR THE PURPOSE COMMONWEALTH ACT NO. 146, OTHERWISE KNOWN AS THE "PUBLIC SERVICE ACT," AS AMENDED.

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

REP. LOPEZ (B.). Mr. Speaker, the parliamentary status of the Bill is that it is in the period of sponsorship and debate.

I move that the Hon. Arthur C. Yap, the Chairperson of the Committee on Economic Affairs, be recognized.

THE DEPUTY SPEAKER (Rep. Singson). The Hon. Arthur Yap, the Chairperson of the Committee on Economic Affairs, is recognized.

REP. YAP (A.). Good afternoon, Mr. Speaker.

REP. LOPEZ (B.). Mr. Speaker, I move that we also recognize the Gentleman from the First District of Albay, the Hon. Edcel C. Lagman, for his interpellation.

THE DEPUTY SPEAKER (Rep. Singson). The Hon. Edcel Lagman is recognized to interpellate the Sponsor.

REP. LAGMAN. Thank you, Mr. Speaker.

May the distinguished Sponsor yield to a series of questions.

REP. YAP (A.). Yes, Mr. Speaker.

REP. LAGMAN. The distinguished Sponsor declared that the primary purpose of House Bill No. 5828 is to make a statutory definition of "public utility," although he admitted that there is already a judicial definition. Is my recollection correct?

REP. YAP (A.). Yes, Your Honor, Mr. Speaker.

REP. LAGMAN. In the *National Power Corporation vs. Court of Appeals*, G.R. No. 112702, dated September 26, 1997, the Supreme Court held:

A "public utility" is a business or service engaged in regularly supplying the public with some commodity or service of public consequence such as electricity, gas, water, transportation, telephone or telegraph service. The term implies public use and service.

Now, in another case also defining “public utility,” in the case of *Kilusang Mayo Uno Labor Center vs. Hon. Jesus Garcia*, G.R. No. 115381, December 23, 1994, the Supreme Court held:

Public utilities are privately owned and operated businesses whose services are essential to the general public. They are enterprises which specifically cater to the needs of the public and conduce to their comfort and convenience. As such, public utility services are impressed with public interest and concern.

In the case of *Iloilo Ice and Cold Storage Company vs. Public Utility Board*, the High Court said that as its name indicates, the term “public utility” implies public use and service to the public. The principal determinative characteristic of a public utility is that of service or readiness to serve an indefinite public or portion of the public, as such, which has a legal right to demand and receive its services or commodities. To quote a portion of its ruling:

The essential feature of the public use is that it is not confined to privileged individuals, but is open to the indefinite public.

With these foregoing definitions of “public service,” the distinguished Sponsor branded its decision as judicial legislation. Is that correct?

REP. YAP (A.). Yes, Mr. Speaker.

REP. LAGMAN. How does the Sponsor understand judicial legislation?

REP. YAP (A.). Mr. Speaker, it is the Judiciary defining metes and bounds and parameters of law when Congress has failed to be very clear, perhaps, in clarifying certain definitions or statutes. For which reason, Mr. Speaker, we have come to Congress today to clarify the metes and bounds of public services so that we do not abrogate to the legislature the task of having to interpret our laws.

REP. LAGMAN. Judicial legislation has a definite meaning, it is an abhorrent practice of the court which has no place in our jurisprudence. But when a court, especially the Supreme Court, interprets or constructs the intention of the Constitution or a statute on a particular matter like public utility, then there is no judicial legislation.

May we know if the distinguished Sponsor is of the opinion that the judicial definitions I have mentioned are incorrect.

REP. YAP (A.). I do not have the specific legal definitions, Mr. Speaker, but the definitions so provided by the Supreme Court are precisely those definitions which we are now reflecting in the redefinition or in providing the definition for the Public Service Act and public utilities. According to the honorable interpellator, as the Supreme Court has interpreted, we are taking the interpretations now and casting them into something clearer for Commonwealth Act No. 146. We are merely exercising our powers under the Constitution, our powers to legislate laws, to clarify, amend or repeal our laws. So, I feel that in our exercise of our powers, there can be no gray area in what we are trying to do. We are merely exercising our powers as provided by the Constitution, as the Supreme Court exercises its powers to rule and interpret legal controversies, Mr. Speaker.

REP. LAGMAN. In other words, Mr. Speaker, distinguished Sponsor, the definitions of the Supreme Court on what is public service are correct. As a matter of fact, the distinguished Sponsor is saying that this Bill incorporates the decisions of the Supreme Court in the statutory definition he is advancing. Is that correct?

REP. YAP (A.). Yes. These decisions of the Supreme Court form laws of the land, Mr. Speaker.

REP. LAGMAN. In other words, these decisions of the Supreme Court are not judicial legislation because they are a competent and appropriate construction of the intention of the Constitution as well as the Public Service Act when it mentions public utility.

REP. YAP (A.). Mr. Speaker, the Supreme Court has had to make these findings precisely because the laws have not been clear. So, in that respect, as the legislature has laid down the concept or the principles, the Supreme Court has had to supply clarity to the legislative intent precisely because they are refrained from using—maybe not clear, Mr. Speaker; but as technology and innovation, as the world changes, the original definition of what public services are which were crafted 81 years ago may need to be revisited right now. You must understand that this law was crafted in 1936, even before the Philippines was a sovereign nation. At that time, we were a colony of the United States—that was even before World War II. So, because of changes in innovation and technology, we may need now to revisit even the decisions cited. These were decisions of more than 10 years ago and so much in innovation and change have taken place and that is the reason I feel we must simply meet head-on—what we are trying to do which is providing a clearer definition of what public services and public utilities are, rather than discussing legal concepts of the import, effect or impact of Supreme Court decisions, Mr. Speaker, honorable interpellator.

REP. LAGMAN. What I am trying to impress upon the distinguished Sponsor is that these definitions of the Supreme Court on public utility are not judicial legislations, but they are competent construction of the intention of the Constitution as well as of the Congress. Is that correct?

REP. YAP (A.). It is not a question of whether it is correct or not, Mr. Speaker. This is the opinion of the honorable interpellator and I will leave that with him as his opinion.

REP. LAGMAN. No, I am asking...

REP. YAP (A.). As I said, we are here, Mr. Speaker, honorable interpellator, simply to provide clarity to the provisions of Commonwealth Act No. 146.

REP. LAGMAN. I am not imposing my opinion on the distinguished Sponsor. I am asking his opinion because he previously said that these definitions are judicial legislations which are not. As a matter of fact, he is adopting this definition as part of the statutory definition he is trying to propose.

REP. YAP (A.). Mr. Speaker, these decisions sought to clarify the law and that is the reason it is co-judicial legislation because where the law has not been clear, the Judiciary, in its decisions, has supplied clarity.

REP. LAGMAN. I think...

REP. YAP (A.). That is why it is being called judicial legislation, but as I said, I will grant the opinions and the view of the honorable interpellator, if that is his appreciation.

REP. LAGMAN. No, it is not my appreciation. I am trying to get the opinion of the distinguished Sponsor because definitely, judicial legislation is abhorrent in our jurisdiction but judicial construction is not and let me just quote *Tañada vs. Yulo*, G.R. No. L-43575, dated May 31, way back 1935.

It says here, and I quote:

There is a sharp distinction, however, between construction of this nature and the act of a court in engrafting upon a law something that has been omitted which someone believes ought to have been embraced. The former is liberal construction and it is a legitimate exercise of judicial power. The latter is judicial legislation forbidden by the tripartite division of powers among the three departments of government—the executive, the legislative, and the judicial.

So, there is a great difference between judicial construction and judicial legislation. The definitions of the Supreme Court, which I have mentioned, are judicial construction not according to the distinguished Sponsor in his previous answers to the other interpellators, not judicial legislation.

Now, let me proceed to my other questions. May we know the difference between the judicial definition of “public utility” and the proposed statutory definition of “public utility” under House Bill No. 5828.

REP. YAP (A.). There is actually no clear definition as provided by the Supreme Court decisions. What it had done was basically interchangeably used the definition of “public services” as provided by Commonwealth Act No. 146 and apply it to the cases that it meets in legal controversies that are brought to it. So, what happens is, it takes cases; it takes actual sectors and includes it in the ambit of public utilities. In different cases, it takes different types of sectors and businesses, and includes it in the enumeration of public utilities. But the common thread in these Supreme Court decisions, Mr. Speaker, is that, a public utility is a public service. A public utility regularly distributes a commodity or a service of public’s consequence through a network, and a public service can be regulated and its operations can be taken over by the State when public interest so requires it.

These are the basic broad stroke definitions that are consistent in a long line of decisions and these are the criteria that we are putting in the Bill in the hopes of clarifying the definition of what a public utility is.

REP. LAGMAN. In other words, Mr. Speaker, distinguished Sponsor, the definitions of the Supreme Court on public utility and the proposed statutory definition run on parallel grounds because the constituent elements are the same: one, a public utility is owned and operated to provide or render public service; and two, it offers public service on a regular basis. There is no discrimination as to who should be served because what is being served is the public, not a privileged few. So, both the proposed definition and the statutory definition—no, the statutory definition as proposed and the judicial definition are virtually the same.

Now, let me go to my previous question, how does ...

REP. YAP (A.). Mr. Speaker, honorable interpellator, forgive me, Sir. Significantly the same, Mr. Speaker, Your Honor, except for the fact that an additional criterion would be that the business or the sector being considered for inclusion under the definition of “public utility” must also be a natural monopoly. So, we concede to the argument of the honorable interpellator that, substantially, the criteria are the same except for maybe one or two more that we have put in to further clarify

and provide a clearer statutory definition of “public utilities,” Mr. Speaker, Your Honor.

REP. LAGMAN. Now, under House Bill No. 5828, how is public utility defined?

REP. YAP (A.). Public utility is defined as a person that operates, manages and controls for public use any of the following: 1) distribution of electricity; 2) transmission of electricity; and 3) water pipeline distribution system or sewerage pipeline system.

Then, no other person, business or service shall be deemed public utility unless otherwise subsequently provided by law. So, the National Economic and Development Authority, the NEDA, in consultation with the Philippine Competition Commission, can add to this list, shall recommend to Congress the classification of a person, business or service as a public utility on the basis of the following criteria. And there we provide the criteria of what can be added to the list of public utility: first, the person performs a public service; second, the business or service engaged in regularly supplying or directly transmitting and distributing to the public through a network a commodity or service of public consequence, and this was lifted from *Albano versus Reyes* and the *J.G. Summit Case versus Court of Appeals*; third, that it is a natural monopoly; fourth, that it is necessary for the maintenance of life and occupation of residents, that is also in the J.G. Summit case; and fifth, the business or service is obligated to provide adequate service to the public on demand. That was also enunciated in the J.G. Summit case. That is how it is defined, Sir.

REP. LAGMAN. Yes. Thank you, distinguished Sponsor, for telling us that many of these Supreme Court’s decisions have been incorporated in this statutory definition.

Now, who manages? Because this definition only talks about operation, management and control, may I know who manages, operates and controls a public utility? Is it not the owner?

REP. YAP (A.). Under the Constitution, Sir, the operation, the management and the control must be left to Filipino citizens or, if corporations, corporations that are 60-40 owned in favor of Filipinos.

REP. LAGMAN. In other words, antecedent to managing, operating and controlling a public utility is the fact of ownership. Is that correct?

REP. YAP (A.). Yes, Mr. Speaker.

REP. LAGMAN. Now, the owner may be a sole proprietor, a corporation, a partnership or an association. Is that correct?

REP. YAP (A.). Yes, Mr. Speaker.

REP. LAGMAN. When the owner is a sole proprietor, what should be his citizenship?

REP. YAP (A.). He must be a Filipino, Sir.

REP. LAGMAN. He must be a Filipino.

REP. YAP (A.). For a public utility.

REP. LAGMAN. Yes. When the owner is a private corporation, aside from incorporating under Philippine laws, it should satisfy a citizenship requirement with respect to its capital. Is it correct?

REP. YAP (A.). Mr. Speaker, honorable interpellator, let me clarify my answer. To own a public utility or a public service corporation, one does not need to be a Filipino citizen. But to operate and control, the Constitution is very specific that one must be a Filipino, or if a corporation or association, must at least be 60-40.

REP. LAGMAN. For purposes of operation and control?

REP. YAP (A.). For purposes ...

REP. LAGMAN. Or for purposes of ownership?

REP. YAP (A.). For purposes of ownership, as I said, Sir, one can be a foreigner, one can be a Filipino. But, for purposes of operating and controlling, one has to be a Filipino and one has to be at least 60-40 if it is a corporation.

REP. LAGMAN. The Constitution mentions of operation and ownership. You cannot possibly divorce ownership from management, operation and control. All of these facets of a public utility must comply with the constitutional requisite of citizenship.

Let me read in toto the pertinent provision of the Constitution in Section 11 of Article XII, which states:

No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least sixty per centum of whose capital is owned by such citizens.

So, the two aspects here, the principal aspects of a public utility are mentioned by the Constitution: operation and ownership. I think the Constitution should

be read not piecemeal but in its entirety as a pertinent and coherent provision. So, we cannot exclude from the definition of a public utility the fact of ownership, but the problem with this particular Bill is that it limits the definition of a public utility to operation, management and control, and it forgot or excluded the more paramount factor of ownership. Is my reading of the Constitution, distinguished Sponsor, accurate?

*At this juncture, Deputy Speaker Singson relinquished the Chair to Deputy Speaker Sharon S. Garin.*

REP. YAP (A.). Mme. Speaker, there is a clear distinction in law between ownership and operation and control of a business because you can own a business and still surrender its control or operation to another entity that does not own the assets of the operating company or corporation.

REP. LAGMAN. Now, let me go to the basic. With respect to a public utility—the owner, whether a proprietorship, a corporation or partnership must comply with the specific requirement. Is that correct under the Constitution?

REP. YAP (A.). The owner does not have to.

REP. LAGMAN. Does not have to?

REP. YAP (A.). Does not have to, Mme. Speaker.

REP. LAGMAN. In other words, a public utility can be owned by a foreigner or by a completely foreign-owned corporation with 100 percent foreign capital. Is that correct?

REP. YAP (A.). Yes, Mme. Speaker. Yes, Mr. interpellator.

REP. LAGMAN. That ...

REP. YAP (A.). But the operation falls within the constitutional prohibition, the constitutional guidelines on 60-40 and Filipino citizenship, owned and controlled, Mme. Speaker, honorable interpellator.

REP. LAGMAN. Well, I think we will be running smack against the restrictions of the Constitution. And if this Bill becomes a law, it could not pass the judicial scrutiny of the Supreme Court on constitutionality because both operation and ownership should be compliant with the system requirement of the Constitution. Now, may I know whether in the operation of a public utility, in the management of a public utility, and in the control of public utility, are there constitutional restrictions?

REP. YAP (A.). Sir, Mme. Speaker. Sir, I am sorry. Can I please have the question restated?

REP. LAGMAN. In the operation ...

REP. YAP (A.). Yes, Sir.

REP. LAGMAN. ... management and control of a public utility, are there constitutional restrictions?

REP. YAP (A.). If it is a public utility, Mme. Speaker, the operation must be handled by Filipinos or if a corporation, it must be a 60:40 corporation, in favor of Filipinos.

REP. LAGMAN. In other words, there are constitutional restrictions with respect to operation, management and control of public utilities. The more pertinent provision reads, and I quote—that is still under Section 11:

The participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines.

Is that reading of the Constitution accurate?

REP. YAP (A.). For public utilities, Sir?

REP. LAGMAN. Yes, we are talking only of public utilities.

REP. YAP (A.). No, Sir.

REP. LAGMAN. It is not accurate. Can you please refer to your own copy of the Constitution?

REP. YAP (A.). Section?

REP. LAGMAN. Section 11, the last sentence of Section 11, starting with the phrase “The participation of x x x.”

REP. YAP (A.).

The participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines.

Yes, Sir, we confirm this provision.

REP. LAGMAN. Yes. And it says here—in other words, there are constitutional restrictions with respect to the management, operation and control of public utilities.

When the Constitution says “proportionate share in its capital”, does that refer to ownership?

REP. YAP (A.). Yes, Mme. Speaker.

REP. LAGMAN. It does. In other words, the Constitution requires a citizenship requirement with respect to ownership. We could not pass a law wherein ownership can be given to foreigners or completely foreign-owned corporations in the management, control and operation of public utilities because the antecedent requirement is with respect to ownership, as a corporation or a public utility cannot operate, cannot manage or control a public utility without a grant from the government. And that grant from the government can be only granted to Filipino citizens or corporations or associations whose capital is at least 60 percent Filipino.

I have a strong feeling, Mme. Speaker, distinguished Sponsor, that this Bill can be a subterfuge to allow foreigners to own public utilities. I hope I am wrong but this is my impression from the language of the Bill as well as from the answers of the distinguished Sponsor.

Well, the silence of the distinguished Sponsor is probably an affirmation of what I have said.

REP. YAP (A.). Mme. Speaker, no, it is not. I would like to assure the honorable interpellator that my silence does not mean acquiescence...

REP. LAGMAN. Okay.

REP. YAP (A.). ... to the point except that it is to respectfully grant his opinion that this is his view and we accept his view on this matter.

REP. LAGMAN. Presently, what are the enterprises which are considered public utilities? Can I have a short enumeration?

REP. YAP (A.). Because of the fact that these industries are in themselves natural monopolies, we have identified a few which we have provided in the Bill, which are transmission and distribution of electricity, water pipeline and sewerage distribution.

REP. LAGMAN. What else? Are there others? How about carriage and transportation companies? Are they public utilities?

REP. YAP (A.). I would say, Mme. Speaker, because in the absence of a clear definition of what public utilities are, there have been cases in the Supreme Court where common carriers were considered public utilities.

REP. LAGMAN. And, for common carriers or the business of common carriers and transportation, they have to get a franchise or a Certificate of Public Convenience, is that correct?

REP. YAP (A.). In today’s legal reality, it would be a franchise or/and authorization to operate ...

REP. LAGMAN. Okay.

REP. YAP (A.). ... since the law has done away with Certificates of Public Convenience and Necessity.

And, public service corporations and public utilities that will be covered by this Bill, if converted—if passed into law, would continue to be regulated by the government and would continue to need franchises and authorizations from the government to operate.

REP. LAGMAN. How about telecommunication companies, are they considered public utilities?

REP. YAP (A.). In today’s parlance, it is considered public utility. And, even in the future, if considered public services, Your Honor, they would still be regulated by the government and franchise would still be needed to operate them.

REP. LAGMAN. How about enterprises engaged in power generation, are they considered public utilities?

REP. YAP (A.). Yes, Mme. Speaker.

REP. LAGMAN. Now, when this Bill, perchance, becomes a law, can foreigners, without complying with the citizenship requirement, own telecommunication companies?

REP. YAP (A.). Yes, Mme. Speaker.

REP. LAGMAN. Likewise, if this Bill becomes a law, can foreigners, without complying with the citizenship requirement, engage in power generation?

REP. YAP (A.). Mme. Speaker, power generation, under the EPIRA Law, is not a public utility but transmission and generation are.

REP. LAGMAN. So, let us leave it that to transmission and—how do you call that?

REP. YAP (A.). Transmission and distribution.

REP. LAGMAN. ... and distribution.

REP. YAP (A.). Yes.

REP. LAGMAN. Well, if this Bill becomes a law, can foreigners, without satisfying the citizenship requirement under the Constitution, engage in transmission and distribution of power?

REP. YAP (A.). If this Bill is passed into law, foreigners will still have to comply with the 60-40 for operation and control.

REP. LAGMAN. No, I am asking for ownership. Can they own?

REP. YAP (A.). They can, Sir.

REP. LAGMAN. They can?

REP. YAP (A.). They can. They already do. They already can.

REP. LAGMAN. If this Bill becomes a law, can foreigners, without satisfying the citizenship requirement, own transportation companies or utilities engaged in public carriage?

REP. YAP (A.). They can, Sir.

REP. LAGMAN. They can. When this Bill becomes a law, can foreigners, without satisfying the citizenship requirement, engage in water piping, water pipeline distribution system or sewerage pipeline system?

REP. YAP (A.). They can, as they can today.

REP. LAGMAN. And, all of these you have mentioned can be owned by foreigners without satisfying the citizenship requirement imposed by the Constitution?

REP. YAP (A.). They ...

REP. LAGMAN. But, with respect to management, operation and control, there should be compliance with the citizenship requirement required by the Constitution. Is that correct?

REP. YAP (A.). If they are considered public utilities, then they must comply.

REP. LAGMAN. They must comply.

I cannot see the wisdom of why operation, management and control should be subject to the 60 percent requirement on citizenship, but ownership can be 100 percent foreign. That I cannot comprehend. Neither could I subscribe to such proposition because it is in violation of the precise language of the Constitution with respect to the ownership, as well as operation of public utilities.

REP. YAP (A.). Mme. Speaker, distinguished interpellator, it is precisely because the Supreme Court has already ruled in the case of *Tatad vs. Garcia* that there is a difference between the ownership and the control of these public service corporations.

REP. LAGMAN. What, in effect, did the Supreme Court say in *Tatad vs. Garcia*?

REP. YAP (A.). Mme. Speaker, distinguished interpellator that they are different, that they can co-exist differently; therefore, the treatment under the law is different as well, and can be specifically provided for.

REP. LAGMAN. Did the Supreme Court say in *Tatad vs. Garcia* that public utilities may be owned by foreigners without satisfying the citizenship requirement?

REP. YAP (A.). What *Tatad vs. Garcia* says is, what constitutes a public utility is not its ownership but its use to serve the public.

REP. LAGMAN. Yes, but my question is, did the Supreme Court rule in *Tatad vs. Garcia* that foreigners can own 100 percent of public utilities?

REP. YAP (A.). It did not specifically say so, Mme. Speaker.

REP. LAGMAN. Okay.

In Section 3, that is on page 4 of the Bill, there is a bracket between the term "Commission" and "fifty years." That is Section 3, amending Section 16 of Commonwealth Act No. 146. In the process of amendment, the citizenship requirement has been deleted. Is that correct, Mme. Speaker, distinguished Sponsor?

REP. YAP (A.). What line is the Gentleman referring to, Mme. Speaker?

REP. LAGMAN. I think the entire provision, Mme. Speaker, some of which are under bracket. It is from lines 11 to 26.

REP. YAP (A.). Page 6?

REP. LAGMAN. On page 4, Mme. Speaker.

REP. YAP (A.). Page 4, line 11, states: "To issue certificates ..."

REP. LAGMAN. Yes. More explicitly on lines 16 to 26, starting from the phrase in a bracket "[Provided, That x x x.]"

REP. YAP (A.). May I quote, Mme. Speaker:

[Provided, That thereafter, certificates of public convenience and certificates of public convenience and necessity will be granted only to citizens of the Philippines or of the United States or to corporations, co-partnerships, associations or joint-stock companies constituted and organized under the laws of the Philippines; Provided, That sixty per centum of the stock or paid-up capital of any such corporations, co-partnership, association or joint-stock company must belong entirely to citizens of the Philippines or of the United States: Provided, further, That no such certificates shall be issued for a period of more than fifty years.]

Mme. Speaker, distinguished interpellator, what we are trying to say here is, we are trying to be consistent with the constitutional provision on the prohibition referring to control and not to ownership.

REP. LAGMAN. But I think the Constitution both mentions operation and ownership. So, ownership cannot be divorced from operation because there has to be Philippine ownership to the extent of 60 percent with respect to corporations or partnership or association, and 100 percent with respect to sole proprietorship. This particular deletion would send the wrong signal that in the grant of a franchise or whatever authority to a public utility enterprise, there is no more need for the applicant to comply with the citizenship requirement.

REP. YAP (A.). Mme. Speaker, distinguished interpellator we still continue to reiterate that whatever the amendments here are focused on the fact of staying consistent with the constitutional provision, but providing a statutory definition to clearly take out from the ambit of public services only public utilities, thereby providing some clarity in the definition of what would fall into the constitutional prohibition.

REP. LAGMAN. Mme. Speaker, at the proper time, we will have to propose amendments to include the constitutional provision on the citizenship requirement, with respect to operation and ownership of public utilities to save this Bill from a constitutional infirmity. I think we should be able to call a spade a spade. This Bill puts under the rug the basic requirement of ownership which should comply with the citizenship requirement. Why pass a Bill which would defy constitutional restrictions? Why pass a Bill to avoid constitutional requirements? That is why we are having this interpellation to impress upon our Members that this Bill has to be amended; otherwise, it suffers from constitutional infirmity, and

we could be accused of a subterfuge to allow foreigners to own public utilities in the Philippines. As long as the Constitution provides for citizenship requirement for the ownership and operation of public utilities, we must comply. If there is any attempt to amend that Constitution through legislative fiat, we must challenge that. If there is a need to amend the Constitution to liberalize the economic provision, then that has to come and that has to be approved in the proper Constituent Assembly or Constitutional Convention and ratified by the Filipino people. But pending the amendment of the Constitution, we must comply that public utilities cannot be owned by foreigners or corporations, 60 percent of its capital are not owned by Filipino citizens.

Mme. Speaker, we will have to have time to craft the necessary amendments to this Bill.

Thank you for the opportunity of answering my interpellation, Mme. Speaker, distinguished Sponsor.

REP. YAP (A.). Mme. Speaker, distinguished interpellator, thank you very much.

May I restate that there is no intention at all to change any constitutional provision. We are merely redefining Commonwealth Act No. 146. We are merely providing a clearer definition of what public utilities are. Therefore, let the chips fall where they may fall and allow the Supreme Court to define what these are, as we exercise our power in Congress the wisdom to define what utilities and services are.

Thank you very much, Mme. Speaker.

REP. LAGMAN. Thank you, Mme. Speaker.

REP. YAP (A.). Thank you, distinguished colleague.

REP. LAGMAN. Let us be wary not to pass a Bill which infringes on the Constitution, particularly the economic provisions. This Bill might appear to be innocuous because it redefines our next statutory definition of what is a public utility. But in the process, it would be allowing foreigners, as admitted by the Sponsor, to own public utilities without complying with the citizen's requirements imposed by the Constitution.

Thank you, Mme. Speaker.

REP. YAP (A.). Thank you very much, Mme. Speaker. I also thank our honorable colleague.

THE DEPUTY SPEAKER (Rep. Garin, S.). Thank you, Gentlemen.

The Floor Leader is recognized.

REP. LOPEZ (B.). Mme. Speaker, the next Member who wishes to interpellate the Sponsor is the Gentleman from BUHAY Party-List, the Hon. Jose L. Atienza Jr. I move that he be recognized.



THE DEPUTY SPEAKER (Rep. Garin, S.). The Honorable Atienza is recognized.

REP. ATIENZA. Thank you, Mme. Speaker. Salamat po.

I also thank the Floor Leader.

With the kind indulgence of the distinguished Sponsor, I just would like to clarify certain things about this measure.

REP. YAP (A.). Yes, Mme. Speaker.

REP. ATIENZA. Thank you.

This Bill, as the title says, aims to change certain provisions of Republic Act No. 146. Is that correct, Mme. Speaker?

REP. YAP (A.). Not so much as to change but to add by providing statutory definition for public utilities, Mme. Speaker.

REP. ATIENZA. In the opinion of the Sponsor, therefore, may I be allowed to inquire what is wrong with Republic Act No. 146, and the provisions that the Sponsor would want to amend.

REP. YAP (A.). Mme. Speaker, since Commonwealth Act No. 146 was written 81 years ago, many of the businesses that are included in that provision defining public services have been interchanged with public utility because there was no definition on what a public utility is, Mme. Speaker. Now, since there is no clear statutory definition of what public utilities are, these had been interchanged and have fallen into the constitutional prohibition in terms of the operation of these businesses.

REP. ATIENZA. May we request the Gentleman, therefore, Mme. Speaker, to cite us several of these inconsistencies and provisions which are taken advantage of by certain parties.

REP. YAP (A.). There is not so much of inconsistencies, Mme. Speaker. Section 13 of Commonwealth Act No. 146 lists as public services, for example, pontines, bridges, docks, wharves, refrigeration units, irrigation, wireless communication services and so on and so forth. These are what was enumerated in Commonwealth Act No. 146 as public services.

Since there is no clear definition of what public utilities are, what has been defined as public services, Mme. Speaker, distinguished colleague, was interchanged with the definition that we have now and also have been considered as public utilities.

So, the enumeration also of public services has now been considered as a public utility. If that is a public

utility, it will fall within that constitutional prohibition in terms of operation, that it cannot be operated except by Filipinos or corporations that are 60-40 Filipino-owned.

It is the view of the proponents of this Bill, Mme. Speaker, that unless we can free up the management of these corporations, or these concerns, or these public services, we cannot encourage more investors in these businesses.

REP. ATIENZA. Mme. Speaker, is the Sponsor saying that this proposed Bill carries with it specific instructions on how corporations could be structured to protect the interest of the people in our country?

REP. YAP (A.). There will always be that underlying safety clause, Mme. Speaker. Just because corporations are defined as public services, if not public utilities, it does not mean that we are taking any company out of regulation. All the companies and businesses provided for in Commonwealth Act No. 146 will continue to need government regulation, permits, franchises and authorizations to operate. There will always be that protection, Mme. Speaker.

REP. ATIENZA. To be more specific, Mme. Speaker, I would like to ask the Sponsor on his position on this particular provision of Commonwealth Act No. 146. Transportation, processing and marketing of agricultural products or third party shall not be considered as operating a public service. Is the Sponsor in favor of this provision, Mme. Speaker, or it was changed in this new version which the Sponsor did not probably even notice?

REP. YAP (A.). Mme. Speaker, something may be defined as a public utility, but it will continue to remain as a public service. If you are a common carrier, you will still be considered a public service, and you will be required to secure the proper franchise and licenses to operate.

REP. ATIENZA. Mme. Speaker, in the Sponsor's proposed law, did he touch on the same subject, like the agricultural products, and other articles that are being marketed as outside the reach of the law? This Representation, Mme. Speaker, will be more direct under the Sponsor's idea of a reformed Commonwealth Act No. 146. Could the operations of public markets sa regions be considered as public service or purely an economic activity of certain sectors?

To me, this is the golden opportunity to include the operations of public markets in the total sector of public service, public utility.

Otherwise, public markets now are being peddled

and sold to the private sector. Probably, this is due to this particular nebulous interpretation of what a public market is. If it is not included in the Commonwealth Act No. 146, it will not be included in this reformed version, so the trade will continue.

Public markets will be traded by the LGUs. Mawawala na po ng serbisyo sa mamimili na talagang kailangan naman and, in fact, provided for by the Constitution.

REP. YAP (A.). The Bill, if passed into law, will allow for flexibilities, Your Honor, for the NEDA and the Philippine Competition Commission to study and endorse to Congress what can be included as public utilities. If it falls within the criteria, then they can always recommend to Congress to include it as a public utility if it passes muster of the criteria, Your Honor.

REP. ATIENZA. I am sure, the public would want it because when you privatize a public market, the character of public service or the market being a public service, immediately works for the detriment of the interest of the housewives and the consumers. While we would like to protect the riders of public utility vehicles and we would like to protect the rights of consumers in the Public Service Act, we would like to protect the rights of housewives and those who do their marketing in public markets because this is the only place where they can get affordable low-price goods.

I would like to classify them now in your new version of public service and public utility; otherwise, where do they fall? Under the consumer or the Commonwealth Act, hindi sila kasali. Under the new version that we are discussing now, they may also have been forgotten. So, I would like to get the thinking of the Sponsor if he can join me in withdrawing our mindset outside of the box that public service is merely talking about jeepneys and buses. No, public service involves much, much more than that. As I mentioned, public market is a public service and there is now a law that prohibits government to sell public markets.

Sa Maynila po wala na ngang mga public market, eh dahil ang tawag nila ay privatization, or they go around the intention of whatever law which governs the operation of public markets by defining it as not selling, it is merely privatizing. Puwede po bang makahanap tayo ng paraan para maisali natin dito sa ating panibagong batas para ang epekto nito, pakinabangan ng lahat ng sektor. Iyong mga maybahay, hindi naman lumalabas, pero namimili. Ang mga maybahay, hindi naman sumasakay sa bapor, pero namimili. Eh, araw-araw pong nangyayari iyan. Once a public market is privatized, the essence of public market is lost. What is being paid for? Let us say, for P20 a day for a stall in a public market, the moment it is privatized, it goes up to

P120, which works against the interest of the economy and the interest of the individual families.

REP. YAP (A.). Mme. Speaker, Your Honor, just because a public market is privatized, that does not mean—I defer to the honorable interpellator because he has had a long experience as a former local chief executive, that even if it is privatized, I believe, Mme. Speaker, Your Honor, the local governments continue to exercise control on the setting of the rates. Does it not? In that way, is the public not protected, Sir? It could be privatized but even if it is privatized, the local government influences the setting of the rates, and in that way, the consumers are protected. Are they not, Sir? So, that being the case, Mme. Speaker, Your Honor, I do not see how the public's interest will just be easily sacrificed. But even so, Your Honor, we can always try to use the criteria as a test on whether public markets would fall into the ambit of public utilities.

REP. ATIENZA. I am quite disappointed that the Sponsor does not seem to see the relevance of the issue that we brought forth in this exchange of position. We maintain that all privatized public markets immediately work to the detriment of the private sector and worse to the interest of private businessmen given that particular privilege of practically owning a public market. And for the information of the Gentleman, ang pinag-uusapan po rito ay hindi lamang iyong palengke, kung hindi iyong lupa na tinatayuan ng palengke. Ang mga palengke sa buong Pilipinas ay located in choice real estate properties of the government. Because they are government-owned, the stallholders are charged minimally. Once it is privatized and money is exchanged in different sides—from left to right, right to left, eh tumataas siyempre ang presyo ng lahat—presyo ng bilingin, presyo ng serbisyo, e wala pong mapuntahan ang mga mahihirap diyan. Kaya ito po ang aking punto.

Ito na ang pagkakataon para mabigyan natin ng tamang proteksyon ang mga mamimili. I am sure your Bill envisioned protection for the commuters, the public utility riders and the ordinary citizen who will benefit out of your amendments to the Commonwealth Act. But to us, who see other problems, we cannot help but point out.

This may be the opportunity to put a stop to the commercialization and privatization of public markets which is an essential, essential public service. If the Gentleman does not see it as a public service, then he is riding along with the intention of Commonwealth Act No. 146. I would like to join him in his reformed version, but if he does not see it that way, I may not be able to justify it to myself because public markets to me is an essential public service as essential as protecting the rights of commuters taking public conveyances.

REP. YAP (A.). Mme. Speaker, public markets were not originally considered in Commonwealth Act No. 146. But, Your Honor, I will join the honorable interpellator in the period of amendment if you would so wish to include public markets in public services. We can do so, Your Honor. I will yield to the honorable interpellator to include it in public services.

REP. ATIENZA. Yes, Mme. Speaker.

I would like to point out that in letter (b) of Section 13 of the Commonwealth Act No. 146, which we are trying to refine and improve, this particular law did not realize the impact of this simple statement and is now affecting families of modern times. Ngayon, and I think connected with the cultivation of farms, it is the transportation, processing and marketing of agricultural products which are actually part of the operation of the public market. It is not directly saying public market but it is saying about marketing of products, and that is the essence of stating that public market shall not be considered as operating a public service.

Under the American law, hindi kasali ang public markets. Under the Philippine law that we are now crafting, we probably should include it, not only jeepneys, buses and ferry boats and other conveyances but operation of one of the most essential public service expected of government to control the economy and control the prices of commodities. To afford the ordinary families a cheaper price of available goods is to address the problem of public markets being privatized. So, if the Gentleman would accept that, we will study the amendment that could probably fit into his proposed law. But if he is not agreeable and amenable, we are sorry to say also, we will not see the purpose of his reformatory efforts. Mahihirapan lang lalo ang tao rito.

REP. YAP (A.). Mme. Speaker, honorable interpellator, as already said on the record, we will welcome the inclusion of public market in public services.

REP. ATIENZA. Thank you, Mme. Speaker.

I would like to mention that your proposed law now corrects certain anomalies—anomalous provisions like fines to be paid for by violators. In the old law, these do not apply anymore to modern financial condition. A fine of P200 is nothing, so they would tend to violate and just pay the fine of P200. Under your proposed law, I believe you will charge something like P5 million.

REP. YAP (A.). Yes, Sir, especially for the...

REP. ATIENZA. I will agree to that. For big corporations to be abusing their rights to do businesses under this particular law, it should be given a commensurate fine that would teach them a lesson. Again, we thank the honorable Sponsor for his openness to our proposal to

consider the operation of public markets also as an essential public service that our government should continue giving our people and not to deprive them of this particular essential public service simply because they want to generate funds for the government, they want to generate funds for themselves. It is all about money and somehow, it is connected with corruption.

So, we will be doing the country a great service if we have plugged all the loopholes of existing laws like the old Commonwealth Act that disregards markets and marketing totally in its coverage.

Maraming-maraming salamat po, Mme. Speaker and thank you...

REP. YAP (A.). Thank you, Sir.

REP. ATIENZA. ... Gentleman from Bohol. I know that you are well-intentioned and you will support our efforts. Salamat po.

REP. YAP (A.). Thank you very much.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Floor Leader is recognized.

REP. LOPEZ (B.). Yes, Mme. Speaker, there being no other Member who wishes to interpellate the Sponsor, I move that we terminate the period of sponsorship and debate.

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

#### SUSPENSION OF CONSIDERATION OF H.B. NO. 5828

REP. LOPEZ (B.). Thank you, Mme. Speaker.

Mme. Speaker, I move that we suspend the consideration of House Bill No. 5828, as contained in Committee Report No. 295, submitted by the Committee of Economic Affairs.

I so move, Mme. Speaker.

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

The Floor Leader is recognized.

#### CONSIDERATION OF H.B. NO. 2433 ON SECOND READING

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. MATUGAS. Mme. Speaker, under the Calendar of Business for the Day, I move that we

consider House Bill No. 2433, contained in Committee Report No. 307, as reported out by the Committees on Justice, and Appropriations.

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

I so move, Mme. Speaker.

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

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

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

THE SECRETARY GENERAL. House Bill No. 2433, entitled: AN ACT CREATING TWO (2) ADDITIONAL BRANCHES OF THE REGIONAL TRIAL COURT IN THE PROVINCE OF BATANGAS TO BE STATIONED IN THE MUNICIPALITIES OF STO. TOMAS AND AGONCILLO, AMENDING FOR THE PURPOSE SECTION 14(E) OF BATAS PAMBANSA BLG. 129, OTHERWISE KNOWN AS "THE JUDICIARY REORGANIZATION ACT OF 1980", AS AMENDED, AND APPROPRIATING FUNDS THEREFOR.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Floor Leader is recognized.

REP. MATUGAS. Mme. Speaker, I move that the Vice Chair of the Committee on Justice be recognized, the honorable Rep. Henry S. Oaminal, to begin the sponsorship of the measure.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). Honorable Oaminal is recognized.

REP. MATUGAS. Mme. Speaker, I move that the Explanatory Note of the Bill be considered as his sponsorship speech on the measure.

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

REP. MATUGAS. Mme. Speaker, I move to close the period of sponsorship and debate.

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

REP. MATUGAS. Mme. Speaker, I move that we open the period of amendments. However, there being no Committee or individual amendments, I move that we close the same.

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

REP. MATUGAS. Mme. Speaker, I move that we approve House Bill No. 2433 on Second Reading.

#### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garin, S.). There is a motion for the approval of House Bill No. 2433 on Second Reading.

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

SEVERAL MEMBERS. *Aye*.

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

#### APPROVAL OF H.B. NO. 2433 ON SECOND READING

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

House Bill No. 2433 is approved on Second Reading.

The Floor Leader is recognized.

#### CONSIDERATION OF H.B. NO. 6136 ON SECOND READING

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. MATUGAS. Mme. Speaker, I move that we consider House Bill No. 6136, contained in Committee Report No. 344, as reported out by the Committee on Higher and Technical Education.

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

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

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

THE SECRETARY GENERAL. House Bill No. 6136, entitled: AN ACT DECLARING THE TWENTY-FIFTH DAY OF AUGUST OF EVERY YEAR AS THE NATIONAL TECHNICAL-VOCATIONAL DAY.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Floor Leader is recognized.

REP. MATUGAS. Mme. Speaker, I move that we recognize the honorable Chair of the Committee on Higher and Technical Education, Rep. Ann K. Hofer, for the sponsorship of the measure.

THE DEPUTY SPEAKER (Rep. Garin, S.). Representative Hofer is recognized.

REP. MATUGAS. Mme. Speaker, I move that the Explanatory Note of the Bill be considered as the sponsorship speech on the measure.

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

REP. MATUGAS. Mme. Speaker, I move to close the period of sponsorship and debate.

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

REP. MATUGAS. Mme. Speaker, I move that we open the period of amendments. However, there being no Committee or individual amendments, I move to close the same.

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

REP. MATUGAS. Mme. Speaker, I move that we approve House Bill No. 6136 on Second Reading.

#### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garin, S.). There is a motion for the approval of House Bill No. 6136 on Second Reading.

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

SEVERAL MEMBERS. *Aye*.

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

#### APPROVAL OF H.B. NO. 6136 ON SECOND READING

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

House Bill No. 6136 is approved on Second Reading. The Floor Leader is recognized.

#### CONSIDERATION OF H.B. NO. 6016 ON SECOND READING

##### PERIOD OF SPONSORSHIP AND DEBATE

REP. MATUGAS. Mme. Speaker, I move that we consider House Bill No. 6016, contained in Committee Report No. 325, as reported out by the Committee on Trade and Industry.

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

I so move, Mme. Speaker.

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

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

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

THE SECRETARY GENERAL. House Bill No. 6016, entitled: AN ACT REGULATING THE ISSUANCE, USE AND REDEMPTION OF GIFT CHECKS, GIFT CERTIFICATES AND GIFT CARDS.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Floor Leader is recognized.

REP. MATUGAS. Mme. Speaker, I move that we recognize the Chairperson of the Committee on Trade and Industry to begin the sponsorship of the measure.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Honorable Biron is recognized.

##### SPONSORSHIP SPEECH OF REP. BIRON

REP. BIRON. Thank you, Mme. Speaker. Honorable Speaker, distinguished colleagues, Ladies and Gentlemen, good afternoon.

On behalf of the Committee on Trade and Industry, it is my great honor and privilege to sponsor House Bill No.

\* See MEASURES CONSIDERED (printed separately)

6016, entitled: An Act Regulating the Issuance, Use and Redemption of Gift Checks, Gift Certificates and Gift Cards.

A gift certificate which should be as good as cash should bear no expiry date like money. It is a great loss and disadvantage to the bearer or owner of a gift certificate, check, card or voucher if such has an expiry date and not used up before the expiration day, especially if such gift certificate, check, card or voucher has been obtained in exchange for cash.

In a general sense, a gift certificate, check, card or voucher is, for all intents and purposes, good as cash. It is purchased with money, and money having no expiry date, it follows that a gift certificate, check, card or voucher must bear no expiry date. It is a well-accepted view that since a gift certificate, check, card or voucher is bought with money, it must also be redeemable until used by the holder or owner. Money does not expire unless it is already demonetized, which rarely happens, so the same must apply to a gift certificate, check, card or voucher.

Let me now go the key features of this Bill. House Bill No. 6016 has threefold objectives:

- To protect the interest of consumers with respect to the use and redemption of gift checks, gift certificates and gift cards, promote the general welfare and to establish standards of conduct for business and industry with respect to these transactions;
- To promote and encourage fair, honest, and equitable relations among parties involved in the issuance, use and redemption of gift checks, gift certificates and gift cards, and protect consumers against deceptive, unfair, and unconscionable sales practices; and
- To accord value to a gift check, gift certificate, and gift card as financial instruments held in trust, by the issuer on behalf of a beneficiary or bearer, and ensure that consumers are not unduly deprived of the value of such gift checks, gift certificates and gift cards.

Basically, the key provisions of House Bill No. 6016 are as follows:

- Defines “*Gift Check, Gift Certificate, and Gift Card*” as instruments issued an individual, partnership or a juridical entity for monetary consideration honored at a single merchant or an affiliated group of merchants as payment for consumer goods or services provided by such merchant or affiliated group of merchants upon presentation of said gift check, gift certificate, and gift card to the extent of the value, credit, or balance stored in the

instrument, and which shall remain valid until cessation of business of the issuer;

- Exempts a gift check, gift certificate, and a gift card that is issued to consumers under an award, loyalty or promotional program from the coverage of this Act;
- Declares unlawful for any party to issue and/or sell a gift check, gift certificate, and gift card that contains an expiry date;
- Mandates that all gift checks, gift certificates, and gift cards with no expiry date at the time of the effectivity of this Act may be used indefinitely until the value, credit or balance is used up by the bearer;
- Allows issuers to refuse to honor a gift check, gift certificate, and gift card under the following circumstances:
  - When the gift check, gift certificate, and gift card is lost due to no fault of the issuer;
  - When the gift check, gift certificate, and gift card is mutilated or defaced due to no fault of the issuer and such damage prevents the issuer from identifying the security and authenticity features thereof.
- Provides that a gift check, gift certificate and gift card shall apply likewise to purchases of goods and services under promotional sales activities, loyalty programs, warranties, return policies for cash purchases, and discounts for senior citizens or persons with disability as provided for under relevant laws and rules and regulations;
- Mandates that any person who violates the provisions of the law or its implementing rules and regulations shall, upon conviction, be subject to a fine of not less than Five hundred thousand pesos (PhP500,000) but not more than One million pesos (PhP1,000,000) or imprisonment of not less than one (1) year but not more than five (5) years, or both, upon the discretion of the court; and
- Directs the Department of Trade and Industry (DTI) and appropriate stakeholders to promulgate the rules and regulations within ninety (90) days from the effectivity of the law.

With my distinguished colleagues’ help, I am confident that this long overdue legislation can be further refined and enriched. Thank you, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). Thank you, Honorable Biron.

The Floor Leader is recognized.

REP. MATUGAS. Mme. Speaker, I move that we recognize the Gentleman from the BUHAY Party-List, the honorable Rep. Lito Atienza, for his interpellation.

#### SUSPENSION OF SESSION

REP. MATUGAS. I move for one-minute suspension of the session.

THE DEPUTY SPEAKER (Rep. Garin, S.). The session is suspended for one minute.

*It was 6:06 p.m.*

#### RESUMPTION OF SESSION

*At 6:07 p.m., the session was resumed.*

THE DEPUTY SPEAKER (Rep. Garin, S.). The session is resumed.

The Floor Leader is recognized.

REP. MATUGAS. Mme. Speaker, I reiterate my motion to recognize the Gentleman from BUHAY Party-List, the honorable Rep. Lito Atienza, for his interpellation, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Honorable Atienza is recognized for his interpellation.

REP. ATIENZA. Thank you, Mme. Speaker. Thank you, Mr. Floor Leader.

I just would like to clarify with certainty the intention of this revolutionary piece of legislation. We are removing the date of expiry. Am I correct to assume that gift certificates can no longer be considered invalid after a certain date stamped on the coupon? Is that right?

REP. BIRON. Yes, Mme. Speaker, from the time of purchase, Mme. Speaker.

REP. ATIENZA. Opo. Dahil sapagkat ngayon ay pinagsasamantalahan talaga ang consumer. Binayaran mo na iyan, cash—wala namang gift certificate na credit, lahat cash—ibinayad mo iyong pera mo, hawak na nila iyong pera mo, at kapag hindi mo nagamit iyong gift certificate, iyan ay wala nang value after one year. So, we congratulate the intention of the authors of this Bill because it will protect the consumers' rights on getting the value of their money.

Now, I would like to ask another question related to that. Since you are giving your money when you get the gift check and they can hold on to your money, indefinitely, would it be right to also provide in this law the granting of a discount? That gift certificate should be discounted upon purchase because it is paid

for in cash and the money remains in the possession of the store or the merchant, and meanwhile, the consumer is made to part with exactly the amount of the gift check. Kung P5,000 iyon, P5,000 ang ibabayad mo. Kung ilagay na natin kaya rito, Mme. Speaker, that all gift checks should automatically afford the consumer a 10-percent discount because the money does not earn in the possession of the seller of the gift check; it remains with them. In fact, they would have spent the money already. If you buy a gift check at Rustan's, Rustan's will use that money and will not wait for the redemption of the gift check. So, we would like to introduce an amendment to this particular consumer protection bill that automatically, gift checks should provide a 10-percent discount when you purchase one.

#### SUSPENSION OF SESSION

REP. BIRON. May we request for a one-minute suspension of the session, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). The session is suspended for one minute.

*It was 6:10 p.m.*

#### RESUMPTION OF SESSION

*At 6:15 p.m., the session was resumed.*

THE DEPUTY SPEAKER (Rep. Garin, S.). The session is resumed.

The Floor Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF H.B. NO. 6016

REP. MATUGAS. Mme. Speaker, I would like to move to suspend the consideration of House Bill No. 6016. I so move, Mme. Speaker.

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

The Floor Leader is recognized.

#### CONSIDERATION OF H.B. NO. 3188 ON SECOND READING

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. MATUGAS. Mme. Speaker, I move that we consider House Bill No. 3188, contained in Committee Report No. 324, as reported out by the Committees on Transportation, and Appropriations.

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

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

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

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

THE SECRETARY GENERAL. House Bill No. 3188, entitled: AN ACT CONVERTING THE CALOOCAN CITY EXTENSION OFFICE OF THE LAND TRANSPORTATION OFFICE (LTO) LOCATED IN MALABON CITY, METRO MANILA INTO A REGULAR LTO DISTRICT OFFICE AND APPROPRIATING FUNDS THEREFOR.

REP. MATUGAS. Mme. Speaker, I move that the Explanatory Note of the Bill be considered as the sponsorship speech on the measure.

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

REP. MATUGAS. Mme. Speaker, there being no Member who has signified his intent to debate or interpellate on the matter, I now move that we terminate the period of sponsorship and debate.

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

#### COMMITTEE AMENDMENTS

REP. MATUGAS. Mme. Speaker, I move that we open the period of amendments by considering the following Committee amendments:

On Section 2, after the word “existing,” delete the phrase “LTO extension office” and in lieu thereof, insert the phrase CALOOCAN CITY LTO EXTENSION OFFICE IN MALABON CITY.

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

REP. MATUGAS. Mme. Speaker, there being no

further Committee nor individual amendment, I move that we close the period of amendments.

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

REP. MATUGAS. Mme. Speaker, I move that we approve House Bill No. 3188, as amended, on Second Reading.

#### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garin, S.). As many as are in favor for the approval on Second Reading of House Bill No. 3188, as amended, please say *aye*.

SEVERAL MEMBERS. *Aye*.

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

FEW MEMBERS. *Nay*.

#### APPROVAL OF H.B. NO. 3188, AS AMENDED, ON SECOND READING

THE DEPUTY SPEAKER (Rep. Garin, S.). The *ayes* have it; House Bill No. 3188, as amended, is approved on Second Reading.

The Floor Leader is recognized.

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

##### PERIOD OF SPONSORSHIP AND DEBATE

REP. LOPEZ (B.). Mme. Speaker, by leave of the House, I move that we consider Bills under the Calendar of Business for Thursday and Friday. And, Mme. Speaker, pursuant to our Rules, allow me to put forth an omnibus motion for the consideration of the following local House Bills:

1. House Bill No. 6102, as contained in Committee Report No. 337, entitled: AN ACT ESTABLISHING A NATIONAL HIGH SCHOOL IN BARANGAY LINGUNAN, VALENZUELA CITY, TO BE KNOWN AS LINGUNAN NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR;

2. House Bill No. 6104, as contained in Committee Report No. 339, entitled: AN ACT CONVERTING THE LICOP ELEMENTARY SCHOOL IN BARANGAY LICOP, MATI CITY, PROVINCE OF DAVAO ORIENTAL INTO AN INTEGRATED SCHOOL TO BE KNOWN AS LICOP

\* See MEASURES CONSIDERED (printed separately)



INTEGRATED SCHOOL AND APPROPRIATING FUNDS THEREFOR;

3. House Bill No. 6114, as contained in Committee Report No. 341, entitled: AN ACT INCREASING THE BED CAPACITY OF THE LUIS HORA MEMORIAL REGIONAL HOSPITAL FROM ONE HUNDRED (100) TO TWO HUNDRED (200) BEDS, UPGRADING THE SERVICE FACILITIES AND PROFESSIONAL HEALTH CARE THEREIN, AND APPROPRIATING FUNDS THEREFOR;

4. House Bill No. 6129, as contained in Committee Report No. 342, entitled: AN ACT ESTABLISHING THE LANA DEL NORTE SPORTS TRAINING CENTER TO BE LOCATED IN THE MUNICIPALITY OF TUBOD, PROVINCE OF LANA DEL NORTE AND APPROPRIATING FUNDS THEREFOR;

5. House Bill No. 6130, as contained in Committee Report No. 343, entitled: AN ACT ESTABLISHING THE SARANGANI SPORTS TRAINING CENTER IN THE MUNICIPALITY OF ALABEL, PROVINCE OF SARANGANI AND APPROPRIATING FUNDS THEREFOR; and

6. House Bill No. 6155, as contained in Committee Report No. 346, entitled: AN ACT CONVERTING THE LAND TRANSPORTATION OFFICE (LTO) EXTENSION OFFICE LOCATED IN LAPU-LAPU CITY, PROVINCE OF CEBU, INTO A REGULAR LTO DISTRICT OFFICE AND APPROPRIATING FUNDS THEREFOR.

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

The Floor Leader is recognized.

REP. LOPEZ (B.). Mme. Speaker, I move that we consider the respective Explanatory Notes as the sponsorship speeches on the measures.

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

REP. LOPEZ (B.). Mme. Speaker, there being no Member who wishes to interpellate on or speak against the said local Bills, I move that we terminate the period of sponsorship and debate.

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

REP. LOPEZ (B.). Mme. Speaker, I move that we open the period of amendments and approve the

Committee amendments, if any, as contained in the respective committee reports of the aforementioned Bills.

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

REP. LOPEZ (B.). Mme. Speaker, there being no individual amendments, I move that we terminate the period of amendments.

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

REP. LOPEZ (B.). Mme. Speaker, I move that we vote on Second Reading on the following House Bills: House Bill No. 6102, House Bill No. 6104, House Bill No. 6114, House Bill No. 6129, House Bill No. 6130, and House Bill No. 6155.

I so move, Mme. Speaker.

#### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garin, S.). As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

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

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

THE DEPUTY SPEAKER (Rep. Garin, S.). The *ayes* have it; House Bill Nos. 6102, 6104, 6114, 6129, 6130 and 6155 are hereby approved on Second Reading.\*

#### CONSIDERATION OF H.B. NO. 6152 ON SECOND READING

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. MATUGAS. Mme. Speaker, I move that we consider House Bill No. 6152, contained in Committee Report No. 345, as reported out by the Committee on Labor and Employment.

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

THE DEPUTY SPEAKER (Rep. Garin, S.). Is there any objection? (*Silence*) Hearing none, the motion is approved.\*

\* See MEASURES CONSIDERED (printed separately)

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

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

THE SECRETARY GENERAL. House Bill No. 6152, entitled: AN ACT INCREASING THE NORMAL WORK HOURS PER DAY UNDER A COMPRESSED WORK WEEK SCHEME, AMENDING ARTICLES 83, 87 AND 91 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Floor Leader is recognized.

REP. MATUGAS. Mme. Speaker, I move that the Chairperson of the Committee on Labor and Employment, Cong. Randolph S. Ting, be recognized to begin the sponsorship of the measure.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). Honorable Ting is recognized.

REP. TING. Mme. Speaker, I have the honor to present and seek the approval of the House of Representatives on House Bill No. 6152, authored principally by the Hon. Mark O. Go. May I move that the Explanatory Note be considered as the sponsorship speech on the measure.

Thank you, Mme. Speaker.

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

The Floor Leader is recognized.

REP. MATUGAS. Mme. Speaker, there being no Member who wishes to interpellate on or speak against the said Bill, I move that we terminate the period of sponsorship and debate.

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

REP. MATUGAS. Mme. Speaker, I move that we open the period of amendments; however, there being no Committee or individual amendments, I move that we close the same.

I so move, Mme. Speaker.

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

REP. MATUGAS. Mme. Speaker, I withdraw the previous motion to close the period of amendments.

I so move, Mme. Speaker.

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

REP. MATUGAS. Mme. Speaker, the Sponsor wishes to propose an amendment to this Bill.

I so move.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Honorable Ting is recognized.

REP. TING. Yes.

THE DEPUTY SPEAKER (Rep. Garin, S.). Please proceed.

#### COMMITTEE AMENDMENT

REP. TING. Thank you, Mme. Speaker.

The Committee would like to introduce a perfecting amendment to House Bill No. 6152:

On page one, line seven, after the period (.), add another sentence to read as follows: THIS IS WITHOUT PREJUDICE TO FIRMS WHOSE NORMAL WORK WEEK IS FIVE (5) DAYS, OR A TOTAL OF FORTY (40) HOURS BASED ON THE NORMAL WORK DAY OF EIGHT (8) HOURS.

Thank you, Mme. Speaker.

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

REP. MATUGAS. Mme. Speaker, there being no other Committee or individual amendments, I move that we close the period of amendments.

I so move, Mme. Speaker.

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

REP. ATIENZA. Parliamentary inquiry.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Floor Leader is recognized.

REP. ATIENZA. Are we talking about the gift check? No. I withdraw my inquiry.

THE DEPUTY SPEAKER (Rep. Garin, S.). Thank you, Congressman Atienza.

The Floor Leader is recognized.

REP. MATUGAS. Mme. Speaker, I move for the approval on Second Reading of House Bill No. 6152, as amended.

I so move, Mme. Speaker.

#### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garin, S.). As many as are in favor of House Bill No. 6152, as amended, please say *aye*.

SEVERAL MEMBERS. *Aye*.

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

#### APPROVAL OF H.B. NO. 6152, AS AMENDED, ON SECOND READING

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

House Bill No. 6152, as amended, is hereby approved on Second Reading.

The Floor Leader is recognized.

#### CONSIDERATION OF H.B. NO. 6016

##### *Continuation*

#### PERIOD OF AMENDMENTS

REP. MATUGAS. Mme. Speaker, I move that we resume the consideration of House Bill No. 6016, and that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Garin, S.). 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. 6016, entitled: AN ACT REGULATING THE ISSUANCE, USE AND REDEMPTION OF GIFT CHECKS, GIFT CERTIFICATES AND GIFT CARDS.

REP. MATUGAS. Mme. Speaker, the parliamentary status of the Bill is that we are in the period of amendments.

I move that we recognize the Hon. Jose “Lito” L. Atienza for his amendments.

I so move, Mme. Speaker.

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

The Honorable Atienza of BUHAY Party-List is recognized.

REP. ATIENZA. After a short meeting with ...

REP. MATUGAS. Mme. Speaker, I also move that we recognize the Sponsor of House Bill No. 6016, the honorable Congressman Biron.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Honorable Biron is recognized.

Please proceed.

REP. ATIENZA. Did the Chair recognize me or the Sponsor?

THE DEPUTY SPEAKER (Rep. Garin, S.). I did already. You were the first one to be recognized.

REP. ATIENZA. Okay.

THE DEPUTY SPEAKER (Rep. Garin, S.). Thank you.

REP. ATIENZA. Thank you, Mme. Speaker.

After a short caucus on the floor, we agreed on one common amendment, and we would like to thank the Sponsors who have accepted the amendment, although reducing the 10-percent proposal that we made to 5 percent. With that, we feel that the consumers will be very protected and happy about these changes in the gift check distribution and sales.

Thank you, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Honorable Biron is recognized. What does the Sponsors say?

REP. BIRON. Yes, Mme. Speaker. The Gentleman from BUHAY Party-List suggested or introduced an amendment by putting 5 percent straight discount for every gift certificate that is issued by any merchant. That amendment is accepted subject to style, Mme. Speaker.

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

REP. LAGMAN. Mme. Speaker.

REP. MATUGAS. Mme. Speaker, I move that we reopen the period of sponsorship and debate.

I so move, Mme. Speaker.

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

REP. MATUGAS. Mme. Speaker, I move that we recognize the Hon. Edcel C. Lagman for his interpellation.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). The Honorable Lagman is recognized.

REP. LAGMAN. Mme. Speaker, will the distinguished Sponsor yield to some clarificatory questions?

REP. BIRON. Certainly, Mme. Speaker, Your Honor.

REP. LAGMAN. Will this Bill, once it is enacted into law, give a retroactive effect?

REP. BIRON. The transitory provision for this particular Bill, Mme. Speaker, provides that all gift checks that were issued prior to the effectivity of this Act shall be valid and shall automatically nullify the expiry dates.

REP. LAGMAN. May we be guided as to what section is that, distinguished Sponsor.

REP. BIRON. Your Honor, Mme. Speaker, it is provided in Section 6, on Prohibition, which states: "It shall be unlawful for any issuer to issue or sell a gift check, gift certificate, and gift card that contain an expiry date."

REP. LAGMAN. Well, Mme. Speaker, this is expressed in a prospective manner that is why at the proper time, I think there should be an amendment on retroactivity wherein this Act shall be retroactive to the date of issuance of any and all gift checks. That should be placed before the Separability Clause just to be very specific that this Bill, once it becomes a law, is retroactive.

REP. BIRON. Yes, Mme. Speaker, this Representation is amenable to the amendment that should be provided by the Honorable Lagman with respect to the specific provision that will provide for retroactivity of, yes, retroactivity of the effectivity of this Bill when this Bill becomes a law.

REP. LAGMAN. May we know, Mme. Speaker, what would be the denomination of the gift checks?

REP. BIRON. Are we talking of denominations, Your Honor, Mme. Speaker?

REP. LAGMAN. How much would be the face value of the checks?

REP. BIRON. Well, the Bill does not cover specific denominations, Your Honor, Mme. Speaker.

REP. LAGMAN. Can we provide for a specific denomination?

REP. BIRON. Well, we can actually provide but it really depends on the decision or the pleasure of the merchant. Sometimes the gift certificate would be issued based on the minimum purchase or the cost of providing this gift certificate would actually be dependent on a prospective amount that the merchant might find to be profitable for them, Mme. Speaker, Your Honor.

REP. LAGMAN. Presently, may we know from the distinguished Sponsor what are the different face values or denominations of gift checks?

REP. BIRON. What is prevailing right now, Mme. Speaker, Your Honor, is that most of the merchants would issue at least a P500-denomination certificate, at least P500. So, it can go up to as much as P1,000, P2,000 or even P5,000 per certificate.

REP. LAGMAN. So, the distinguished Sponsor feels that there is no need to provide for the face value or denomination of the checks.

REP. BIRON. Yes, Mme. Speaker, Your Honor. There is really no need to provide for specific value or provide for specific denominations for the gift certificates.

REP. LAGMAN. Because the giver of the gift check may give, say 20 pieces of gift checks worth P1,000. That is possible.

REP. BIRON. That is possible, Mme. Speaker, Your Honor.

REP. LAGMAN. So, that is P20,000.

REP. BIRON. That is correct, Mme. Speaker, Your Honor.

REP. LAGMAN. Is there a provision in the Bill which would—a gift check is a donation. Is that correct?

From the person who buys the gift checks and gives it to another, that is a donation.

REP. BIRON. Well, it is an instrument where purchase has to be made first, Mme. Speaker, Your Honor. And, after buying that instrument, then it becomes a donation to whoever is the recipient of that certificate.

REP. LAGMAN. In other words, Mme. Speaker, distinguished Sponsor, if I buy 20 pieces of gift checks at P1,000 each and give these to a third party as my gift, that is a donation on my part.

REP. BIRON. That is correct, Mme. Speaker, Your Honor.

REP. LAGMAN. Is there a provision in this Bill which would exempt the giver of the gift checks from the donor's tax?

REP. BIRON. Actually, this particular—well, as I have said, Mme. Speaker, Your Honor, this is an instrument that is actually purchased. In fact, the purchase is covered by the value added tax because instead of buying an actual commodity, you are buying a gift check in lieu of cash. So, binibili ninyo po iyong gift certificates. And, just like any commodity, it is subject to all applicable taxes including value added tax.

REP. LAGMAN. But how about donor's tax?

REP. BIRON. Well ...

REP. LAGMAN. I am just asking because this could be a possible issue.

REP. BIRON. There is no provision, Mme. Speaker, Your Honor, for any exemption or coverage of a donor's tax on the part of the giver.

REP. LAGMAN. So, is there a provision exempting the giver or the donor from the donor's tax?

REP. BIRON. There is none, Mme. Speaker, Your Honor.

REP. LAGMAN. Do you not think, Mme. Speaker, distinguished Sponsor, that there is a need for such a provision?

REP. BIRON. Well, during the deliberations, Mme. Speaker, Your Honor, we never thought of providing for an exemption.

REP. LAGMAN. For example, one who is a godfather

in a marriage who would like to give the bridal couple, and instead of giving cash or a particular gift, he buys, say 100 pieces of gift certificates worth P1,000. So, that is a total of P100,000. Will he be subject to a donor's tax?

REP. BIRON. Well, Mme. Speaker, Your Honor, the law on donor's tax can always be applied. So, it will be dependent on the discretion of the taxpayer or the loaner whether he would declare such donation.

REP. LAGMAN. But I am trying to foreclose an eventuality when the good motives of the giver will subject him to a donor's tax. But that is subject, and I am just raising this issue subject to the consideration of the Committee during the proper period of amendments.

Now, let us go to Section 7. *Instances Where Issuer May Refuse to Honor Gift Check, Gift Certificate, and Gift Card*. It says here, under two circumstances, the issuer or the establishment can refuse to honor a gift check, gift certificate or gift card which is lost due to no fault of the issuer; or when the gift check, gift certificate, or gift card is mutilated or defaced due to no fault of the issuer.

Is this not a fact that the issuer has a record of the gift checks he has issued in favor of a buyer of the gift check? Then, if the issuer has a record, then he could issue a replacement for the lost gift check or for a mutilated gift check because no one should profit or enrich himself at the expense of another because he has already been paid for the value of the check.

REP. BIRON. Well, Mme. Speaker, Your Honor, the only evidence of purchase is actually the invoice that is in the possession of the buyer of the gift check. Other than that, no merchant, no establishment would have an exact copy of the gift check that will be used for replacement in case of any loss.

REP. LAGMAN. But the establishment issuing the gift check or the issuer has a record of the transaction. So, in the event of a lost gift check or gift card, or a defaced one, he can always refer to his records so that a replacement can be issued because the principle applies that nobody should enrich himself at the expense of another. Of course, it is not his fault that the gift check is lost or defaced. But there is a remedy because the establishment has a record of the transaction. So, most probably we should prescribe a period within which the issuer, upon notice, should be able to replace the gift check.

REP. BIRON. Well, perhaps, Mme. Speaker, Your Honor, we can prescribe a certain period of time for redemption, if and when the gift certificate is lost or defaced.

REP. LAGMAN. Yes. Most probably, upon notice, the issuer, within 30 days from such notice, should be able to issue a replacement.

REP. BIRON. Yes, that is possible, Mme. Speaker, provided that the purchaser of that gift certificate has possession of the proof of purchase which means that he should have the invoice or the official receipt or ...

REP. LAGMAN. But the proof is in the custody of the enterprise which issued the check because that invoice, just like the check, gift check, could have been lost. But the record of the enterprise which issued the check is intact and that should be the basis for the issuance of the replacement check within the period of time from notice.

REP. BIRON. Mme. Speaker, Your Honor, under normal circumstances, when you buy a gift check, it is a generic purchase. You just go to the merchant, buy it over the counter and your name is not even recorded as a purchaser of that particular gift check unless you have the invoice—the proof of your credit card payment.

That is the only identifying remedy that you can present to the merchant in order to prove the identity of that purchase, Your Honor, Mme. Speaker.

REP. LAGMAN. With that answer, the distinguished Sponsor will not entertain any amendment for the issuer, within x number of days from notice of loss for replacement, should issue a replacement check.

REP. BIRON. Well, as I have said, Mme. Speaker, Your Honor, I am willing to accept that amendment, provided that there is mutual protection between the merchant and the purchaser of the gift certificate.

REP. LAGMAN. We will provide for that at the proper time when we introduce the amendment.

Mme. Speaker, distinguished Sponsor, thank you for entertaining my questions.

REP. BIRON. Thank you, Your Honor.  
Thank you, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). Thank you.

The Dep. Majority Leader is recognized.

REP. BONDOC. Mme. Speaker, I move that we close the period of sponsorship and debate on House Bill No. 6016.

I so move, Mme. Speaker.

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

REP. BONDOC. Mme. Speaker, our parliamentary status regarding House Bill No. 6016 is that we have closed the period of sponsorship and debate.

I move to reconsider the motion for the earlier closure of the period of amendments, so that the Honorable Atienza and the Honorable Lagman may formally propose their individual amendments at the proper time.

I so move, Mme. Speaker.

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

#### SUSPENSION OF CONSIDERATION OF H.B. NO. 6016

REP. BONDOC. Mme. Speaker, I move that we suspend the consideration on Second Reading of House Bill No. 6016.

I so move, Mme. Speaker.

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

The Floor Leader is recognized.

#### REFERRAL OF HOUSE RESOLUTIONS ON INQUIRIES IN AID OF LEGISLATION

REP. LOPEZ (B.). Mme. 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:

1. House Resolution No. 1161, to the Committees on Good Government and Public Accountability, and Energy;

2. House Resolution No. 1162, to the Committee on Ways and Means;

3. House Resolution No. 1165, to the Committee on Natural Resources;

4. House Resolution No. 1168, to the Committee on Health;

5. House Resolution No. 1169, to the Committee on Information and Communications Technology; and

6. House Resolution No. 1170, to the Committee on Justice;

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Garin, S.). Is

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

APPROVAL OF THE JOURNAL

REP. LOPEZ (B). Mme. Speaker, I move that we approve the Journal of the previous session, Journal No. 10, dated August 14, 2017

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

Journal No. 10 of Monday, dated August 14, 2017, is hereby approved.

ADJOURNMENT OF SESSION

REP. LOPEZ (B). Mme. Speaker, there being no more matters for the day, I move that we adjourn the session until tomorrow, August 16, at four o'clock in the afternoon.

I so move, Mme. Speaker.

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

The session is adjourned.

*It was 6:43 p.m.*