



Congressional Record

PLENARY PROCEEDINGS OF THE 18th CONGRESS, FIRST REGULAR SESSION

House of Representatives

Vol. 3

Tuesday, November 5, 2019

No. 22

CALL TO ORDER

At 3:00 p.m., Deputy Speaker Rose Marie “Baby” J. Arenas called the session to order.

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

All rise for a short invocation to be led by Hon. Evelina G. Escudero.

Everybody rose for the Invocation.

INVOCATION

REP. ESCUDERO. Let us put ourselves in the holy presence of the Lord and commune in prayer as we begin our session.

Almighty God, we glorify, praise and thank You for this day. Bless everyone here present as we convene and work together towards the progress and paramount interest of our nation.

Grant us wisdom, discernment, understanding and fortitude that we will need to carry out this day's agenda.

Enlighten us as we hurdle and resolve any obstacles and issues that we may face as we go along with our business for the day.

Lord, we also lift to You our fellow Filipinos who are greatly affected by the recent earthquake in Mindanao. Let them feel Your loving presence and assurance that they are not alone in their moment of need. Embolden and strengthen their faith. Extend Your limitless mercy and compassion as You hold their hands and guide them all towards healing.

Indeed, and we so affirm that all things are possible in Your mighty name. All these we lift up to You, O Lord, our God.

Amen.

NATIONAL ANTHEM

THE DEPUTY SPEAKER (Rep. Arenas). Please remain standing for the singing of the Philippine National Anthem.

Everybody remained standing for the singing of the Philippine National Anthem.

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

REP. FARIÑAS (RIA). Mme. Speaker, I move that we defer the calling of the roll.

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

The Majority Leader is recognized.

REP. FARIÑAS (RIA). Mme. Speaker, I move for the deferment of the approval of the Journal of the previous session.

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

The Majority Leader is recognized.

REP. FARIÑAS (RIA). Mme. Speaker, I move that we now proceed with the Reference of Business.

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

The Secretary General is directed to read the Reference of Business.

REFERENCE OF BUSINESS

The Secretary General read the following House Bills on First Reading, Communications and Committee Reports, and the Deputy Speaker made the corresponding references:

BILLS ON FIRST READING

House Bill No. 5132, entitled:

“AN ACT REGULATING THE REGISTRATION, LICENSURE AND PRACTICE OF PHYSICAL

THERAPY IN THE PHILIPPINES, AND APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

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

House Bill No. 5133, entitled:

“AN ACT PROVIDING A TEN THOUSAND PESOS (P10,000.00) ACROSS-THE-BOARD INCREASE IN THE BASIC MONTHLY SALARY OF PUBLIC SCHOOL TEACHERS AND APPROPRIATING FUNDS THEREFOR”

By Representatives Hataman and Sangcopan
TO THE COMMITTEE ON APPROPRIATIONS

House Bill No. 5134, entitled:

“AN ACT ESTABLISHING A TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) TRAINING AND ACCREDITATION CENTER IN ISABELA CITY, PROVINCE OF BASILAN”

By Representatives Hataman and Sangcopan
TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 5135, entitled:

“AN ACT AUTHORIZING THE PAYMENT OF CENTENARIAN CASH GIFT IN THREE (3) TRANCHES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10868 OTHERWISE KNOWN AS THE CENTENARIANS ACT OF 2016”

By Representative Cabochan
TO THE SPECIAL COMMITTEE ON SENIOR CITIZENS

House Bill No. 5136, entitled:

“AN ACT REQUIRING MOTORCYCLE OWNERS/DRIVER TO REGISTER AT LEAST ONE HELMET PER MOTORCYCLE OWNED/DRIVEN AS PREREQUISITE FOR OBTAINING LICENSE TO DRIVE THE SAME”

By Representative Olivarez
TO THE COMMITTEE ON TRANSPORTATION

House Bill No. 5137, entitled:

“AN ACT DEFINING ABUSE TOWARDS SENIOR CITIZENS, PROVIDING FOR PROTECTIVE MEASURES FOR VICTIMS, PROTECTION OF SENIOR CITIZENS FROM ELDERLY ABUSE AND PRESCRIBING PENALTIES THEREFORE”

By Representative Olivarez
TO THE SPECIAL COMMITTEE ON SENIOR CITIZENS

House Bill No. 5138, entitled:

“AN ACT GRANTING PUBLIC ELEMENTARY SCHOOL STUDENTS FREE ADMISSION TO ALL PUBLIC MUSEUMS AND NATIONAL HISTORICAL SHRINES AND LANDMARKS”

By Representative Noel
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 5139, entitled:

“AN ACT IMPROVING THE PUBLIC LAND TITLING THROUGH JUDICIAL AND ADMINISTRATIVE PROCESSES”

By Representative Belmonte
TO THE COMMITTEE ON JUSTICE

House Bill No. 5140, entitled:

“AN ACT PROVIDING FOR THE SALARY ADJUSTMENT OF ALL PUBLIC SCHOOL TEACHERS AND HIGHER EDUCATION TEACHING PERSONNEL, TO AUGMENT THEIR PERFORMANCE, AND FOR OTHER PURPOSES”

By Representative Romero
TO THE COMMITTEE ON APPROPRIATIONS

House Bill No. 5141, entitled:

“AN ACT TO CREATE THE DEPARTMENT OF WATER RESOURCE MANAGEMENT, IRRIGATION, SEWAGE AND SANITATION MANAGEMENT, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

By Representatives Suarez (David), Villaraza-Suarez and Suarez (Aleta)
TO THE COMMITTEE ON GOVERNMENT REORGANIZATION AND THE COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

House Bill No. 5142, entitled:

“AN ACT INSTITUTING THE MAGNA CARTA OF FILIPINO SEAFARERS, AND FOR OTHER PURPOSES”

By Representative Lusotan
TO THE COMMITTEE ON OVERSEAS WORKERS AFFAIRS

House Bill No. 5143, entitled:

“AN ACT STRENGTHENING RURAL BANKS IN THE PHILIPPINES AMENDING FURTHER

FOR THE PURPOSE REPUBLIC ACT NO. 7353 OTHERWISE KNOWN AS THE RURAL BANKS ACT OF 1992, AS AMENDED”

By Representative Acosta-Alba
TO THE COMMITTEE ON BANKS AND FINANCIAL INTERMEDIARIES

House Bill No. 5144, entitled:

“AN ACT INSTITUTIONALIZING THE ABOT-ALAM PROJECT OF THE DEPARTMENT OF EDUCATION AND APPROPRIATING FUNDS THEREOF”

By Representative Delos Santos
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 5145, entitled:

“AN ACT INSTITUTIONALIZING THE ALTERNATIVE LEARNING SYSTEM IN THE BASIC EDUCATION FOR OUT-OF-SCHOOL CHILDREN, YOUTH AND ADULTS, PERSONS WITH DISABILITIES, INDIGENOUS PEOPLES, AND OTHER MARGINALIZED SECTORS OF SOCIETY, AND APPROPRIATING FUNDS THEREFOR”

By Representative Fortun
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 5146, entitled:

“AN ACT CREATING THE DEPARTMENT OF OVERSEAS FILIPINOS, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, RATIONALIZING THE ORGANIZATION AND FUNCTIONS OF GOVERNMENT AGENCIES RELATED TO MIGRATION, AND FOR OTHER PURPOSES”

By Representative Lusotan
TO THE COMMITTEE ON GOVERNMENT REORGANIZATION AND THE COMMITTEE ON OVERSEAS WORKERS AFFAIRS

House Bill No. 5147, entitled:

“AN ACT CREATING THE NATIONAL COMMISSION FOR THE URBAN POOR AMENDING EXECUTIVE ORDER 82 OF 1986, AS AMENDED, WHICH CREATED THE PRESIDENTIAL COMMISSION FOR THE URBAN POOR, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

By Representative Defensor (Michael)
TO THE COMMITTEE ON GOVERNMENT REORGANIZATION AND THE COMMITTEE ON POVERTY ALLEVIATION

House Bill No. 5148, entitled:

“AN ACT GRANTING TAX INCENTIVES TO LOT OWNERS WHO WILL CONVERT THEIR VACANT LOTS INTO USABLE PARKING SPACES AND FOR OTHER PURPOSES”

By Representative Crisologo
TO THE COMMITTEE ON WAYS AND MEANS

House Bill No. 5149, entitled:

“AN ACT CREATING TWO (2) ADDITIONAL BRANCHES OF REGIONAL TRIAL COURTS IN THE PROVINCE OF ILOILO WITH SEATS AT THE COMPONENT CITY OF PASSI, AMENDING FOR THE PURPOSE SECTION 14, PARAGRAPH (G) OF BATAS PAMBANSA BLG. 129, AS AMENDED BY REPUBLIC ACT NO. 7154, OTHERWISE KNOWN AS THE ‘JUDICIARY REORGANIZATION ACT OF 1980’, AND APPROPRIATING FUNDS THEREFOR”

By Representative Biron
TO THE COMMITTEE ON JUSTICE

House Bill No. 5150, entitled:

“AN ACT INTEGRATING THE PINTUYAN NATIONAL VOCATIONAL HIGH SCHOOL INTO THE SOUTHERN LEYTE STATE UNIVERSITY SYSTEM”

By Representative Rodriguez
TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 5151, entitled:

“AN ACT GRANTING PHILIPPINE CITIZENSHIP TO RODERICK MCMICKING HALL”

By Representative Hernandez
TO THE COMMITTEE ON JUSTICE

House Bill No. 5152, entitled:

“AN ACT GRANTING ADDITIONAL BENEFITS AND PRIVILEGES TO SENIOR CITIZENS, FURTHER AMENDING REPUBLIC ACT NO. 7432, AS AMENDED, OTHERWISE KNOWN AS ‘AN ACT TO MAXIMIZE THE CONTRIBUTION OF SENIOR CITIZENS TO NATION BUILDING, GRANT BENEFITS AND SPECIAL PRIVILEGES AND FOR OTHER PURPOSES’ ”

By Representatives Zarate, Gaité and Cullamat
TO THE SPECIAL COMMITTEE ON SENIOR CITIZENS

House Bill No. 5153, entitled:

“AN ACT ESTABLISHING A REGULAR

DISTRICT OFFICE OF THE LAND TRANSPORTATION OFFICE (LTO) IN THE MUNICIPALITY OF JAVIER, PROVINCE OF LEYTE AND APPROPRIATING FUNDS THEREFOR”

By Representative Cari
TO THE COMMITTEE ON TRANSPORTATION

House Bill No. 5154, entitled:

“AN ACT RENEWING THE FRANCHISE GRANTED TO CENTURY COMMUNICATIONS MARKETING CENTER, INC. UNDER REPUBLIC ACT NO. 8133, ENTITLED ‘AN ACT GRANTING CENTURY COMMUNICATIONS, INC., A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES, RADIO AND TELEVISION BROADCASTING STATIONS AND STATIONS FOR TELEVISION IN THE PHILIPPINES AND FOR OTHER PURPOSES’ FOR ANOTHER TWENTY-FIVE (25) YEARS”

By Representative Vargas
TO THE COMMITTEE ON LEGISLATIVE FRANCHISES

House Bill No. 5155, entitled:

“AN ACT AMENDING SECTION 73 OF REPUBLIC ACT NO. 6975, OTHERWISE KNOWN AS THE ‘DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT ACT OF 1990,’ AS AMENDED BY REPUBLIC ACT NO. 8551”

By Representative Yap (Eric)
TO THE COMMITTEE ON LOCAL GOVERNMENT

House Bill No. 5156, entitled:

“AN ACT ESTABLISHING THE RIGHTS OF PASSENGER OF TAXIS, TOURIST CAR TRANSPORT SERVICES (TCTS) AND OTHER SIMILAR VEHICLES FOR HIRE (VFH)”

By Representative Yap (Eric)
TO THE COMMITTEE ON TRANSPORTATION

House Bill No. 5157, entitled:

“AN ACT PROVIDING TEACHING SUPPLIES ALLOWANCE FOR PUBLIC SCHOOL TEACHERS”

By Representative Cabochan
TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 5158, entitled:

“AN ACT ESTABLISHING A FIELD OFFICE

OF THE COMMISSION ON HIGHER EDUCATION (CHED) IN VIGAN CITY, ILOCOS SUR AND APPROPRIATING FUNDS THEREFOR”

By Representative Savellano
TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 5159, entitled:

“AN ACT PROVIDING FOR THE DEVELOPMENT, PRESERVATION, PROTECTION AND PROMOTION OF THE CRAFTSMANSHIP AND TRADITIONS OF THE PROVINCE OF ILOCOS SUR AND PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES”

By Representative Savellano
TO THE COMMITTEE ON LOCAL GOVERNMENT

House Bill No. 5160, entitled:

“AN ACT DECLARING THE PROVINCE OF ILOCOS SUR A TOURISM DEVELOPMENT AREA AND APPROPRIATING FUNDS THEREFOR”

By Representative Savellano
TO THE COMMITTEE ON TOURISM

House Bill No. 5161, entitled:

“AN ACT AMENDING REPUBLIC ACT NO. 493 TO INCLUDE IN THE COVERAGE OF PROHIBITION THE USE, WEARING, MANUFACTURE AND SALE OF UNIFORMS AND TEXTILE OF UNIFORMS OF THE MEMBERS OF THE ARMED FORCES OF THE PHILIPPINES AND THE PHILIPPINE NATIONAL POLICE, PRESCRIBING STIFFER PENALTIES FOR VIOLATION THEREOF, AND FOR OTHER PURPOSES”

By Representative Cabochan
TO THE COMMITTEE ON NATIONAL DEFENSE AND SECURITY AND THE COMMITTEE ON PUBLIC ORDER AND SAFETY

House Bill No. 5162, entitled:

“AN ACT EXEMPTING A GOVERNMENT AGENCY, BUREAU OR INSTRUMENTALITY FROM THE PAYMENT OF TAXES AND FEES ON THE PURCHASE OF FIRE SPRINKLERS FOR THE CONSTRUCTION, ESTABLISHMENT, REHABILITATION AND/OR IMPROVEMENT OF PUBLIC BUILDINGS, FACILITIES AND/OR STRUCTURES BY AMENDING SECTION 13 OF REPUBLIC ACT NO. 9514 OR

OTHERWISE KNOWN AS ‘THE REVISED
FIRE CODE OF THE PHILIPPINES’”

By Representative Lacson-Noel
TO THE COMMITTEE ON WAYS AND
MEANS

House Bill No. 5163, entitled:

“AN ACT REINSTATING THE BUREAU
OF DENTAL SERVICES (BDS)
UNDER THE DEPARTMENT OF
HEALTH AND REVAMPING THE
BUREAU OF DENTAL SERVICES BY
INCREASING THE SALARY GRADE
OF DENTAL PROFESSIONALS IN THE
GOVERNMENT AND PROVIDING FOR
STRINGENT PENALTIES FOR ILLEGAL
DENTAL PRACTITIONERS IN THE
COUNTRY”

By Representative Lacson-Noel
TO THE COMMITTEE ON GOVERNMENT
REORGANIZATION AND THE COMMITTEE
ON HEALTH

House Bill No. 5164, entitled:

“AN ACT STRENGTHENING EXECUTIVE
ORDER NO. 193 OR THE ‘NATIONAL
GREENING PROGRAM AND THE
FOREST PROTECTION PROGRAM’
BY MANDATING EVERY LOCAL
GOVERNMENT UNIT IN THE COUNTRY
TO SET ASIDE ONE PERCENT (1%) OF
ITS TOTAL REGISTERED LAND AREA OF
JURISDICTION TO ESTABLISH FOREST
PARKS AND PROVIDING FOR THE
CONSERVATION, MAINTENANCE AND
PROTECTION THEREOF”

By Representative Lacson-Noel
TO THE COMMITTEE ON NATURAL
RESOURCES

House Bill No. 5165, entitled:

“AN ACT GRANTING FREE POST-
GRADUATE EDUCATION TO PUBLIC
AND PRIVATE SCHOOL TEACHERS IN
STATE COLLEGES AND UNIVERSITIES
AND LOCAL UNIVERSITIES AND
COLLEGES AND PROVIDING FUNDS
THEREFOR”

By Representative Castro (France)
TO THE COMMITTEE ON HIGHER AND
TECHNICAL EDUCATION

House Bill No. 5166, entitled:

“AN ACT INCREASING THE MINIMUM
SALARIES OF PRIVATE SCHOOL
TEACHERS TO P30,000 PER MONTH”

By Representative Castro (France)
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 5167, entitled:

“AN ACT ESTABLISHING ‘OFW FAMILY HELP
DESKS’ IN ALL LOCAL GOVERNMENT
UNITS”

By Representative Bagatsing
TO THE COMMITTEE ON OVERSEAS
WORKERS AFFAIRS

House Bill No. 5168, entitled:

“AN ACT INSTITUTIONALIZING THE GRANT
OF TEACHING SUPPLIES ALLOWANCE
FOR PUBLIC SCHOOL TEACHERS AND
APPROPRIATING FUNDS THEREFOR”

By Representative Bagatsing
TO THE COMMITTEE ON BASIC EDUCATION
AND CULTURE

House Bill No. 5169, entitled:

“AN ACT AMENDING CERTAIN PROVISIONS
IN REPUBLIC ACT NO. 10742 OTHERWISE
KNOWN AS THE SANGGUNIAN
KABATAAN REFORM ACT OF 2015”

By Representative Bagatsing
TO THE COMMITTEE ON LOCAL
GOVERNMENT

House Bill No. 5170, entitled:

“AN ACT REPEALING ARTICLE 133 OF ACT
NO. 3815, AS AMENDED, OTHERWISE
KNOWN AS THE ‘REVISED PENAL
CODE’, AND FOR OTHER PURPOSES”

By Representative Lagman
TO THE COMMITTEE ON REVISION OF
LAWS

House Bill No. 5171, entitled:

“AN ACT ESTABLISHING THE POLICY FOR
THE PROTECTION AND PROMOTION OF
THE WELFARE OF OVERSEAS FILIPINOS
AND CREATING FOR THIS PURPOSE THE
DEPARTMENT OF OVERSEAS FILIPINOS
AND THE OVERSEAS LABOR RELATIONS
COMMISSION, DEFINING THEIR POWERS
AND FUNCTIONS, RATIONALIZING THE
ORGANIZATION AND FUNCTIONS OF
OTHER AGENCIES RELATED TO OVERSEAS
FILIPINOS, APPROPRIATING FUNDS
THEREFOR, AND FOR OTHER PURPOSES”

By Representative Nograles (Juan)
TO THE COMMITTEE ON GOVERNMENT
REORGANIZATION AND THE COMMITTEE
ON OVERSEAS WORKERS AFFAIRS

House Bill No. 5172, entitled:

“AN ACT AMENDING REPUBLIC ACT NO. 8479, OTHERWISE KNOWN AS ‘THE DOWNSTREAM OIL INDUSTRY DEREGULATION ACT’ ”

By Representative Go (Mark)
TO THE COMMITTEE ON ENERGY

House Bill No. 5173, entitled:

“AN ACT EXPANDING THE COVERAGE OF THE SENIOR CITIZENS PENSION PROGRAM AND INCREASING ITS AMOUNT, FURTHER AMENDING REPUBLIC ACT NO. 7432, AS AMENDED, OTHERWISE KNOWN AS ‘AN ACT TO MAXIMIZE THE CONTRIBUTION OF SENIOR CITIZENS TO NATION BUILDING, GRANT BENEFITS AND SPECIAL PRIVILEGES AND FOR OTHER PURPOSES’ ”

By Representative Olivarez
TO THE SPECIAL COMMITTEE ON SENIOR CITIZENS

House Bill No. 5174, entitled:

“AN ACT DESIGNATING THE NATIONAL MUSIC COMPETITIONS FOR YOUNG ARTIST (NAMCYA) AS THE NATIONAL YOUTH DEVELOPMENT PROGRAM FOR MUSIC, DEFINING ITS ROLE AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR”

By Representative Olivarez
TO THE COMMITTEE ON YOUTH AND SPORTS DEVELOPMENT

House Bill No. 5175, entitled:

“AN ACT PROVIDING FOR A NATIONAL PROGRAM TO SUPPORT AND CARE FOR ABANDONED, NEGLECTED AND VOLUNTARILY COMMITTED CHILDREN, CREATING A SPECIAL TRUST FUND THEREFORE, AND FOR OTHER PURPOSES”

By Representative Noel
TO THE COMMITTEE ON WELFARE OF CHILDREN

House Bill No. 5176, entitled:

“AN ACT IMPOSING AN AUTOMATIC PRICE CONTROL ON PRICES OF CONSTRUCTION MATERIALS DURING CERTAIN SITUATIONS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7581, OTHERWISE KNOWN AS THE ‘PRICE ACT,’ AS AMENDED”

By Representative Noel
TO THE COMMITTEE ON TRADE AND INDUSTRY

House Bill No. 5177, entitled:

“AN ACT INSTITUTIONALIZING THE SKILLS CERTIFICATE EQUIVALENCY PROGRAM (SCEP) OF THE CIVIL SERVICE COMMISSION (CSC) AND THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) AND FOR OTHER PURPOSES”

By Representative Noel
TO THE COMMITTEE ON CIVIL SERVICE AND PROFESSIONAL REGULATION AND THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 5178, entitled:

“AN ACT STRENGTHENING THE CAPABILITIES OF FOREST RANGERS IN ENFORCING THE LAWS ON PROTECTING AND PRESERVING THE ENVIRONMENT BY PROVIDING THE NECESSARY FIREARMS, TRAININGS AND ASSISTANCE”

By Representative Noel
TO THE COMMITTEE ON NATURAL RESOURCES

House Bill No. 5179, entitled:

“AN ACT AMENDING FOR THE PURPOSE ARTICLE 95 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES BY REQUIRING A MANDATORY SICK LEAVE FOR REGULAR EMPLOYEES”

By Representative Noel
TO THE COMMITTEE ON LABOR AND EMPLOYMENT

House Bill No. 5180, entitled:

“AN ACT ESTABLISHING A VOLUNTARY STUDENT LOAN PROGRAM BY PRIVATE BANKS, PROVIDING INCENTIVES THEREFOR AND FOR OTHER PURPOSES”

By Representative Noel
TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 5181, entitled:

“AN ACT INCREASING THE SERVICE INCENTIVE FOR REGULAR EMPLOYEES, AMENDING FOR THE PURPOSE ARTICLE 95 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES”

By Representative Noel
TO THE COMMITTEE ON LABOR AND
EMPLOYMENT

House Bill No. 5182, entitled:

“AN ACT ESTABLISHING FEEDING CENTERS
IN EVERY CITY OR MUNICIPALITY AND
APPROPRIATING FUNDS THEREFOR”

By Representative Noel
TO THE COMMITTEE ON SOCIAL
SERVICES

House Bill No. 5183, entitled:

“AN ACT AMENDING PRESIDENTIAL
DECREE NO. 464 OTHERWISE KNOWN
AS ‘THE REAL PROPERTY TAX CODE’ BY
GRANTING PROPERTY TAX EXEMPTION
TO QUALIFIED AGRICULTURAL LANDS
FOR A PERIOD OF FIVE (5) YEARS”

By Representative Noel
TO THE COMMITTEE ON LOCAL
GOVERNMENT

House Bill No. 5184, entitled:

“AN ACT PROVIDING FOR THE MAGNACARTA
OF PRIVATE HEALTH WORKERS”

By Representatives Gaité and Zarate
TO THE COMMITTEE ON HEALTH AND
THE COMMITTEE ON LABOR AND
EMPLOYMENT

House Bill No. 5185, entitled:

“AN ACT GRANTING THE RIGHT OF REPLY
AND PROVIDING PENALTIES FOR
VIOLATION THEREOF”

By Representative Marcoleta
TO THE COMMITTEE ON PUBLIC
INFORMATION

House Bill No. 5186, entitled:

“AN ACT TO PROTECT THE FILIPINO
CONSUMER FROM ARBITRARY
INCREASES IN THE PRICES OF LPG
BEING CHARGED BY THE PLAYERS
OF THE LPG INDUSTRY, AMENDING
FOR THE PURPOSE SECTIONS 19
AND 14 OF R.A. 8479, OTHERWISE
KNOWN AS DOWNSTREAM OIL
INDUSTRY DEREGULATION LAW
OF 1988”

By Representative Marcoleta
TO THE COMMITTEE ON ENERGY

House Bill No. 5187, entitled:

“AN ACT AMENDING SECTION 13 OF
REPUBLIC ACT NO. 7166”

By Representative Pimentel
TO THE COMMITTEE ON SUFFRAGE AND
ELECTORAL REFORMS

House Bill No. 5188, entitled:

“AN ACT TO RECLASSIFY A DEVELOPED
PORTION OF FOREST LAND UNDER
CONCESSION WITH PICOP, LOCATED
IN THE CITY OF BISLIG AND THE
MUNICIPALITIES OF HINATUAN,
LINGIG, AND TAGBINA, PROVINCE OF
SURIGAO DEL SUR, INTO ALIENABLE
AND DISPOSABLE LAND OF THE
PUBLIC DOMAIN FOR THE PURPOSE
OF DISTRIBUTING THE SAME TO BONA
FIDE AND LONG TERM FARMERS/
OCCUPANTS THEREOF, AND FOR OTHER
PURPOSES”

By Representative Pimentel
TO THE COMMITTEE ON NATURAL
RESOURCES

House Bill No. 5189, entitled:

“AN ACT DECLARING THE NORTHERN
ZAMBALES WATERSHEDS AND
SUBWATERSHEDS LOCATED IN THE
MUNICIPALITIES OF MASINLOC,
CANDELARIA AND STA. CRUZ IN THE
PROVINCE OF ZAMBALES AS PROTECTED
AREAS UNDER THE CATEGORY OF
PROTECTED LANDSCAPES TO BE
KNOWN AS THE NORTHERN ZAMBALES
PROTECTED LANDSCAPE, PROVIDING
FOR ITS MANAGEMENT AND FOR
OTHER PURPOSES”

By Representative Deloso-Montalla
TO THE COMMITTEE ON NATURAL
RESOURCES

House Bill No. 5190, entitled:

“AN ACT REORGANIZING THE OFFICES OF
THE COMMISSION ON ELECTIONS”

By Representative Deloso-Montalla
TO THE COMMITTEE ON SUFFRAGE AND
ELECTORAL REFORMS

House Bill No. 5191, entitled:

“AN ACT ESTABLISHING A TERTIARY
TRAINING AND GENERAL HOSPITAL
OF THE NATIONAL CENTER FOR
MENTAL HEALTH, TO BE KNOWN AS
THE MANDALUYONG CITY GENERAL
HOSPITAL, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES”

By Representative Gonzales (Neptali)
TO THE COMMITTEE ON HEALTH

House Bill No. 5192, entitled:

“AN ACT PROVIDING FOR THE CONVERSION OF THE LAND TRANSPORTATION OFFICE (LTO) EXTENSION OFFICE IN SAN JOSE CITY, PROVINCE OF NUEVA ECIJA INTO A REGULAR DISTRICT OFFICE TO BE KNOWN AS THE LTO DISTRICT OFFICE OF SAN JOSE CITY, NUEVA ECIJA AND APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

By Representative Violago
TO THE COMMITTEE ON TRANSPORTATION

House Bill No. 5193, entitled:

“AN ACT REPEALING REPUBLIC ACT NO. 11203, OTHERWISE KNOWN AS ‘AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT RESTRICTION ON RICE, AND FOR OTHER PURPOSES’”

By Representative Suansing (Estrellita)
TO THE COMMITTEE ON AGRICULTURE AND FOOD

COMMUNICATIONS

Letter dated October 2, 2019 of Carmela S. Perez, Assistant Commissioner, Planning, Finance and Management Sector, Commission on Audit, furnishing the House of Representatives with a copy of the Consolidated Agency Action Plan and Status of Implementation (AAPSI) of Audit Observations and Recommendations for CY 2018 Consolidated Annual Audit Report (CAAR) of the Commission on Audit.

TO THE COMMITTEE ON APPROPRIATIONS

Annual Audit Report on the Regional Legislative Assembly, Autonomous Region in Muslim Mindanao, Cotabato City for the year ended December 31, 2018.

TO THE COMMITTEE ON APPROPRIATIONS

Letter dated October 2, 2019 of Evelyn S. Marañon, State Auditor V, Supervising Auditor, Office of the Supervising Auditor, Water Districts and Other CGS Stand Alone Agencies, Corporate Government Sector III, COA Regional Satellite Audit Office – Negros Island and Siquijor, Commission on Audit, furnishing the House of Representatives with a copy of the Annual Audit Report on the Bacolod City Water District, Bacolod City, Negros Occidental for the year ended December 31, 2018.

TO THE COMMITTEE ON APPROPRIATIONS

COMMITTEE REPORTS

Report of the Committee on Agriculture and Food (Committee Report No. 71), re H.J.R. No. 22, entitled:

“JOINT RESOLUTION AUTHORIZING THE USE OF THE RICE SUBSIDY AS PROVIDED IN THE GENERAL APPROPRIATIONS ACT (GAA) FOR THE PURCHASE OF PALAY FROM LOCAL FARMERS, MANDATING FOR THE PURPOSE THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG), DEPARTMENT OF NATIONAL DEFENSE (DND), DEPARTMENT OF TRANSPORTATION (DOTr), AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR), IN COORDINATION WITH THE DEPARTMENT OF AGRICULTURE (DA) AND THE NATIONAL FOOD AUTHORITY (NFA), TO DIRECTLY PURCHASE PALAY FROM LOCAL FARMERS AND DISTRIBUTE RICE SUBSIDY ALLOWANCE IN THE FORM OF ACTUAL RICE, INSTEAD OF CASH”

recommending its adoption in substitution of House Joint Resolution No. 16 and House Resolution No. 322

Sponsors: Representatives Enverga and Estrella
TO THE COMMITTEE ON RULES

Report of the Committee on Local Government (Committee Report No. 72), re H.B. No. 5306, entitled:

“AN ACT SEPARATING THE SITIO OF LADOL FROM BARANGAY POBLACION IN THE MUNICIPALITY OF ALABEL, PROVINCE OF SARANGANI AND CONSTITUTING IT INTO A DISTINCT AND INDEPENDENT BARANGAY TO BE KNOWN AS BARANGAY LADOL”

recommending its approval in substitution of House Bill No. 1808

Sponsors: Representatives Villanueva (Noel) and Pacquiao (Rogelio)

TO THE COMMITTEE ON RULES

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

REP. PALMA. Mme. Speaker, I move that we acknowledge the presence of the guest of Hon. Noel L. Villanueva of the Third District of Tarlac, His Excellency Rafael Harpaz, the Ambassador of Israel to the Philippines. *(Applause)*

THE DEPUTY SPEAKER (Rep. Arenas). Please rise. Welcome to the House of Representatives.

The Majority Leader is recognized.

SUSPENSION OF SESSION

REP. PALMA. Mme Speaker, I move to suspend the session.

THE DEPUTY SPEAKER (Rep. Arenas). The session suspended.

It was 3:19 p.m.

RESUMPTION OF SESSION

At 3:32 p.m., the session was resumed with Deputy Speaker Rodante D. Marcoleta presiding.

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

The Majority Leader is recognized.

ROLL CALL

REP. PALMA. Mr. Speaker, I move that we call the roll of the honorable Members.

I so move, Mr. Speaker.

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

The Secretary General is directed to call the roll of Members.

*The Secretary General called the roll, and the result is reflected in Journal No. 22, dated November 5, 2019.**

THE SECRETARY GENERAL. Mr. Speaker, the roll call shows that 225 Members responded to the call.

THE DEPUTY SPEAKER (Rep. Marcoleta). With 225 Members responding to the call, the Chair declares the presence of a quorum.

REP. ATIENZA. Mr. Speaker.

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

REP. PALMA. Mr. Speaker, may we know the concerns of Hon. Jose L. Atienza Jr.

REP. ATIENZA. We would like to clarify certain matters because as we see it, and as we counted the number of Members on the floor, there are no 225 present. There are only about 150 plus right now. Even if you count it again, you will come up with the same total—152.

THE DEPUTY SPEAKER (Rep. Marcoleta). The Majority Leader will please respond to the Honorable Atienza.

REP. PALMA. Mr. Speaker, I acknowledge the comment of the Honorable Atienza that there are around 152, according to his computation of the physical presence of our Members here. As we speak, there are Committees that are still conducting hearings, notably, the Committee on Agriculture and Food, the Committee on National Defense and Security, the Committee on the Marawi Rehabilitation, the Committee on Science and Technology, the Committee on Suffrage and Electoral Reforms, and the Committee—I am sorry—the Commission on Appointments. As we speak, we have around 58 Members who are in the Committees.

THE DEPUTY SPEAKER (Rep. Marcoleta). The explanation of the Majority Leader is duly noted.

REP. ATIENZA. Mr. Speaker, we would like to agree with the Majority Leader's statements as we would like to work—everybody present now would like to work but our people in those stations that you mentioned, only 28 are present in those Committee meetings. So, although we have a slight majority to constitute a quorum, we are putting it on record that the figures cited by the Majority Leader are inaccurate and therefore, subject to question later on as we would not object to the continuation of the session, but we are putting it on record that there are only 132 plus 28—so 160, even if we count those Members attending the Committee hearings right now.

Thank you, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Marcoleta). We cannot put that on the record. We can just comment on it and the comment is duly noted.

The Majority Leader is recognized.

REP. ATIENZA. Mr. Speaker, I object to that statement of the presiding officer.

THE DEPUTY SPEAKER (Rep. Marcoleta). The Chair cannot debate with the Honorable Atienza.

* See ANNEX (printed separately)

REP. ATIENZA. You cannot deny putting that on record...

THE DEPUTY SPEAKER (Rep. Marcoleta). We are not denying...

REP. ATIENZA. ...unless the Body says so.

THE DEPUTY SPEAKER (Rep. Marcoleta). ... but the Chair cannot put that on record.

REP. PALMA. I move to suspend the session.

REP. ATIENZA. The presiding officer merely presides.

SUSPENSION OF SESSION

REP. PALMA. I move to suspend the session, Mr. Speaker.

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

It was 3:49 p.m.

RESUMPTION OF SESSION

At 3:51 p.m., the session was resumed.

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

The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, I move that we take note of the manifestation of the Honorable Atienza.

THE DEPUTY SPEAKER (Rep. Marcoleta). The manifestation of Congressman Atienza is duly noted.

REP. PALMA. Thank you, Mr. Speaker.
Mr. Speaker ...

REP. COLLANTES. Mr. Speaker, we move to acknowledge the presence of our guests in the floor: Honorable Mayor Conde Turqueza of Dolores, Abra; Honorable Mayor Corinthia Crisologo of Tineg, Abra; and Honorable Vice Mayor Edwin Crisologo of Tineg, Abra. They are the guests of Rep. Joseph Sto. Niño B. Bernos, Congressman of the Lone District of Abra. *(Applause)*

THE DEPUTY SPEAKER (Rep. Marcoleta). The guests of Hon. Joseph Sto. Niño Bernos are recognized. Welcome to the House of Representatives.

The Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 4664

Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. PALMA. Mr. Speaker, I move that we consider the agenda for today and resume the consideration of House Bill No. 4664, contained in Committee Report No. 21. May I ask that the Secretary General be directed to read only the title of the measure.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Marcoleta). 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. 4664, entitled: AN ACT INSTITUTING REFORMS IN REAL PROPERTY VALUATION AND ASSESSMENT IN THE PHILIPPINES, REORGANIZING THE BUREAU OF LOCAL GOVERNMENT FINANCE, AND APPROPRIATING FUNDS THEREFOR.

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

REP. PALMA. Mr. Speaker, the parliamentary status of the Bill is that it is in the period of sponsorship and debate. With that, Mr. Speaker, I move that we recognize the Chairman of the Committee on Government Reorganization, Hon. Mario Vittorio "Marvey" A. Mariño.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Marcoleta). Hon. Mario Vittorio "Marvey" A. Mariño is recognized.

SUSPENSION OF SESSION

REP. PALMA. In the meantime, Mr. Speaker, I move to suspend the session.

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

It was 3:53 p.m.

RESUMPTION OF SESSION

At 3:58 p.m., the session was resumed.

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

The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, I move that we recognize Hon. Carlos Isagani T. Zarate of the BAYAN MUNA Party-List for his interpellation.

THE DEPUTY SPEAKER (Rep. Marcoleta). Hon. Carlos Zarate is recognized.

REP. ZARATE. Thank you, Mr. Speaker. To the distinguished Sponsor, may this Representation be allowed to ask some clarificatory questions on this Bill in consideration, Mr. Speaker.

REP. MARIÑO. Certainly, Mr. Speaker.

REP. ZARATE. Thank you, Mr. Speaker, Mr. Sponsor.

Siguro po, pangunahing tanong ko, puwede po bang mailatag ng kagalang-galang na Sponsor kung ano po ba ang pakay ng kasalukuyang panukalang batas na ating tinatalakay? Bakit po kailangang baguhin natin ang kasalukuyang umiiral na existing system of valuation of our real property, Mr. Speaker?

REP. MARIÑO. Mr. Speaker, sa present valuation system po ngayon ay madami ang agencies na nag-assess ng mga market values.

For example, we have the BIR with the zonal value and the LGUs also have market values. Ang iba pang agencies katulad ng Department of Environment at DPWH, mayroon din sariling determination ng market values.

Ang layunin po ng Bill na ito ay mapag-isa ang pag-determine ng market value para consistent na isa lang iyong basis ng market value sa lahat ng agencies. Therefore, malaki po ang matitipid ng gobyerno in case there is a dispute. For example, sa right-of-way, ang gagamitin po ng DPWH sa pagbili ay ang the same market value na ginagamit, for example, ng LGU. Magkakaroon din po ng repository. Ang Bureau of Local Government Finance o BLGF database will determine lahat ng market values sa isang rehiyon, probinsiya, municipality or city.

REP. ZARATE. Thank you, Mr. Sponsor, Mr. Speaker. So, you are saying that in passing this Bill under consideration, aalisin na ang kapangyarihan sa naturang mga ahensiya kagaya halimbawa ng BIR, LGUs, DENR at DPWH in the determination of the valuation of a particular real property for whatever particular transaction. Is that correct, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Not necessarily, Mr. Speaker, kasi kasama rin po ang mga ahensiyang ito sa pag-determine ng market value sa region at sa locality. We will just professionalize the appraiser kaya kasama din po ang

mga ahensiyang ito sa pagbibigay ng market value sa area.

REP. ZARATE. Puwede po bang mailatag ng kagalang-galang na Sponsor paano sa panukalang batas na ito ang magiging proseso ng determination ng valuation if you say that hindi naman inaalis ito sa mga ahensiya. Kung kasama pa rin sila, ano po ang magiging mukha nito at sino ang pangunahing ahensiya na magtatalaga o naitalaga para sa determination ng valuation ng isang property, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Mr. Speaker, sa Article II, Chapter 1, Section 7, nakalagay po dito na mayroong creation of a Central Consultative Committee to serve as the consultative forum on matters pertaining to property valuation. Ang mga kasama po dito ay ang representatives ng Bureau of Internal Revenue, Department of Environment and Natural Resources, Bangko Sentral ng Pilipinas, National Organization of Government Assessors, National Organization of Appraisers in national government agencies and the appraisers from the private sector. Nandoon lahat sila upon the creation of the Central Consultative Committee.

Sa regional naman po, mayroon ding iki-create na Regional Consultative Committee at kasama din po dito ang BIR Regional Office, DENR Regional Office, head of the Regional Organization of Government Assessors or its duly authorized representative, head of the Regional Organization of National Government Appraisers, head of the private appraisal sector, and the head of the Bankers Association of the Philippines within the region. So, mayroon po tayong central at mayroon ding regional. Sila po ang magbubuo noong schedule of market values.

REP. ZARATE. Thank you, Mr. Sponsor, Mr. Speaker. Nakasaad dito sa Chapter II na ang mabubuong Regional Consultative Committee, by the name itself even if it is composed of the different heads of agencies or representatives, this is merely a consultative committee. Ang ibig po bang sabihin, ang determinasyon ng komiteng ito ay hindi final at kung hindi ito final, sino po ang magpa-finalize sa magiging desisyon na maaabot ng komiteng ito, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Ang madi-determine po na market value dito, kasama na rin ang assessor ng bawat municipality, ito ang isa-submit nila sa Bureau of Local Government Finance. Titingnan po ito ng BLGF at iyon ang magiging final market values. The Secretary of Finance will approve the schedule of market values.

REP. ZARATE. Eventually, ang kapangyarihan po

upang i-approve kung ano man ang magiging valuation ay nasa kamay pa rin ng Kalihim ng Department of Finance. Tama po ba, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Not necessarily, Mr. Speaker, kasi sa local government po, the market values are determined by assessors with the help of the Bureau of Local Government Finance at iyong mga nabuo ngang consultative committees, dahil sila rin po ang nagsaliksik, sila rin po ang nag-aral kung ano ang tunay na market values sa area. The Secretary of Finance will merely approve all the submitted recommendations, Mr. Speaker.

REP. ZARATE. That is precisely our point, Mr. Speaker, Mr. Sponsor. Eventually, kung ano man ang napag-uusapan sa sinasabi ninyong itatayo sa regional level, iyong mga sinasabi po ninyong itatayo under Chapter II, eventually, this will be subject to, or ang poder pa rin para i-approve ito ay nasa Secretary of Finance in consonance with Section 4, Chapter I, subparagraph (b), at malinaw na sinasabi rito: “In coordination with the Bureau of Internal Revenue. The power of BLGF Central Operations includes the “review and to ensure the Schedule of Market Values (SMVs) . . . and recommend its approval to the Secretary of Finance for local and national taxation, and for other purposes.” Tama po ba ang aking naturan, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Tama po, Mr. Speaker.

REP. ZARATE. Sa kasalukuyan po, sa panukalang batas na ito kung saan kayo na rin ang nagsabi na to simplify it, ang mga poder na ibinigay sa iba’t ibang mga ahensiya katulad ng BIR na sa kasalukuyan ay may inilalabas pana-panahon na zonal valuations ng properties within its area of jurisdiction and even the local government units, this will now be taken from their authority and eventually, ito ay ibibigay na sa Secretary of Finance. Is that a correct statement, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. The authority to determine the market values rests with the local assessors and also the consultative committee. Iyon po ay kapag na-submit naman sa Secretary of Finance, the approval is merely ministerial because the determination was determined by the assessors and also all the other representatives from the different agencies. So, it does not necessarily take away the power from the other agencies but we merely just consolidated the market values. Siyempre, para sa isang national government o national agency, tama lamang po na ang Secretary of Finance ang mag-approve nito na gagamitin ng national agencies, Mr. Speaker.

REP. ZARATE. Thank you, Mr. Sponsor, Mr. Speaker. You will agree, Mr. Sponsor, Mr. Speaker, na wala namang sinabi sa panukalang batas na ito that that power is now vested in the Secretary of Finance dahil sabi nga ninyo, we will simplify it. Wala na iyong dating poder na nasa DPWH, nasa DENR, but we will just simplify it and we will lodge this power singly to the Secretary of Finance. Hindi po sinabi rito na this is ministerial. So, it appears now sa panukalang batas na ito, kapag sinasabi po nating i-simplify, ay i-e-expand natin ang kapangyarihan ng Secretary of Finance by taking away the existing power now of the other agencies like the Commissioner of Internal Revenue, the Secretary, for example, of the Department of Public Works and Highways, the DENR, and even from the local government units. Iyon po ang ating pinupunto rito.

By the way, matanong ko lang, ano po ba ang mali, sa paningin ng ating kagalang-galang na Sponsor, sa kasalukuyang umiiral na sistema? Bakit kailangang baguhin ito? Ano po ba ang masama kung sa kasalukuyan, the Bureau of Internal Revenue determines the zonal valuation of a particular property and mayroon ding counterpart determination ang municipal or city assessor as to the market value or the fair market value of a particular property in one locality, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Mr. Speaker, may I give an example—nagkaroon po ng dispute, let us say, in buying a right-of-way issue. Kapag iba-iba po ang basis, for example, the complainant wants to use the zonal value as opposed to the market value determined by the local government or the Department of Public Works and Highways, so, magkakaroon po ng delay sa project because dadaan ito sa korte dahil hindi sila magkasundo kasi magkaiba iyong market values na kanilang pinag-aawayan. Kapag isa na lang po ang market value, iyon na rin ang gagamitin to purchase the right-of-way, iyon na rin po ang gagamitin as the basis for taxes. So, iisa po iyong ginagamit natin na market value. That is one example and it will lessen the cost, for example, of the delays in the project of the DPWH, Mr. Speaker.

REP. ZARATE. Salamat, Mr. Sponsor, Mr. Speaker. Ang sinasabi po ba ng kagalang-galang na Sponsor, if we will shift from what is existing now to the new system na sabi nga ninyo ay magiging simplified, iisa na lang ang determination ng market value? Wala nang mangyayaring litigation even, for example, the owner of a property kung saan nandoon iyong road right-of-way issue, kahit na single o simplified na ho ang valuation, ibig po bang sabihin ay wala nang karapatan iyong may-ari ng property to resort to the legal process if he or she disagrees with that single valuation as mentioned by the Sponsor, Mr. Speaker?

REP. MARIÑO. Mr. Speaker, hindi naman po sinasabing walang karapatan. Ang ibig sabihin lang, iyon determination ng market value ay madadali na ngayon ng basis because iisa lang ang ginagamit. Wala na po iyong comparison with the market value from the local government as compared to the zonal value kasi magkaiba po iyon at madalas, magkaiba po ang value.

Ngayon kung iisa lang ang basis, even if you go to litigation, napakadali po ng determination kung alin talaga ang tunay na market value because it went through the process, at ito naman po ay na-appraise ng professional appraisers and so most likely, there will be little dispute with regard to the value kasi iyon din po naman ang market value na gagamitin whether you sell the property or the government acquires the property for right-of-way. Mayroon pa rin silang karapatan to seek through the courts kung ano talaga ang tunay na market value.

REP. ZARATE. Thank you, Mr. Sponsor, Mr. Speaker. So, malinaw po na iyong sinasabi ninyo kanina na sa kasalukuyan, mayroon mga nangyayaring dispute dahil ang puwedeng pagbasehan ang zonal valuation at puwede rin ang fair market value kaya a dispute may arise. That is why sinabi ninyo na kailangang baguhin ito para there will no longer be delays dahil nga pumupunta sa korte.

Now, my related question, Mr. Sponsor, Mr. Speaker, ano po ba ang ipinapanukala dito sa ating Bill in consideration na ipalit? Sabi natin, nagkakaroon ng dispute dahil may zonal valuation ang BIR, may fair market valuation ang LGUs. Dito po ba sa ating panukalang batas, ano ang ating gustong ipalit na tipo or type of valuation, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Iyong proseso po ng valuation ay dadaan pa rin sa committee gaya ng nasabi natin kanina. Mayroon namang professional appraisers doon, so, itatama po natin ang market values. Ina-update, itatama at dumaan sa proseso. Sa ngayon po, medyo malabo ang pag-determine ng market values. Mayroong, for example, zonal value at ang pag-determine po niyan ay base sa two latest highest sales sa area kaya medyo mataas po ang zonal value. Most likely, kapag na-determine naman ang market value, mas mababa po ito because we really look at the process o dumaan ito sa tamang proseso.

REP. ZARATE. Thank you, Mr. Sponsor, Mr. Speaker. So, ano na po ang katawagan natin if this is no longer zonal valuation or fair market valuation, ano na po ang tawag ng tipo or klase ng valuation dito sa panukalang batas na ito?

REP. MARIÑO. Ganoon pa rin po kaya lang may

schedule. Ang tawag natin dito ay schedule of market values.

REP. ZARATE. Schedule of market values. Ano po ang pagkakaiba ng market value sa kasalukuyang tinatawag na fair market value? Ano po ang pagkakaiba nito kung maipasa ang ating kasalukuyang panukalang batas, at ano ang pagkakaiba nito sa zonal valuation, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Ang zonal valuation po, gaya ng nasabi ko kanina, refers to the estimated price that the property may be sold and a seller is willing to buy. Usually po, ito ay magkaiba at mas mataas po iyong zonal value kasi it is determined by the two highest transactions, the selling price doon sa area na iyon, and iyon pong determination of the market value ay mas detailed kapag ito po ay dumaan sa tamang proseso ng Regional Consultative Committee.

REP. ZARATE. Thank you, Mr. Sponsor. By the way, nabanggit po ninyo na ang local government unit sa kasalukuyan ay may kapangyarihan or may poder na mag-determine din ng valuation. Ano po ang pagkakaiba, kung maaaring mailatag ng ating kagalang-galang na Sponsor, ng assessed value naman from market value in the valuation of property, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Ang market value po ay iyong kasalukuyang presyo ng lupa na willing ang mamimili to buy. Iyan po ay nadi-determine depende sa area o sa location. Ang assessed value naman po ay nadi-determine by multiplying the market value by the assessment level. Iyon po ang assessed value. It is the percentage applied to the market value based on the property classification and iyong actual use of the property.

REP. ZARATE. So, ang assessed value po ay for purposes of taxation.

REP. MARIÑO. Taxation.

REP. ZARATE. Tama po ba iyon?

REP. MARIÑO. Correct, tama po.

REP. ZARATE. So, hindi ho ito iyong basehan ng valuation kung, halimbawa, ang isang tao ay gusto niyang bumili ng isang property? Tama po ba iyon, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Tama po. Ang assessed value po ay dini-determine ng LGU kung ano ang percentage na na-assess nila for tax purposes.

REP. ZARATE. So, sa katunayan, iyong assessed value ay mas mababa kaysa sa market value ng isang property, tama po ba iyon, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Tama po, Mr. Speaker.

REP. ZARATE. Now, you mentioned dito sa ating panukalang batas na aalisin na natin iyong zonal valuation at fair market value at pag-iisahin na lang at magkakaroon tayo ng schedule of market values. Ito pong sinasabi ninyong schedule of market values as mentioned in Chapter 1, Section 13, ang kalalabasan po ba nito ay ang bawat lokalidad, bawat siyudad, ay magkakaroon ng iba't ibang valuation ng kanilang property, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Mr. Speaker, talaga naman po na mayroong iba-ibang market values ang bawat municipality or city at depende po iyon doon sa location, sa ganda ng property.

REP. ZARATE. So, wala hong pagkakaiba sa umiiral ngayon na sistema na magkakaiba rin talaga ang valuation. So, ang sunod ko na katanungan, Mr. Sponsor, kaya ho gusto nating mailinaw kung ano ba talaga ang magiging basehan ng valuation kapag naipasa ang panukalang batas na ito ay dahil sa napakarami pong mga probisyon ng iba't ibang batas. Halimbawa, sa Local Government Code and the power of eminent domain ng local government unit, malinaw kasi na ang sinasabi doon ay ang pagbabasehan ng korte, halimbawa, in the determination of the compensation, is fair market value at the time of the taking of the property. So, ano po ang magiging epekto nitong ating panukalang batas if we only say that the valuation will now be based on the schedule of market values? What kind of valuation is that? Is that consonant or in line with the provision, for example, of the Local Government Code that it is the fair market value? In several decisions of the Supreme Court, iyong usapin ng fair market value ay may mga elemento iyan at may pinagbabasehan. Kaya kung sasabihin po natin na dito sa ating panukalang batas, ang magiging valuation na ay based doon sa schedule of market values as approved by the Regional Consultative Committee, eventually approved by the Secretary of Finance, what kind of valuation is that? Ano ang magiging tawag sa kanya at ano ang magiging basis sa kanya, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Iyon naman pong local government units, through their assessors, sila rin naman po ang nag-submit noong market values doon sa location nila, so, hindi naman po iba iyong magiging resulta doon sa schedule of market values kasi sila rin po ang nag-determine noon. Remember, they are submitting the market values based on their determination doon sa area nila.

Ang kapangyarihan naman po ng local government ay for tax purposes. Local government naman po ang nag-di-determine ng assessed rate and also the tax rate, so, they are still the one in charge of the taxes as far as the assessment rate is concerned and also the tax rate. Isa-submit naman po iyong epekto nito at kung saka-sakali ay tumaas iyong babayarang mga buwis ng mga may-ari ng lupa, ito naman po ay dini-determine kung ano iyong impact doon sa local government. Iyan naman po ay inaaprubahan ng local sanggunian, the same as kung ano naman po iyong nasa Local Government Code.

REP. ZARATE. Thank you, Mr. Speaker, Mr. Sponsor. On another point, isa sa nire-raise ng some LGUs, dahil malinaw kasi sa Local Government Code natin na talagang in the exercise o iyong kanilang kapangyarihang maging autonomous even in the determination of taxes and valuation of properties, dito sa ating panukalang batas ay inaalís na ang kapangyarihang iyon dahil, gaya ng nabanggit ninyo kanina, ay kabahagi na lang sila doon sa isang bubuuang consultative committee. Ano po ang inyong magiging komentaryo dito, Mr. Speaker, Mr. Sponsor?

REP. MARIÑO. Gaya po ng nabanggit ko kanina, Mr. Speaker, ang nagdi-determine po ng market value ay local government units pa rin base doon sa mga na-submit noong assessor at sila naman ay kasama rin doon sa consultative committee. Hindi rin po naalis iyong kanilang kapangyarihan dahil, nabanggit ko rin po kanina, they also determine the assessment level of the property and the tax rate. So, iyon pa rin po ang kapangyarihan nila under the Local Government Code at hindi po inaalís ang kapangyarihan na iyon. Ang nababago lang naman po dito ay iyong market value which, under the Local Government Code, ay may mandato po ang isang local government unit na mag-update every three years ng market value. Ganoon din naman po iyong nakalagay sa panukala dito na every three years, ito ay puwedeng i-update because of the changes in, for example, the economy, halimbawa, gumanda po ang values ng properties. So, ito ay para na rin po sa magandang revenue ng isang local government unit.

At this juncture, Deputy Speaker Marcoleta relinquished the Chair to Deputy Speaker Henry S. Oaminal.

REP. ZARATE. Well, iyon po ang inyong posisyon pero sa kasalukuyang umiiral na sistema ay malinaw po na ang poder na iyon ng LGUs ay kaniya talaga at dito sa ating panukalang batas, ang LGU ay magiging kabahagi na lang ng isang consultative committee. Tama po kayo na sila pa rin ang magdi-determine pero

iyong kanilang determination will be subject to, in fact, the approval of that committee, at kung hindi gusto ng miyembro ng komite ang determination ng LGU ay wala hong magagawa ang LGU diyan.

Now, in relation to that, kaya ko ho itinatanong kung ano na ba talaga ang katawagan dito, dahil in Section 12 of the proposed Bill, there was no longer a mention of a fair market value and what is mentioned here in Section 12 for valuation purposes is that all real properties, whether taxable or exempt, shall be valued or appraised based on prevailing market value. Puwede ho bang maipaliwanag ng kagalang-galang na Sponsor kung ano po ang ibig sabihin noong prevailing market value at ano ang pagkakaiba nito sa kasalukuyang katawagan? Under the Local Government Code, the National Internal Revenue Code and other laws, valuation should be based on fair market value, Mr. Speaker, Mr. Sponsor.

REP. MARIÑO. What is the question, Mr. Speaker? Are we talking about fair market value and market value, kung ano po ang pagkakaiba?

REP. ZARATE. Ano ang pagkakaiba noong nabanggit dito sa ating panukalang batas in Section 12 that properties shall be valued or appraised based on prevailing market value? In existing laws like the Local Government Code, National Internal Revenue Code and other related laws, ang binabanggit po rito, for example, in Section 19, as I mentioned earlier, on eminent domain, it says that the amount to be paid for the expropriated property shall be determined by the proper court, based on the fair market value at the time of the taking of the property. So, iyon po ang standard fair market value.

Fair market value is also mentioned in several provisions of other laws pero dito ho sa Section 12 ng ating panukalang batas, there is no longer any mention of fair market value but you mentioned here, “prevailing market value” kaya iyon ho ang tinatanong ko. Ano ba ang pagkakaiba ng prevailing market value and fair market value, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Mr. Speaker, sa tingin ko po ay walang pinagkakaiba iyong fair market value at prevailing market value because the fair market value should be the prevailing market value as determined by the appraiser, so, iyon din po. Kung ito po ay na-update, ito po iyong magiging fair market value at ito po iyong prevailing; at kung hindi po ito na-update, then obviously it will not be the fair market value kasi luma na po o hindi po updated iyong market value. Kaya nga po ito, ang maganda rito ay ma-update po ito every year so that it will be fair, Mr. Speaker.

REP. ZARATE. Well, with due respect to our

good Sponsor, I think there is an ocean of difference if you mention that it is a fair market value. Kung wala ho siyang pagkakaiba, bakit pa ho pinalitan natin ng prevailing market value? Sa tingin po ng Representasyong ito ay mayroon talaga siyang malawak na pagkakaiba. Kaya nga ho tinawag nating fair market value, mayroon hong mga konsiderasyon iyan, dapat equitable siya doon sa bumili at sa pinagbilhan o sa kinunan ng property at iyong kumukuha ng property. Kapag naman sinabi nating prevailing market value, sa tingin ng Representasyong ito, para hong hinayaan na lang natin ito sa merkado—ang merkado na ang magdi-determine na ito ang presyo ngayon. It is a buyer’s market or a seller’s market, ito iyong presyo ngayon and it can be subject to abuse, it can be subject to speculation. Subject ho ito sa mga tiwaling real property developers, for example, na nagla-land banking dahil mura and then later on, they will sell the properties at higher prices because they will say that “this is now the prevailing market value.” Lalo na kapag mayroong proyekto ang pamahalaan diyan at magkakaroon ng road right-of-way, then they will say, “This is now the prevailing value”—binili ko ng P1,000 per square meter noon pero ngayon, ang prevailing value na is P10,000 per square meter. So, magkaiba po iyon sa fair market value as even defined by our Supreme Court in several decisions kasi sa fair market value, ang nako-consider dito, sabi ko nga, may punto rito on equitable consideration. Sino ba ang kinunan mo ng property at sino ang kumuha ng property, Mr. Sponsor, Mr. Speaker.

REP. MARIÑO. Mr. Speaker, the terms “fair market value” or “market value” is the same, it is virtually the same. Ang ibig sabihin po ng “fair,” it pertains to the process of computation at kapag po tama iyong computation, then it is fair but basically, it is the same, kung ano po iyong market value. For example, sabi ninyo po kanina, to determine the right-of-way, ang ibabayad po doon sa may-ari ng lupa ay kung ano iyong market value. Tama po iyon at iyon din naman po ang magiging selling price as far as market value is concerned. Iyon din po iyong same determination and that is why, kaya nga po natin ina-update iyong market value ay para maiwasan iyong discrepancies para hindi po magkaroon ng argument on whether it is fair or not. So, the “fair” connotation refers to the process of computation but the fair market value is virtually the same as the market value, Mr. Speaker.

REP. ZARATE. Thank you, Mr. Sponsor, Mr. Speaker. Again, with the indulgence of our good Sponsor, ang tanong ko po, kung wala ho talagang pagkakaiba iyan e di dapat ang ginamit na lang natin dito sa Section 12, “these properties shall be valued or appraised based on current and fair market value.”

Ganoon po ulit, I will have to reiterate this—kapag ang ginamit lang ho natin ay ang terminong “prevailing market value,” para hong walang intervention, napaka-passive ng estado diyan. Kapag sinabi nating prevailing market value, kung ano lang iyong umiiral na presyo diyan sa merkado, dahil iyan ang presyo, iyan ang babayaran mo. Kaya ho, iyon ang aking pangamba in using this term dahil ho in several decisions of the Supreme Court, talaga ang ginamit niya in the valuation of property, especially in invoking the right of eminent domain, is current and fair market value dahil—uulitin ko—there are just and equitable considerations diyan.

So, iyon po ang aking pagpuna dito sa panukalang batas na ito. By simply removing the phrase “current and fair market value” and replacing it with the term “prevailing” ay puwede ho itong ma-subject to abuse and, in fact, puwede hong maging lugar ito na, you know, magkakaroon ng puwang para sa profit-seeking and profiteering ng ilang mga tiwaling indibidwal at mga opisyal, Mr. Sponsor, Mr. Speaker.

REP. MARIÑO. At any rate, Mr. Speaker, I will answer why it is determined as market value. It is because it is consistent with internationally accepted standards, that is why we call it market value. Ang prevailing po kasi is, tama po kayo, magkakaroon po ng dispute kung gagamitin natin iyong prevailing market value kasi ang determination po ay iyong ngayon—hindi po ba kapag prevailing, ibig sabihin, ngayon? Kaya nga po sine-set natin iyong market value, sine-set na natin iyan at the time it was appraised at iyon po ang magiging basis. It is not the current market price because it is already determined. Every three years po, iyan ay ina-update natin, so, iyan din po iyong magiging basis if there is a dispute. For example, in buying the right-of-way, ang masusunod po doon ay iyong na-set na natin sa schedule of market values, Mr. Speaker.

REP. ZARATE. Well, thank you, Mr. Sponsor, Mr. Speaker. Again, I have to reiterate na hindi ho simpleng gumagamit lang tayo ng isang synonym rito. May nuance ho talaga iyan kaya tinanggal ang phrase “current and fair market value” at pinalitan ng terminong “prevailing.” Malalim ho ang magiging epekto niyan kasi kung simpleng pareho lang iyan ay huwag na nating palitan. Why fix it when it is not broken? Dahil pinalitan ang terminong “prevailing,” ang sabi ko nga, iiwanan natin nang nakabukas ang valuation ng property that can be subject to abuse by profiteering and profit-seeking individuals in the future. So, sa halip na ma-simplify, kahit na ang pamahalaan, ang gobyerno, ay magiging biktima nito, lalo at napakarami hong iskandalo na nangyari sa mga usapin ng road right-of-way na overvalued, et cetera.

So, pupunta ho ako sa mga ilang punto pa dito sa usapin ng panukalang batas na ito, Mr. Sponsor, Mr.

Speaker. Ang atin hong panukalang batas na ito ay hindi lamang simpleng nagse-set ng system of valuation. In Article XIV, may mga penal provisions ho rito at siguro, ang tanong ko na lang dito, Mr. Sponsor, Mr. Speaker, sino ho ang pangunahing ahensiya that will impose the penal provisions as stated in Article XIV? Sino ho ang pangunahing ahensiya ang may poder para masiguro na itong mga probisyon na nakalagay dito ay maipapatupad? Is it the Department of Finance or is it still lodged with the different agencies like the BIR, the DPWH and the DENR?

REP. MARIÑO. Mr. Interpellator, which one is Article XIV? I do not have an Article XIV.

REP. ZARATE. Article IV, Mr. Sponsor, Mr. Speaker, on the penal provisions.

REP. MARIÑO. Well, the BLGF, which is the Bureau of Local Government Finance, will be the one responsible for the implementation of plans, policies, programs—iyon po ba ang tinatanong ninyo, Mr. Interpellator?

REP. ZARATE. Yes, Mr. Sponsor, Mr. Speaker. So, it is the Bureau of Local Government Finance.

REP. MARIÑO. Yes, correct, Mr. Speaker.

REP. ZARATE. Thank you, Mr. Sponsor. Now, finally, Mr. Sponsor, Mr. Speaker, itong ating panukalang batas which is entitled: AN ACT INSTITUTING REFORMS IN REAL PROPERTY VALUATION AND ASSESSMENT, et cetera, will the good Sponsor agree that actually this is really part of the TRAIN package being pushed by the present administration, to include Package I, Package 2—TRAIN 1 is the Income Tax, TRAIN 2 is the CITIRA, and this Real Property Valuation Bill is the Package 3 of this Five-Package Tax Reform. Is that correct, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Either three or four, Mr. Speaker. That is correct.

REP. ZARATE. Ano po iyong “either three or four”? Part pa rin ito ng TRAIN Package. Is that correct, Mr. Sponsor, Mr. Speaker?

REP. MARIÑO. Yes, Mr. Speaker.

REP. ZARATE. Now, considering that this is part of the TRAIN Package, gaya po ng aming matinding puna sa nauuna nang ipasa na mga panukalang batas kaugnay sa TRAIN Package, kung titingnan natin ay napaka-inosente ng batas na ito, it will just simplify the so-called “valuation,” pero naniniwala po ang

Kinatawang ito na ito ay kabahagi o parte pa rin ng pagtutulak, hindi lang ng kasalukuyang administrasyon kundi man noong mga nakaraang panahon, na ang isang nagiging padron na ngayon or trend ay ang pagtutulak ng neoliberalization of even our taxation of our market na eventually ang tinatamaan at ang nagpapasan noong mga kaakibat nitong mga problema ay ang ating mga ordinaryong mamamayan.

Halimbawa, gaya nang napunto ko na kanina, while gustong sabihin na i-simplify ang valuation ng ating property, but even doon sa usapin ng ano ba ang magiging panuntunan ay lumalabas ngayon, as admitted by the Sponsor, na talagang iiwanan na natin sa merkado ang magtatakda kung ano ang valuation ng isang property at dahil nga ginamit natin iyong phrase “prevailing market value,” parang lumalabas dito na ang Estado o ang pamahalaan ay magiging isang passive participant na lamang doon sa usapin ng valuation dahil it is already the market that will determine the value of a particular property.

So, ito ho ang aming pagpupuna dito dahil pagkatapos nito, alam naman natin na mayroon pang ibang mga pakete ng sinasabing tax reforms at alam naman din po natin ang naging epekto noong unang naging tax reform, ang TRAIN 1—for example, ang nagpapasan sa problemang dala ng TRAIN 1, ang pagtaas ng presyo ng mga bilihan, ay ang ating mga mahihirap. Sa TRAIN 1, mas nakinabang ang mga mayayaman dahil iyong kanilang income rin ay nabawasan ng buwis. Ang sinunod ho nating ipinasa rito noong mga nakaraang buwan lang ay ang CITIRA o dating tinawag nating TRABAHO Bill na, sa halip na buwisan natin ng mas mataas ang mga malalaking korporasyon at bawasan ang mga incentives na kanilang tinatanggap, ay pinababa pa natin ang kanilang buwis sa susunod na mga taon from 30 percent to 20 percent. Ang mawawala sa kaban ng bayan dahil binawasan natin ang buwis ng mga malalaking korporasyon na ito, muli, ang papasan niyan ay ang ating mga mahihirap na mamamayan. Iyon din ang ating pangamba dito sa TRAIN Package 3 na itong Property Valuation Reform as this will only benefit those who are engaged in the real estate business, ang mga mayayaman, pero ang tatamaan nito ay ang ating mga mahihirap. So, dito ko na po tatapusin ang aking interpellation.

Maraming salamat sa ating kagalang-galang na Sponsor. Maraming salamat, Mr. Speaker.

REP. MARIÑO. Thank you, Mr. Speaker. Thank you, Mr. Interpellator.

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

SUSPENSION OF CONSIDERATION OF H. B. NO. 4664

REP. PALMA. Mr. Speaker, I move that we suspend the consideration of House Bill No. 4664.

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

The consideration of House Bill No. 4664 is hereby suspended.

REP. PALMA. Mr. Speaker, I move that we acknowledge the presence of the guests of the Minority Leader, Hon. Bienvenido M. Abante Jr., who are in the gallery. They are all Barangay Chairmen, starting with Hon. Danilo Landa Marcos, Hon. Alan Unarse, Hon. Paulito Linis, Hon. Loreto Erasquin and wife, Kagawad Remedios Erasquin, Hon. Catalino Reyes, Hon. Eulie Abellar, Hon. Marilyn Manlapaz, Hon. Manueliza de Jesus, Hon. Dominador Corpuz, former Chairwoman Rosadelia Paragas, Hon. Samuel Baldicañas, Kagawad Erlinda de Guzman, Hon. Michi Castro, Hon. Nicanor Mislant, Hon. Ramonito Tuliao, Hon. Grace Parel, Hon. Romulo Amante and Hon. Emily Lagman Fabros.

THE DEPUTY SPEAKER (Rep. Oaminal). The guests of Hon. Benny Abante are requested to rise, please. Welcome to the House of Representatives. (*Applause*)

The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, I move that we recognize the honorable Minority Leader Benny Abante to avail for his question of privilege.

REP. ABANTE. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Oaminal). Honorable Abante is recognized, but probably not on a question of privilege unless...

REP. ABANTE. Mr. Speaker, I rise on the matter of personal and collective privilege.

THE DEPUTY SPEAKER (Rep. Oaminal). What is his question of personal and collective privilege?

REP. ABANTE. I would like to share the sentiments of our countrymen living abroad as I was abroad for a few days before the beginning of the session, and I am very much affected because we have a lot of OFWs in the Middle East, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Oaminal). Honorable Abante's position on a question of personal and collective privilege does not directly involve his personal integrity as a Member of this august Body, but considering your noble intention of sharing that situation to this august Body, I will recognize him on a manifestation regarding the situation that he would like to present to this august Body.

REP. ABANTE. Mr. Speaker, I just would like to correct the impression, but I am the President of about 6,000 pastors all over the world and we have a lot of groups in the Middle East composed of OFWs, so, that is my primary and personal concern, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Oaminal). Well, if there is no objection on the proposal of the honorable Minority Leader, he is recognized and he may proceed with his question of personal and collective privilege.

QUESTION OF PRIVILEGE OF REP. ABANTE

REP. ABANTE. Thank you, Mr. Speaker.

Among the countries I visited, Mr. Speaker, was the Kingdom of Saudi Arabia which, as many of you know, is the top destination of our overseas Filipino workers or as we call them, our OFWs. According to the Philippine Statistics Authority, almost a fourth of our 2.3 million documented OFWs can be found in this oil-rich state and this is equivalent, Mr. Speaker, to over half a million Filipinos. This number is even greater than the population of some of our provinces. Kasama lang dito ay ang mga documented na OFWs. May mga nagsasabi na aabot pa ng 800,000 ang bilang ng OFWs natin sa Saudi at mayroon din po akong nakausap na umaabot pa po ng 1.4 million, kasama iyong ating mga undocumented OFWs.

During my time spent thereat, I had the opportunity to interact with the representatives of different OFW organizations in a meeting made possible by DFA officials stationed in KSA, all of whom I thank for accommodating this humble Representation's request to meet with our countrymen living in the Kingdom of Saudi Arabia, particularly our Ambassador Adnan Alonto. Sa tingin ko po, napakaimportante na pakinggan at hingin ang sentimyento ng mga tinagurian nating "Bagong Bayani ng Bayan." Our OFWs have been called "modern-day heroes" because of their immeasurable contributions to our country, particularly our economy. According to the Bangko Sentral, personal cash remittances from our OFWs from January to July of this year totaled US\$19.1 billion. This amounted to almost one trillion pesos, Mr. Speaker, and we do not even have the figures for the latter part of 2019, including Christmas when many of our OFWs send money home to their loved ones. Uulitin ko po, Mr. Speaker, mahigit isang trilyong piso na ito at hindi pa natatapos ang taon.

So many of our countrymen depend on our OFWs toiling abroad and because of their particular circumstances, many of these OFWs in turn depend on us, the government, for many things. They need their government to shield them from harm, to keep them employed and to be there for them when crises hit. This is why I was personally disappointed during our meeting

that one of the agencies that was not represented was the Overseas Workers Welfare Administration or OWWA. Marami silang tanong sa gobyerno, para sa atin, lalo na sa OWWA, ngunit wala pong taga-OWWA ang dumalo sa meeting namin, Mr. Speaker. Sayang po itong pagkakataon, ano po. For example, many of them are questioning the recent rebates that have been given by the OWWA. Ang tanong nila, bakit naman napakaliit nito? Sinabi po sa akin ng mga leaders ng Filipino associations doon sa Riyadh, kahit na po 30 taon na sila na nagtatrabaho doon sa Kingdom of Saudi Arabia, ang ibibigay lamang ng OWWA na rebate ay P1,800 after 30 years, Mr. Speaker. Makikita po ninyo mamaya kung magkano po ang contributions ng ating OFW sa ating OWWA, Mr. Speaker.

I had my staff do a little research regarding these rebates and this is what they found out: as of October 9, P26 million out of the earmarked one billion pesos of rebates had been distributed to only 10,512 out of the 556,000 qualified beneficiaries. The rebates ranged, pakinggan po ninyo ha, from just under P1,000 to P13,177.50, Mr. Speaker. In terms of percentages, only 1.89 percent of beneficiaries received rebates and only 2.6 percent of the funds earmarked for rebates had been distributed—2.6 percent.

Maraming pondo po ang OWWA, for the kaalaman po ng marami, at P19 billion na po ang trust fund na ito subalit ang katuwiran ng ating mga kababayan ay hindi naman daw ito nama-maximize. The information my office had gathered tends to support this claim. According to the Commission on Audit, in 2018, the OWWA only used 31 percent of its P88.45 million livelihood fund for OFW groups. Missing in action ang representante ng OWWA sa Saudi habang mukhang kulang sa action ang OWWA dito sa ating bayan.

Mr. Speaker, in many instances, we in Congress have had to look for funds for agencies with budgets that cannot support their programs. In this case, we have an agency that has billions of funds but it appears that it is just content to watch over these funds instead of using them to the fullest. Mayroon pa nga pong pangamba ang ating mga lider doon sa Riyadh at sinasabi po nila na hindi po nila alam kung saan ginagamit ang pondong ito, Mr. Speaker.

The underutilization of the OWWA trust fund serves to highlight the need to properly review the proposal to establish a Department of Overseas Filipino Workers or DOFW na ating pag-uusapan ngayon sa ating Plenary sessions. Many of those I spoke to are fully supportive of the proposal, but have some concerns regarding this new agency.

First, our OFWs believe that if a DOFW is established, OFWs must be given the opportunity to serve in this new department. They believe, and rightly so, that OFWs would be in the best position to address the issues of OFWs because they are intimately familiar

with the challenges that confront each and every Filipino worker abroad.

Second, they do not want the non-performing assets—I repeat, non-performing assets—in the old bureaucracy to be part of this new agency. If incompetent labor attachés are recycled and appointed to the new Department, the old problems will simply recur.

Third, they want assurances that the new agency will be free from corruption, especially if the Department of OFW will have a hand in the management of the multi-billion peso OWWA fund.

Fourth, Mr. Speaker, they want the Department, if ever it will be created, to also focus on the needs of returning OFWs, those who want to go home and be reunited with their families. The new agency should focus as much on reintegration as it does on proper recruitment and deployment.

These are just a few of the sentiments expressed by our countrymen working beyond our shores, and I look forward to sharing these thoughts with Rep. Joey Salceda, the head of the Technical Working Group that is working on fine-tuning and reconciling the provisions of the various DOFW bills that had been filed.

Mr. Speaker, mga kaibigan, malaki na po ang sakripisyo ng ating mga OFWs. They left behind their families and gave up the comforts of their homes to live in foreign lands exposed to various risks and dangers. Sana po sa mga susunod na linggo, habang tinalakay natin ang Bill na magki-create ng Departamento para sa ating overseas Filipino workers, ay pakinggan natin ang mga hinaing ng ating mga kababayan abroad. Let us listen to them, understand them, and work together with them to address their concerns so that they can be given what is rightfully due them.

I remember the words of St. James in his book, ang sabi po niya, “Therefore to him that knoweth to do good, and doeth it not, to him it is sin.” Akin pong ipinapaabot sa ating OWWA family, oho, na wala pong masyadong ginagawa at alam nila kung paano gumawa ng mabuti pero hindi po nila ginagawa, na sagutin po nila ang speech na ito. Nais ko po itong malaman, Mr. Speaker, ng lahat po sa atin dito—OWWA is responsible and should be accountable, Mr. Speaker, sa ating mga overseas Filipino workers.

Maraming, maraming salamat po, Mr. Speaker, for the opportunity. *(Applause)*

THE DEPUTY SPEAKER (Rep. Oaminal). Thank you, the honorable Minority Leader for your question of privilege.

The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, I move that the speech of the honorable Minority Leader Benny Abante be referred to the Committee on Rules.

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

The Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 4664
Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. PALMA. Mr. Speaker, I move that we reconsider House Bill No 4664—I am sorry, I move that we resume the consideration of House Bill No. 4664 under Committee Report No. 21 and request that the Secretary General be directed to read only the title of the measure.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Oaminal). There is a motion to resume the deliberation on House Bill No. 4664. 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 Bill.

THE SECRETARY GENERAL. House Bill No. 4664, entitled: AN ACT INSTITUTING REFORMS IN REAL PROPERTY VALUATION AND ASSESSMENT IN THE PHILIPPINES, REORGANIZING THE BUREAU OF LOCAL GOVERNMENT FINANCE, AND APPROPRIATING FUNDS THEREFOR.

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

REP. PALMA. Mr. Speaker, our parliamentary status is that we are in the period of sponsorship and debate and to continue with the interpellation, I move that we recognize Hon. Edcel C. Lagman of the First District of Albay.

THE DEPUTY SPEAKER (Rep. Oaminal). Hon. Edcel Lagman of the First District of Albay is recognized to interpellate the Sponsor.

REP. LAGMAN. Thank you, Mr. Speaker. As I manifested earlier to the Majority Leader, I will start with my interpellation but I am afraid I may not be able to finish the same because my materials are not with me as I was under the impression that what would be considered today will be the amendment to the Public Service Act, but I can proceed.

Will the distinguished Sponsor yield to some questions?

REP. MARIÑO. It would be an honor, Mr. Speaker.

REP. LAGMAN. May we know if House Bill No. 4664 is a tax measure?

REP. MARIÑO. Mr. Speaker, it is not a tax measure, Mr. Speaker. It is a reform anchored on equity, uniformity, transparency and accountability in valuation, which is the overall goal of the Bill.

REP. LAGMAN. I heard the distinguished Sponsor answer Honorable Zarate that House Bill No. 4664 is either the third or the fourth tranche of the TRAIN Package, which is basically a tax measure. Is that correct?

REP. MARIÑO. That is correct, Mr. Speaker, Package 3 is not a tax measure but it will broaden the tax base used for property and property-related taxes of national and local governments, thereby increasing government revenues without increasing the existing tax rates or devising new tax impositions, particularly, in this Bill...

REP. LAGMAN. Effectively, Mr. Speaker, distinguished Sponsor, once enacted, House Bill No. 4664 will result in the increase in property or real estate taxes as well as the expected collections. Is that correct?

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

REP. LAGMAN. What is the expected rate of increase in real estate or property taxes if this is enacted?

REP. MARIÑO. The tax rate is dependent on three elements, Mr. Speaker: one is the market value, the second one is the assessment level, and the third is the tax rate. The market value is the one that will be determined by this Bill, but the assessment level and the tax rate will be determined by the LGUs so the tax will be also determined by the local government units, Mr. Speaker.

REP. LAGMAN. Whatever it is, what would be the combined impact of these three elements on the amount of taxes to be collected from property or real estate taxes?

REP. MARIÑO. Mr. Speaker, the estimate will be around P30 billion for the LGUs.

REP. LAGMAN. So, there will be an increase in taxes as well as in revenues for local government units. How about for the national government, is there any tax implication?

REP. MARIÑO. For national taxes in the case of non-recurrent taxes, there may be a proportionate increase in tax as a result of the updating of values. However, with the TRAIN Law, tax rates for donor's and estate tax were lowered to six percent while the threshold for VAT exemption was increased to three million pesos. The tax base for donor's and estate tax is the net gift estate, which is the valuation of the real property tax based on the higher zonal or assessed value.

REP. LAGMAN. No, there is no more zonal after this Bill becomes a law. My question is, what would be the increase in revenues for the national government? For example, the imposition of capital gains tax for real estate transaction, will there be an increase?

REP. MARIÑO. Yes, Mr. Speaker, I do not have the exact amount right now but there will be an increase since the market value is ...

REP. LAGMAN. Is there any estimate on the increase in the capital gains tax for real estate transactions?

REP. MARIÑO. One-minute, Mr. Speaker. Mr. Speaker, since capital gains tax is a one-time transaction and also, it depends on the number of transactions, I do not really have the figures right now but it is a one-time transaction based on the number of transactions.

REP. LAGMAN. We understand that that is a non-recurring tax, the capital gains tax, but there can be an estimate because I am aware that there are data or figures available to the Department of Finance on how much, on an annual basis, the government collects in terms of capital gains tax.

REP. MARIÑO. One minute, Mr. Speaker, I am trying to get the data.

REP. PALMA. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Oaminal). What is the pleasure of the Majority Leader?

SUSPENSION OF SESSION

REP. PALMA. I move to suspend the session, Mr. Speaker.

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

It was 5:11 p.m.

RESUMPTION OF SESSION

At 5:13 p.m., the session was resumed.

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

The Majority Leader is recognized.

REP. MARIÑO. Thank you, Mr. Speaker. Mr. Interpellator, from the 2016 study, it is around P18.4 billion.

REP. LAGMAN. So, P18.4 billion was the total amount collected for capital gains tax, is that correct, in 2016?

REP. MARIÑO. This is the potential increase if we update the schedule of market values, Mr. Interpellator.

REP. LAGMAN. The potential increase in capital gains tax collection if this Bill becomes a law?

REP. MARIÑO. That is correct, Mr. Speaker, but this was based on the 2016 study and the Bureau of Local Government Finance is still undertaking the study for the new projection, Mr. Speaker.

REP. LAGMAN. It is possible that that amount would still increase?

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

REP. LAGMAN. How about for the documentary stamp tax, what would be the expected increment if this Bill becomes a law?

THE DEPUTY SPEAKER (Rep. Oaminal). The Chair is requesting the staff of the distinguished Sponsor to come closer.

REP. MARIÑO. I have the figure, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Oaminal). Okay. You may proceed.

REP. MARIÑO. This is the total, this already includes the capital gains tax and also the donor's tax.

REP. LAGMAN. No, no, no. I am talking about the documentary stamp tax.

REP. MARIÑO. I mean the documentary stamps, I am sorry, Mr. Speaker.

REP. LAGMAN. So, how much again is the figure, distinguished Sponsor?

REP. MARIÑO. Mr. Speaker, P18.49 billion.

REP. LAGMAN. Billion, and would that also include the donor's tax?

REP. MARIÑO. That is correct, Mr. Speaker, all national government property transfer taxes.

REP. LAGMAN. That will also include the estate tax?

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

REP. LAGMAN. That was based on a study as of 2016?

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

REP. LAGMAN. That was three years ago?

REP. MARIÑO. That is correct, Mr. Speaker, but they are currently ...

REP. LAGMAN. They are going to update?

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

REP. LAGMAN. The Bill speaks of the adoption of international standards in property valuation. May we know, distinguished Sponsor, what are these international standards?

REP. MARIÑO. Mr. Speaker, international standards refer to recognized principles and best practices in property valuation. An example is the International Valuation Standards developed by the International Valuation Standards Council and recognized by the United Nations Department of Economic and Social Affairs. The Philippine Valuation Standards released by the BLGF adopt the International Valuation Standards, which are compliant to—for example, the one who should perform the appraisal should be a licensed appraiser under existing law. The uses of terminologies should be in accordance with the standards and the proper integration of Philippine Valuation Standards to the existing policy, also. Valuation approaches and methods should be based on the three widely used valuation approaches to value which are the market data approach, income capitalization approach and the cost approach.

So, unlike before, the valuation was randomly identified, the one that cannot be justified due to absence of transaction data—for valuation for taxation purposes, also known as “appraisal,” the practice is mandated under RA 9646 which in its Declaration of Policy states that the State “recognizes the vital role of

real estate service practitioners in the social, political, economic development and the progress of the country by promoting the real estate market.” So, there are certain standards that we need to comply with to be able to assess the market values, Mr. Speaker.

REP. LAGMAN. Well, the Bill does not define what is an international standard. The Bill does not give examples of these international standards. Distinguished Sponsor, do you think it is necessary that there should be included in the Bill a definition of an international standards and examples of these internationally recognized standards which should be adopted by the Philippines?

REP. MARIÑO. Mr. Speaker, it is included in the Bill that we should follow internationally accepted standards.

REP. LAGMAN. Yes, that is very general, that is a generic statement. What I am asking is for a definition of what an international standard is or at least an enumeration of what are these internationally accepted standards on property valuation?

THE DEPUTY SPEAKER (Rep. Oaminal). As directed earlier, may I request the distinguished Sponsor to let your staff to stand or come closer to you to assist you accurately on the data that you need.

REP. MARIÑO. Well, we will accept the proposal of the honorable Gentleman Lagman if there is a ...

REP. LAGMAN. Well, I think that should start with the sponsoring Committee. They can craft the necessary language to precisely capture what this Representation is trying to impress. In the event that the sponsoring committee will not craft such a language, then, most probably I will volunteer to make the necessary amendment at the proper time.

REP. MARIÑO. We will craft the proposal, Mr. Speaker, but we are open to the suggestions of the honorable Interpellator.

REP. LAGMAN. If this Bill is enacted into a law, what will be the resultant regime on the schedule of market values and assessed values depending on the location of the real estate as well as the classification of lands?

REP. MARIÑO. I am sorry, Mr. Speaker, Mr. Interpellator, what is that? Can you ask the question again?

REP. LAGMAN. Well, stated otherwise, will

there be commonalities and variances in the schedule of market values and assessed values depending on the location of the real estate property as well as in the classification of the lands subject to the tax?

REP. MARIÑO. Yes, Mr. Speaker, the market value is always dependent on the location and the use of the property.

REP. LAGMAN. So, in other words, ...

REP. MARIÑO. There will be a different schedule of market values.

REP. LAGMAN. There will be a different schedule of market values for highly urbanized, urbanized, rural and for impoverished LGUs. Is that correct?

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

REP. LAGMAN. Who will be responsible in making this differential valuation?

REP. MARIÑO. The valuation is the same as determined by the local assessor, Mr. Speaker, and it is submitted to the committee to be created and subject to the approval of the Secretary of Finance.

REP. LAGMAN. Now, all of these valuations to be done by the local government unit will eventually be subject to the approval of the Secretary of the Department of Finance, is that correct?

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

REP. LAGMAN. Between the Secretary of the Department of Finance and the local assessor or the local legislative council, who has the expertise, experience and capability of making the actual, honest-to-goodness valuation?

REP. MARIÑO. The assessment will be determined by the local assessor and then it will go through the consultative committee to be established, and then it will be the role of the Bureau of Local Government Finance, through their regional offices, to submit it to the Secretary of Finance.

REP. LAGMAN. What standards should govern the Secretary of the Department of Finance in repudiating the valuation adopted by the local assessor and/or the local legislative body?

REP. MARIÑO. The local assessors should be guided by the Bureau of Local Government Finance, Mr. Speaker.

REP. LAGMAN. My question is, what standards will guide the Secretary of Finance in rejecting or repudiating the valuation created by the experts in the local government unit? We are giving the Secretary of Finance the authority to approve the valuation, so, what standards should guide him?

REP. MARIÑO. Well, Mr. Speaker, that is why it will go through the process of the consultative committee before it even reaches the Secretary of Finance. That is why we will go through the process to have the proper appraisal. That is why we follow the internationally accepted standards. So, before it reaches the Secretary of Finance, we assume that it will go through the process to determine the market value of the local area or region for that matter. So, before it reaches the Secretary of Finance, it already went through the process. It is not the Secretary of Finance who will determine the market value.

REP. LAGMAN. The Secretary of Finance has the final say because he is going to approve the valuation. That is why my question is, what are the standards which should govern his decision? The Bill does not spell out such standards.

REP. MARIÑO. One minute, Mr. Speaker.

SUSPENSION OF SESSION

REP. PALMA. Mr. Speaker, I move to suspend the session.

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

It was 5:25 p.m.

RESUMPTION OF SESSION

At 5:27 p.m. the session was resumed.

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

REP. MARIÑO. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Oaminal). Distinguished Sponsor, you may proceed.

REP. MARIÑO. Only the market values will be determined through the local assessors and then it will go to the consultative committees, the local and regional consultative committees, and then to the BLGF, and then the final approval will be the Secretary of Finance. So, only the schedule of market values, Mr. Speaker.

REP. LAGMAN. Yes, I understand that. The process starts with the local assessor, it is adopted possibly by the local council, it goes to the consultative committees. Then, what business has the Secretary of Finance to do in rejecting or repudiating such valuation which has gone through the process?

REP. MARIÑO. Mr. Speaker, before it reaches the Secretary of Finance, it had already gone through the process which is, like we said earlier, it will go through Philippine standards in determining the market values. So, the Secretary of Finance will also base his decision on the professional assessment of these agencies and also the appraisers, the professionals and international standards.

At this juncture, Deputy Speaker Oaminal relinquished the Chair to Deputy Speaker Pablo John F. Garcia.

REP. LAGMAN. Well, I think that is going around the question. It does not hit the bullseye. Anyway, may we know, Mr. Speaker, distinguished Sponsor, whether under international standards, the counterpart of the Secretary of Finance in other countries has the power to approve or reject the valuation which has gone through the process of the local assessor, local legislative body as well as the consultative bodies and if there are, what are these countries?

REP. MARIÑO. One minute, Mr. Speaker.

SUSPENSION OF SESSION

REP. PALMA. Mr. Speaker, I move to suspend the session.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The session is suspended.

It was 5:30 p.m.

RESUMPTION OF SESSION

At 5:31 p.m., the session was resumed.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The session is resumed.

REP. MARIÑO. Mr. Speaker, as it goes through the process, the Secretary of Finance will approve the schedule of market values, so, in another three years it will also be assessed whether there will be an increase or a decrease depending on the determination of the market values.

REP. LAGMAN. That is provided for in the Bill?

REP. MARIÑO. That is correct.

REP. LAGMAN. My question is, is there any country where the Secretary of Finance or his counterpart thereat has the power to approve or reject the valuation made by the local government units so that we can say this is part of the international standard, or there is none?

REP. MARIÑO. One example, Mr. Speaker, is Indonesia.

REP. LAGMAN. Indonesia?

REP. MARIÑO. Indonesia.

REP. LAGMAN. Okay. What does the law of Indonesia say?

REP. MARIÑO. Well, it sets a valuation-based market value and then, the property value goes through the regional offices of the national revenue authority and then, it is set by the national law and then, they set it at 0.5 percent.

REP. LAGMAN. No. What is the role of the Secretary of Finance or its counterpart in Indonesia?

REP. MARIÑO. The Secretary of Finance or his equivalent is the one in-charge of the regional offices, Mr. Speaker.

REP. LAGMAN. Not the regional but this is national.

REP. MARIÑO. Also the national, I mean ...

REP. LAGMAN. Also the national?

REP. MARIÑO. ...in Indonesia, Mr. Speaker.

REP. LAGMAN. So, most probably, the answer would be, under the international standard, the Secretary of Finance or his counterpart has the final say on the valuation made by local government units as well as the consultative bodies. Well, that has to be subject to validation if that is the international standard.

REP. MARIÑO. That is correct, Mr. Speaker, as far as SMVs are concerned.

REP. LAGMAN. Now, the distinguished Sponsor said that there will be variations in valuation depending on the locality where the property is located, and I would expect that there will also be variations in valuation depending on the classification of the property, whether

it is agricultural, whether it is a private residential, commercial, industrial or for housing purposes. Is that correct?

REP. MARIÑO. That is correct, Mr. Speaker, the local government has the power.

REP. LAGMAN. Who would fix this differential valuation?

REP. MARIÑO. The local sanggunian.

REP. LAGMAN. Local? The local, okay. There is a saying, distinguished Sponsor, that ownership of residential properties is a dead investment. Is that correct?

REP. MARIÑO. Sorry, Mr. Speaker, I apologize.

REP. LAGMAN. I was asking the question and you were dialoguing with the distinguished head of the Committee on Ways and Means.

REP. MARIÑO. I apologize, Mr. Speaker.

REP. LAGMAN. My question is, there is a saying that ownership, particularly of residential lands, is a dead investment because in most cases, owners of residential lands keep their property until they die. So, there is no increment or income as far as they are concerned but these are subject to tax. Will there be a consideration with respect to valuation on such a situation where residential properties are small and used as shelter and no income is derived by the property owner?

REP. MARIÑO. That would be determined by the local assessors in the local LGUs.

REP. LAGMAN. Is there any provision in the Bill which should protect small residential property owners from the increment of tax increase?

REP. MARIÑO. The tax increase, as I stated earlier, Mr. Speaker, is determined by three elements which are...

REP. LAGMAN. By?

REP. MARIÑO. Three elements, Mr. Speaker.

REP. LAGMAN. By the three elements, the combination of these three elements.

REP. MARIÑO. Correct. Well, the ...

REP. LAGMAN. Is there any protection which the

CITIRA would grant to such property owners who do not earn any income from their property despite the fact that they are paying taxes and the taxes will increase?

REP. MARIÑO. There is an assessment level, as determined, for residential, agricultural, commercial and industrial and the assessment level is determined by the LGUs, also the tax rate. So, even if the market value increases, the local sanggunian still has the power to determine the impact as far as whether it is residential or agricultural by lowering the assessment level and the tax rate.

REP. LAGMAN. Most probably, there should be guidance stated in the Bill for local bodies on how to make the necessary valuation with respect to small residential land owners who do not derive any income from this shelter—the lands they own. I suppose that there should be a proper amendment to the measure just as a safeguard or a social protection for small property owners.

REP. MARIÑO. We are open to any of the suggestions of the distinguished Gentleman but, like I said, that power is within the power of the LGUs to determine the assessment level and the tax rate. So, it has been ...

REP. LAGMAN. Yes, that power should be circumscribed in order to protect small residential property owners.

Now, let me go to another point.

REP. MARIÑO. On Section 20, Chapter 2 of the Bill, there is a capacity building measure as far as the local government units are concerned. Their assessors will be trained on how to determine the market value, so, that is incorporated in the Bill.

REP. LAGMAN. That is generic. I am trying to find out whether there is a need—I think there is a need to spell out in the Bill some social protection measures to small residential property owners. Now, is there any safeguard for property owners from the increase in valuation when their properties have been subjected to extreme calamities like, for example, what is happening now in Mindanao due to the successive earthquakes and aftershocks?

REP. MARIÑO. Yes, Mr. Speaker, there is a proposal.

REP. LAGMAN. There is a provision to that effect.

REP. MARIÑO. Yes.

REP. LAGMAN. That is good. May we know what is that particular provision with respect to calamity-stricken areas? You will accept?

REP. MARIÑO. We will accept the proposal, Mr. Speaker.

REP. LAGMAN. Thank you. Now, what would be the impact of this Bill, once enacted into law, on certain government priorities like the Comprehensive Agrarian Reform Law with respect to just compensation of agricultural lands?

REP. MARIÑO. Mr. Speaker, this will be used by all the agencies, including the disputes in DAR and DPWH, so it will be the same basis as far as the market value is concerned, Mr. Speaker.

REP. LAGMAN. Yes. Distinguished Sponsor, we all know that the Comprehensive Agrarian Reform Law is based on social justice, so, the compensation is not based on prevailing market values. Now, most probably, there should be an amendment to the effect that there should be some protection with respect to just compensation required by agrarian reform program to be paid to property owners which would have to be repaid anyway by the agrarian reform beneficiaries, just a thought that there should be some social protection.

REP. MARIÑO. Yes, Mr. Speaker, it will be used as a benchmark and reference, Mr. Speaker.

REP. LAGMAN. What would be the impact of this Bill once it is enacted into law on the right-of-way acquisition by the Department of Public Works and Highways with respect to infrastructure projects?

REP. MARIÑO. This will also be the basis for payment as far as the right-of-way is concerned.

REP. LAGMAN. There will be an increase in payment because there will be an increase in the schedule of market values.

REP. MARIÑO. That is correct but ...

REP. LAGMAN. In other words, the government would have to make additional outlays for right-of-way acquisitions for the Department of Public Works and Highways.

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

REP. LAGMAN. Is there any study conducted on how this would affect the budgetary outlay for right-of-way acquisitions?

REP. MARIÑO. There is a study being done, Mr. Speaker, but it will also prevent further disputes and delays as far as the acquisition of the right-of-way because there will be one single basis for market value.

REP. LAGMAN. Most probably there will be delays in the sense that the affected landowners will have to demand for higher valuation based on the reformed schedule of market values, so, the government will have to pay more and Congress will have to outlay more for right-of-way acquisitions. Anyway, this is just a thought for the Committee on what possible amendments should be done on this.

Now, one of the three major powers of the government aside from police power and taxation is the right of eminent domain. How would the right of eminent domain by the government be affected if this Bill becomes a law?

REP. MARIÑO. It will use the same basis, Mr. Speaker, as far as the market value is concerned.

REP. LAGMAN. Yes, I know, but that is general and these are special concerns. Most probably, there should be some provisions which would protect both the landowner as well as the government from exorbitant rates because of the increase in the schedule of market values—just another thought for the Committee, Mr. Speaker, distinguished Sponsor.

Now presently, local assessors are appointed by local executives. In other words, they are subject to the vagaries of partisan politics. Is that correct?

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

REP. LAGMAN. Would the distinguished Sponsor agree that, just like the national—just like the municipal treasurers, the local assessors should be appointed by the Secretary of the Department of Finance so that the Department of Finance will have more control over assessors?

REP. MARIÑO. There is such a proposal, Mr. Speaker.

REP. LAGMAN. Will that proposal be included in this Bill?

REP. MARIÑO. No, it is not included here, Mr. Speaker.

REP. LAGMAN. Why? Can it be included?

REP. MARIÑO. The local assessors will still be under the supervision of the local chief executives but technically, they are trained by the Bureau of Local Government Finance.

REP. LAGMAN. Now, the local assessors are appointed by the local executives and so, they are under the control and supervision of local executives. Now, this is another food for thought for the Committee—whether there is a reason to have the local assessors appointed by the Secretary of Finance. Anyway, the Secretary of Finance has the power to approve or disapprove the local appraisals.

REP. MARIÑO. Anyway, Mr. Speaker, that is the setup of the Local Government Code as of right now.

REP. LAGMAN. Now, most probably we can ask the Secretary of Finance whether he would be amenable to appointing local assessors in same manner that presently, the municipal treasurers are being appointed by the Secretary of Finance.

REP. MARIÑO. As of now, Mr. Speaker, the setup again is under the Local Government Code where the assessor is under the local chief.

REP. LAGMAN. We are making a law and no law is irrevocable or cannot be amended and that is why this could be the proper medium of amending the law by having the local assessors appointed by the Secretary of Finance so that they will be isolated from partisan local politics. This is just a suggestion.

REP. MARIÑO. Noted, Mr. Speaker.

REP. LAGMAN. Now, the Bill also talks of up-to-date electronic database. Is that correct?

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

REP. LAGMAN. How much would it cost local government units to have an up-to-date electronic database?

REP. MARIÑO. The system will cost P158 million, Mr. Speaker.

REP. LAGMAN. So, P158 million, and is there any funding which local government units can access so that they could have up-to-date electronic database for their valuation system?

REP. MARIÑO. The good thing about this proposal, Mr. Speaker, is that the Bureau of Local Government Finance will be the one using that—storing the data and so, they will be the one to provide the database. It will not be the local government units.

REP. LAGMAN. I know, but does the Bureau of Local Government Finance have the funding for this?

REP. MARIÑO. I think there are certain funds available for the upgrading of any system.

REP. LAGMAN. Can we be more specific? Do we have funds for this or wala? Kung wala, can we appropriate?

REP. MARIÑO. Mr. Speaker, the system will be provided for by the DICT as far as the BLGF is concerned, and the training capacity will be ...

REP. LAGMAN. May pera ba ang DICT? In the 2020 budget, may pera ba sila?

REP. MARIÑO. Yes, Mr. Speaker.

REP. LAGMAN. Mayroon. How much?

REP. MARIÑO. Kasama na po sa P158-million proposal doon sa budget.

REP. LAGMAN. I would like to have a specific answer, at hindi lang kasama doon. Mayroon bang specific budget talaga o wala? Anyway, we can check on that and that can be subject to further validation.

Mr. Speaker, distinguished Sponsor, I would like to thank the Bureau of Local Government Finance for briefing me on this subject and they have answered many of my concerns. I will review the documents I have, which documents I do not have here now, and most probably in the next 30 minutes allotted to me, I can resume my interpellation tomorrow, if ever I would.

Thank you so much, distinguished Sponsor, for accommodating my questions. Thank you, Mr. Speaker.

REP. MARIÑO. Thank you, Mr. Speaker. Thank you, Mr. Interpellator.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, I would like to take note of the manifestation of Hon. Edcel C. Lagman in ending his interpellation today, and when we continue again tomorrow if this Bill is considered tomorrow, that he will have 30 minutes to continue with his interpellation.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The reservation of Congressman Lagman is noted.

SUSPENSION OF CONSIDERATION OF H.B. NO. 4664

REP. PALMA. Mr. Speaker, I move that we suspend the consideration of House Bill No. 4664.

I so move, Mr. Speaker.

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

The consideration of House Bill No. 4664 is hereby suspended.

The Majority Leader is recognized.

DESIGNATION OF MEMBERS TO THE CONF. CTTEE ON H.B. 4933 AND S.B. NO. 1043

REP. PALMA. Mr. Speaker, I move that we designate the following Members to the Conference Committee on the disagreeing provisions of House Bill No. 4933 and Senate Bill No. 1043, entitled: AN ACT POSTPONING THE MAY 2020 BARANGAY AND SANGGUNIANG KABATAAN ELECTIONS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9164, AS AMENDED BY REPUBLIC ACT NO. 9340, REPUBLIC ACT NO. 10632, REPUBLIC ACT NO. 10656, REPUBLIC ACT NO. 10923, AND REPUBLIC ACT NO. 10952, AND FOR OTHER PURPOSES: Rep. Juliet Marie de Leon Ferrer, Rep. Elpidio F. Barzaga Jr., Rep. Rufus B. Rodriguez, Rep. Pablo C. Ortega, Rep. Lawrence "Law" H. Fortun and Rep. Stella Luz A. Quimbo.

I so move.

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

CONSIDERATION OF H.B. NO. 4851 ON SECOND READING

REP. PALMA. Mr. Speaker, I move that we consider House Bill No. 4851, contained in Committee Report No. 31, as reported out by the Committee on Higher and Technical Education.

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

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia, P.). 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. 4851, entitled: AN ACT DECLARING MAY 18 OF EVERY YEAR AS NATIONAL HIGHER EDUCATION DAY.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The Majority Leader is recognized.

PERIOD OF SPONSORSHIP AND DEBATE

REP. PALMA. Mr. Speaker, the parliamentary status of the Bill is that we are in the period of sponsorship and debate and with that, I move that we recognize the Hon. Mark O. Go of Baguio City, the Chairman of the Committee on Higher and Technical Education, to sponsor the said measure.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia, P.). Hon. Mark Go is hereby recognized to sponsor the measure.

REP. GO (M.). Thank you, Mr. Speaker. At this point, I would like to move for the approval of this Body to consider the Explanatory Note of House Bill No. 4851, declaring May 18 of every year as National Higher Education Day, be considered as the sponsorship speech on the measure.

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

The Explanatory Note of the Bill is considered as the sponsorship speech on the measure.

The Majority Leader is recognized.

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

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia, P.). Is there any objection? (*Silence*) The Chair hears none; the period of sponsorship and debate is hereby terminated.

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

THE DEPUTY SPEAKER (Rep. Garcia, P.). Is there any objection? (*Silence*) The Chair hears none; the period of amendments is hereby opened.

REP. PALMA. Mr. Speaker, there being no Committee or individual amendments, I move that we close the period of amendments.

THE DEPUTY SPEAKER (Rep. Garcia, P.). Is there any objection? (*Silence*) The Chair hears none; the period of amendments is hereby terminated.

REP. PALMA. I now move, Mr. Speaker, that we approve House Bill No. 4851 on Second Reading.

I so move, Mr. Speaker.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garcia, P.). There is a motion for the approval of House Bill No. 4851 on Second Reading.

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

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Garcia, P.). As many as are against, please say *Nay*.

FEW MEMBERS. *Nay*.

APPROVAL OF H.B. NO. 4851 ON SECOND READING

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

House Bill No. 4851 is approved on Second Reading.

The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, I move that we recognize Hon. Arlene D. Brosas of the Party-List GABRIELA.

THE DEPUTY SPEAKER (Garcia, P.). Congresswoman Brosas of GABRIELA Party-List, on what matter does the Lady rise?

REP. BROSAS. Mr. Speaker, this is about the red-tagging and terror-tagging vilification campaign of the Armed Forces of the Philippines recently here in Congress during the hearing on the AFP Modernization Program.

THE DEPUTY SPEAKER (Garcia, P.). The Lady has 10 minutes.

QUESTION OF PRIVILEGE OF REP. BROSAS

REP. BROSAS. Thank you, Mr. Speaker.

Mr. Speaker, I rise on a matter of personal and collective privilege. Mr. Speaker, I would like to manifest and condemn the red-tagging and terror-tagging and baseless accusation of the AFP against the GABRIELA Women's Party during the briefing on the AFP Modernization Plan in the meeting of the Committee on National Defense this afternoon.

Major General Reuben Basiao presented a list of alleged communist terrorist group fronts which includes GABRIELA Women's Party and other progressive groups. Nilalagay nito sa panganib ang aming buhay, Mr. Speaker. Such baseless accusation is dangerous, especially in this political climate where human rights defenders who are opposing the government's anti-poor policies are being red-tagged, terror-tagged, illegally arrested and even killed by the joint forces of the Armed Forces of the Philippines and the Philippine National Police.

Halimbawa na lang ang nagaganap na patayan sa Negros at pagkulong sa mga miyembro ng progresibong organisasyon. GABRIELA Women's Party is a duly-elected party-list, pagkatapos, sinasabi ng AFP na front kami ng communist terrorists' group. Isa itong kasinungalingan. Hindi dapat pumapayag ang Kongreso na ang Kapulungang ito ay ginagawang lunsaran ng kasinungalingan. Nandito tayo sa Kongreso dahil gusto nating maging bahagi ng pagkakaroon ng pagbabago sa pamamagitan ng pagsulong ng mga batas para sa kapakanan ng mga mahihirap na mamamayan, lalo na ang mga bulnerableng sektor kagaya ng kababaihan at bata. We are here to participate in governance, to promote good governance. We are the principal authors of several laws, including the recently passed RA 11210 or the Expanded Maternity Leave Law, as well as the Occupational Safety and Health Law. Mga batas ito para sa mga kababaihan at mga manggagawa—krimen ba itong matuturing? Hindi kami armadong grupo at hindi armado ang mga miyembro namin. Sa ilalim ng kasalukuyang Konstitusyon at mga batas, hindi krimen ang mag-organisa at hindi krimen ang maging aktibista.

We may disagree on some issues and policies but is that not the essence of democracy? GABRIELA Women's Party strongly condemns this clear attempt to criminalize dissent and weaponize the law. Stop the attacks.

Mr. Speaker, maraming salamat po.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, I move that we refer the speech of the Honorable Brosas to the Committee on Rules for its appropriate action.

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

CONSIDERATION OF H.JT. RES. NO. 22 ON SECOND READING

REP. PALMA. Mr. Speaker, I move that we

consider House Joint Resolution No. 22, contained in Committee Report No. 71, as reported out by the Committee on Agriculture and Food.

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

THE DEPUTY SPEAKER (Rep. Garcia, P.). 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 Joint Resolution No. 22, entitled: JOINT RESOLUTION AUTHORIZING THE USE OF THE RICE SUBSIDY AS PROVIDED IN THE GENERAL APPROPRIATIONS ACT (GAA) FOR THE PURCHASE OF PALAY FROM LOCAL FARMERS, MANDATING FOR THE PURPOSE THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG), DEPARTMENT OF NATIONAL DEFENSE (DND), DEPARTMENT OF TRANSPORTATION (DOTr), AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR), IN COORDINATION WITH THE DEPARTMENT OF AGRICULTURE (DA) AND THE NATIONAL FOOD AUTHORITY (NFA), TO DIRECTLY PURCHASE PALAY FROM LOCAL FARMERS AND DISTRIBUTE RICE SUBSIDY ALLOWANCE IN THE FORM OF ACTUAL RICE, INSTEAD OF CASH.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The Majority Leader is recognized.

PERIOD OF SPONSORSHIP AND DEBATE

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

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

REP. PALMA. Mr. Speaker, to sponsor the said measure, I move that we recognize Hon. Wilfrido Mark M. Enverga and Hon. Florencio "Bem" G. Noel.

* See MEASURES CONSIDERED (printed separately)

THE DEPUTY SPEAKER (Rep. Garcia, P.). Honorable Enverga and the Honorable Noel are hereby recognized.

Honorable Enverga, please proceed.

SPONSORSHIP SPEECH OF REP. ENVERGA

REP. ENVERGA. Thank you very much, Mr. Speaker, Majority Leader.

The House Committee on Agriculture and Food on October 23, 2019 approved House Joint Resolution 22, authorizing the use of the rice subsidy as provided for in the General Appropriations Act (GAA) for the purchase of palay from local farmers, mandating for the purpose the Department of Social Welfare and Development (DSWD), the Department on Interior and Local Government (DILG), the Department of National Defense (DND), the Department of Transportation (DOTr), the Department of Environment and Natural Resources (DENR), in coordination with the Department of Agriculture (DA) and the National Food Authority (NFA), to directly purchase palay from local farmers and distribute the rice subsidy allowance to their respective beneficiaries in the form of actual rice instead of cash.

On February 2019, Republic Act No. 11203 entitled: An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice and for other Purposes, was enacted. The law aims to make the country's agriculture sector viable, efficient and globally-competitive by lifting the quantitative restriction on rice and in lieu thereof, adopting the use of tariffs to protect the local producers of rice and agricultural products to help the local rice industry.

The law created the Rice Competitiveness Enhancement Fund or the Rice Fund, which shall be sourced from tariffs collected from the importation of rice and to be allocated and disbursed as follows: (a) Rice Farm Machineries and Equipment; (b) Rice Seed Development Propagation and Promotion; (c) Expanded Rice Credit Assistance; and (d) Rice Extension Services. Department Agriculture Secretary William Dar assured the farmers that the RCEF releases would turn things around. The amount of P10 billion had already been allotted to agencies responsible for implementing the RCEF Program, to include the provision of seeds, machinery, credit and training to rice-producing provinces all over the country.

We know that these interventions will take time to be fully appreciated, and the government, through the Department of Agriculture, is doing all things possible to alleviate the plight of our local farmers in the light of the influx of imported rice in the market. According to the Philippine Statistics Authority, the average buying

price of palay dipped further to P15.56 a kilo in the first week of October, down by 28.82 percent from levels a year ago, the lowest in eight years. The members of the Committee on Agriculture and Food believe that this Joint Resolution No. 22 will greatly help in providing additional funds for the DA and the NFA to purchase the palay of our local farmers.

The 2019 General Appropriations Act provides a total allocation of P33.9 billion for rice subsidies, the largest of which is given to the beneficiaries of the Department of Social Welfare and Development under the Pantawid Pamilyang Pilipino Program, and the remaining allocation for the rice subsidy programs of the DILG, DND, DOTr and the DENR shall also be utilized by the Department of Agriculture, in coordination with the NFA, to buy palay directly from local farmers.

The NFA has a P7 billion budget to buy palay, but the allocation can only purchase less than five percent of the local produce, not substantive in terms of effect. To provide immediate support and assistance to the local rice industry, Pres. Rodrigo Roa Duterte has ordered the NFA to expend their budget of seven billion pesos for procuring palay from local farmers. The NFA was directed to use the "buy-sell-roll scheme" so it can buy more palay from local farmers and address the problem of oversupply, and unclog NFA warehouses. The NFA buys palay from farmers at P19 per kilogram, clean and dry, with 14 percent moisture content. With this Joint Resolution No. 22, the additional funds will enable the NFA to buy more from our local farmers.

Ako po, bilang Chairman ng Committee on Agriculture and Food, ay naniniwala na malaki ang maiaambag ng pondo na ito para kagyat na maibsan ang suliranin ng ating mga magsasaka. Ako po ay humihingi sa inyo ng suporta para dito.

Maraming salamat po.

THE DEPUTY SPEAKER (Rep. Garcia, P.). Honorable Noel will continue with the sponsorship of the measure.

SPONSORSHIP SPEECH OF REP. NOEL

REP. NOEL. Salamat, Mr. Speaker.

Maupay nga gabi ha aton na tanan.

Mr. Speaker, this humble Representation of AN WARAY Party-List is privileged to sponsor the proposed Joint Resolution No. 22 urging concerned national government agencies to directly purchase palay from local farmers and to provide rice instead of cash to the beneficiaries of the government's rice subsidy program, the largest portion of which is given to families enrolled in the Pantawid Pamilyang Pilipino Program or 4Ps of the DSWD.

Rice is a staple in our daily meals and accounts as a constant expense, especially for families under the 4Ps. By providing them with rice in lieu of cash, the beneficiaries will have regular access to the staple and hopefully be able to devote more resources available to them for other equally important family expenses. Likewise of equal interest to this Representation is the impact this initiative will bring to local farmers. The additional palay requirements needed for this program will hopefully increase the buying price of local palay significantly from a depressing P16.28, the lowest in seven years and way below the cost of production.

In Eastern Visayas, where this Representation comes from, rice accounts for at least 20 percent of the region's total agricultural output coming from nearly 160,000 hectares of agricultural land devoted to rice production. This initiative will be very helpful for Eastern Visayas families who depend heavily on rice cultivation as their source of income.

The initiative will be a welcome breather for all rice farmers in the light of recent reported challenges. It means a steadier source of income for them, with the government as a sure market with P33.9 billion allocation for rice subsidies. This can also lead to additional employment opportunities in farming communities since local farmers will have to meet higher palay production as an offshoot of the program.

Overall, this Representation would like to encourage the DSWD to continuously work with Congress in identifying ways on how we can improve the 4Ps as a tool towards poverty alleviation. At the same time, this Representation would like to strongly urge the Department of Agriculture to ensure the speedy and strategic release of funds from the Rice Competitiveness Enhancement Fund which will be of great help to our local farmers. If we are to implement this initiative, they will need additional resources to reduce production costs and other inefficiencies that will ultimately result into higher yields and incomes for them.

Mr. Speaker, my esteemed colleagues in this Chamber, this initiative complements AN WARAY's commitment towards katilingban or the sense of community because of the parallel benefit it brings to our 4Ps beneficiaries and local farmers. It is also consistent with our commitment towards collective kauswagan or grassroots progress in our local communities, given the added stimulus it can bring to our region. As the strongest advocate of katilingban and kauswagan in Eastern Visayas and across the country, this Representation manifests his full support for the swift approval of the said Joint Resolution No. 22.

Damu nga salamat. Maupay na gab-i, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, the status of this measure is that we are in the period of sponsorship and debate. With that, may we recognize Hon. Arlene D. Brosas of the Party-List GABRIELA for her interpellation.

THE DEPUTY SPEAKER (Rep. Garcia, P.). Honorable Brosas is recognized for her interpellation.

REP. BROSAS. Thank you, Mr. Speaker. Mr. Speaker, will the honorable Sponsor yield to a few clarificatory questions.

REP. ENVERGA. Most willingly, Mr. Speaker.

REP. BROSAS. Thank you, Mr. Speaker. Ilang tanong lang po dahil isa din kami sa sumusuporta na magkaroon talaga ng reprieve ang mga magsasaka natin sa kasalukuyan dahil sa matinding pag-atake sa kanila o epekto o impact sa kanila ng RA 11203 or the Rice Liberalization and Tariffication Law dahil sa ibinagsak ng presyo ng palay sa kasalukuyan.

Una po, I believe na nagpasa din ang Senado ng version nila ng Joint Resolution. Alam po ba ninyo ang difference ng provisions between the Senate version and the House version, kung mayroon po ba?

REP. ENVERGA. Una po, Mr. Speaker, sa bersyon na lumabas sa ating Committee, kasama dito ang iba pang mga ahensiya na mayroong rice subsidy program. Ang Senado po, ang kanilang bersyon ay nilimitahan po ito sa DSWD, partikular po sa 4Ps fund at rice subsidy program. Sa atin pong bersyon, isinama natin ang mga ahensiya na makakatulong pa sa ating mga magsasaka. Bukod pa dito, nilimitahan po ng Senado sa 11 lalawigan na sa palagay nila ang pinakatinamaan sa panahon na ito ng pag-ani ng palay at pati iyong presyo sa pagbenta ng palay ng mga magsasaka. Sa kabuuan po ay halos nagkakatugma na rin sila, pero partikular lang sa dalawa na nabanggit na pagkakaiba nila.

REP. BROSAS. Thank you, Mr. Speaker. Thank you, honorable Sponsor. Kaugnay po dito, sinasabi natin na itong different agencies ang kukunan natin ng pondong pambili ng bigas o pambili ng palay. Ibig bang sabihin nito, for example, kung bibilhin ng DSWD ang palay with the amount of P28 billion na mayroon sila, paano ito ipapakalat or idi-distribute ng DSWD samantalang walang provision ang DSWD o ang iba pang mga ahensiya for that matter ng pagdi-distribute nito, lalong-lalo na sa mga malalayong lugar?

Alam po ninyo ang problema sa 4Ps ay ganito—iyong beneficiary, wala naman siyang pamasahe papunta sa sentro kung saan itatambak ang mga bigas. Ibig sabihin, may mga ahensiya po na kung wala rin

silang ilalaan for transportation at kung ano-ano pa para ma-ensure na maibigay sa tao or sa mga magsasaka or sa mga nangangailangan iyong bigas, baka po ang mangyari ay hindi makuha iyong bigas, or baka mas lalo pang mag-entail ng mas mahal na rekurso para sa kanila at hindi na sila mag-opt nito, Mr. Speaker, honorable Sponsor.

REP. ENVERGA. Maraming salamat po. Nabanggit po iyan sa aming deliberasyon ukol sa panukalang ito. Nabanggit po na may pagkakataon na kapag nag-pay out, kapag ipinatawag po, Mr. Speaker, ang mga benepisyaryo, may pagkakataon na nakikita sila na baka ang kanilang buhatin pabalik sa kanilang bahay ay halos 40 kilos ng bigas sa isang payout. Nabanggit nga po ito ng 4Ps beneficiaries, Mr. Speaker, na ito ay isang malaking problema para sa kanila.

Nagmagandang-loob po ang DSWD sapagkat tutulong din sila sa transportasyon para sa pagdala ng mga bigas na ito. Isa rin po sa mga option na kinokonsidera nila ay baka nga puwede na ang kanilang matatanggap ay by phase mula sa station ng pagbibigay po ng bigas. Ang NFA din po ay willing tulungan ang DSWD sa pag-transport at pag-distribute. Sa kasalukuyan nga po ay mayroon na po silang tripartite agreement at pinag-uusapan na po kung paano mapapadali ang pagbibigay nga po at ang paglulunsad ng programang ito, Mr. Speaker.

REP. BROSAS. Okay. Thank you, Mr. Speaker, honorable Sponsor. Kailangan po nating i-ensure kung paano ang paraan para maibigay talaga sa ating mga mamamayan iyong sinasabing bigas, kasi there are people opting for cash dahil iyon naman po ang kanilang ini-expect at ito ang contention ng iba pa sa atin. Kung mai-ensure po, lalong-lalo na sa IRR, na maibigay talaga sa mga mamamayan natin nang hindi nag-i-entail ng sobra-sobrang kailangan pa nila na pamasaha, kailangan pa nila ng ganito, ay makakabuti po iyon sa atin kasi ang gusto naman talaga natin ay makatulong sa ating mga mamamayan.

Now, for my last, siguro po, na manifestation, Mr. Speaker, alam po namin na itong ginagawa ngayon ng Committee on Agriculture and Food na House Joint Resolution No. 22 ay hindi para sa pangmatagalan na solusyon sa nagaganap sa ating mga magsasaka sa kasalukuyan. So, gusto lang po naming i-reiterate na ang panawagan talaga ng Makabayan bloc ay i-repeal ang Rice Liberalization and Tariffication Law dahil hindi naman talaga ito nakapagbigay ng safeguards at napatunayan po ito sa aktwal ng ating mga magsasaka. Gusto din namin ding sabihin na ang option, ibigay sa mga tao na mayroong pong option para sa gusto natin na self-sufficiency para sa kanila at ang pagtitiyak ng food security natin sa pamamagitan ng Rice Industry Development Act.

Magandang ma-review ito dito po sa Kongreso. Sa mga kapwa ko Mambabatas, tingnan po natin nang maigi itong proposal for a Rice Industry Development Act. Sa tingin namin, ito iyong pangmatagalan para ma-ensure natin ang industriya ng ating palay at bigas.

Iyon lang po, Mr. Speaker. Thank you very much, honorable Sponsor.

REP. ENVERGA. Maraming salamat din po sa ating kasamahan, Congresswoman Arlene. Thank you, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, there being no other Member who wishes to interpellate the honorable Sponsor, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Garcia, P.). Is there any objection? (*Silence*) The Chair hears none; the period of sponsorship and debate is hereby terminated.

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

THE DEPUTY SPEAKER (Rep. Garcia, P.). Is there any objection? (*Silence*) The Chair hears none; the period of amendments is hereby opened.

REP. PALMA. Mr. Speaker, there being no Committee or individual amendments, I move that we close the period of amendments.

THE DEPUTY SPEAKER (Rep. Garcia, P.). Is there any objection? (*Silence*) The Chair hears none; the period of amendments is hereby terminated.

REP. PALMA. Mr. Speaker, I move that we approve on Second Reading House Joint Resolution No. 22, as embodied in Committee Report No. 71.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Garcia, P.). As many as are in favor of the approval of House Joint Resolution No. 22, please say *Aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Garcia, P.). As many as are against, please say *Nay*. (*Silence*)

APPROVAL OF H. JT. RES. NO. 22
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Garcia, P.). The ayes have it; the motion is approved.

House Joint Resolution No. 22 is approved on Second Reading.

The Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 78
Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. PALMA. Mr. Speaker, I move that we continue the consideration of House Bill No. 78, under Committee Report No. 5, and as reported out by the Committee on Economic Affairs.

May we request that the Secretary General be directed to read only the title of the measure.

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

The Secretary General will please read only the title of the measure.

THE SECRETARY GENERAL. House Bill No. 78, 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. Garcia, P.). The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, I move that we recognize the Hon. Sharon S. Garin to continue the sponsorship of the measure.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The Honorable Garin is recognized to sponsor the measure.

REP. GARIN (S.). Thank you, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The Majority Leader is recognized.

REP. PALMA. Mr. Speaker, the parliamentary status of the measure is that we are still in the period of sponsorship and debate. May we now recognize the Minority Leader, Hon. Bienvenido M. Abante Jr., for his interpellation.

THE DEPUTY SPEAKER (Rep. Garcia, P.). The distinguished Minority Leader, the Honorable Abante, is recognized for his interpellation.

REP. ABANTE. Thank you, Mr. Speaker.

Will the Sponsor yield to some clarificatory questions, Mr. Speaker?

REP. GARIN (S.). Yes, Mr. Speaker.

REP. ABANTE. As we continue on with the debate on the Public Utility Bill, the approved consolidated Bill provides as an amendment under Section 13 (d)(1), that public utility refers to a person that operates, manages and controls for public use any of the following:

1. Distribution of Electricity System;
2. Transmission of Electricity System; and
3. Water Pipeline Distribution System or Sewerage Pipeline System.

Based on the amendment, this is a clear definition of "public utility" that covers only the three sectors. Am I right?

At this juncture, Deputy Speaker Garcia (P.) relinquished the Chair to Deputy Speaker Aurelio "Dong" D. Gonzales Jr.

REP. GARIN (S.). Yes, Mr. Speaker. The following paragraphs also explain the other sectors that could possibly qualify based on the four conditions that are provided for or enumerated thereafter.

REP. ABANTE. Yes. Therefore, it is further limited by the subsequent paragraph that no other person shall be deemed a public utility under Section 13(d) (1), unless, as you have said, otherwise subsequently provided by law?

REP. GARIN (S.). Yes, Mr. Speaker, and no. 2 of the same section states that the NEDA, in consultation with the PCC, can recommend to Congress such industries if they complied with the certain qualifications.

REP. ABANTE. This consolidated Bill seeks to redefine the meaning of the phrase "public utility."

REP. GARIN (S.). Yes, Mr. Speaker.

REP. ABANTE. The Supreme Court has defined a public utility in the case of *National Power Corporation vs. Court of Appeals*. Upon the study of my legal team, Mr. Speaker, as a business or service is engaged in regularly supplying the public with some commodities or service of public consequence such as electricity, gas, water, transportation, telephone or telegraph service, the term implies public use and service. Now, my question

would be, does this Bill intend to overturn a Supreme Court decision by changing the definition of “public utility”?

REP. GARIN (S.). Mr. Speaker, the Supreme Court jurisprudence on the definition of “public utility” has evolved over the years. It is not a static list. It has included or excluded certain industries at a certain point in time. For example, we have included different industries based on the JG Summit ruling, the Bagatsing ruling and also that of the Luzon Stevedoring. They have excluded some industries in certain lists. The list that has been discussed by the Supreme Court, and even during the Constitutional Commission, has changed over the years. But I agree with the distinguished Minority Leader that the definition itself has a certain stability to it. Hence, we have tried to incorporate that in how the static portion is the definition of what is a public utility. The list is not. The list changes because over the years, with globalization, with technological innovation, it changes because the nature of this industry is changed. Pero ang definition po ay nandiyan pa rin. We are just following what has been defined consistently by the Supreme Court, and also based on other researches that we did.

REP. ABANTE. Yes, but I realized that the statement you made about changing it over the years, pero iyon ang nilimitahan—public utility into only three sectors. Hindi po ba? Please take note that the Supreme Court has ruled many times on the meaning of public utility in several other cases.

Article XII, Section 11 of the 1987 Constitution states in part, and I quote:

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...

In this connection, the 11 foreign investment negative lists lifted the operation of a public utility as an area of investment which is limited to no more than 40 percent foreign equity participation.

The question is, can Congress overturn a Supreme Court decision in interpreting the Constitution?

REP. GARIN (S.). Mr. Speaker.

REP. ABANTE. I think the answer is no.

REP. GARIN (S.). Mr. Speaker, I beg to disagree in the sense that there was a definite definition of the

Supreme Court on what is public utility because over the years, there has been changes in their decisions. The Supreme Court in the *Luzon Stevedoring Case* held a public policy that states, as announced by the legislature will be given due weight. The court has upheld the removal of sectors previously considered as public utilities. In the *JG Summit Holdings Case*, the court upheld the removal of shipyards.

It has evolved, Mr. Speaker, from the definition of “public utility.” Likewise, Congress removed electric power generation from the list of public utilities through legislation, and even though the Constitutional Commission mentioned that the electricity sector is a public utility, the Supreme Court also stated in the *Napocor case*.

As I was saying, Mr. Speaker, there is an evolution of what or how we interpret public utility. Even the Supreme Court has done so, Mr. Speaker.

REP. ABANTE. Yes. Mr. Speaker, I would like to remind the Sponsor that when the Supreme Court rules on any constitutional issue, the judgment is virtually final. If there is any constitutional lawyer here, you would perhaps correct me on that issue, Mr. Speaker. Its decisions can be altered only by the rarely used procedure of constitutional amendment or by a new ruling of the court. It is still the court, Mr. Speaker. However, when the court interprets a statute—new legislative actions can be taken when the court interprets a statute. We can simply change the law if the interpretation made by the Supreme Court is limited to a provision of law.

REP. GARIN (S.). Mr. Speaker, the Supreme Court in all its rulings has never said that the list is final and immutable. They have actually changed their list over the years. We are following now how it has evolved over the years. In my point of view, Mr. Speaker, we are not violating any constitutional limitations here. The interpretation of what is or the definition of “public utility” has not even been consistent in the Supreme Court, it has not been a static list. We are not imposing our own; we are not contradicting any ruling of the Supreme Court. In fact, we are following what they have ruled upon over the years, which is how to qualify a certain industry as a public utility.

REP. ABANTE. Mr. Speaker, the three first statements that you said are correct. But when you speak of evolutionary processes of changing a certain law, Mr. Speaker, there is a question. In this case, what the Supreme Court interpreted is a specific provision of the Constitution. We cannot overturn the Supreme Court, Mr. Speaker, distinguished Sponsor, by simply changing the law. What we need to do is change the Constitution itself, Mr. Speaker, Mme. Sponsor.

REP. GARIN (S.). Mr. Speaker, in fact, Congress has done so when it has, by legislation, made power generation not a public utility, and in the same sense as the Napocor case, where the Supreme Court has ruled that power generation is no longer considered as a public utility, so it changes over the years. I will stand by that point, and because that list is not static, Mr. Speaker.

REP. ABANTE. I do not have anything against that, Mr. Speaker, Mme. Sponsor, as long as all of us here believe that Congress cannot change any constitutional provision, and that is what I would like to establish.

Let me go to my next question. Does this Bill intend to lift the nationality restrictions on all public services and limit the application of the same to those that fall within the proposed limited definition of public utilities?

Now, if I may say it in the vernacular, Mr. Speaker. Ang layunin po ba talaga ng amendment na ito ay papasukin ang mga dayuhan sa mga negosyong nilimitahan ng Saligang Batas sa mga Pilipino lamang, at least 60 percent Filipino-owned, Mr. Speaker, Mme. Sponsor?

REP. GARIN (S.). Mr. Speaker, the Constitution actually states, “No franchise, certificate, or any other form of authorization for the operation...” but not ownership, “for the operation of a public utility shall be granted except to citizens of the Philippines, x x x.” Yes, we are allowing beyond the 60-40 limitation the operation of public services.

REP. ABANTE. Ibig sabihin ...

REP. GARIN (S.). Ownership is not discussed here, Mr. Speaker.

REP. ABANTE. Ibig sabihin, you are differentiating between ownership and operations of services.

REP. GARIN (S.). Yes, Mr. Speaker, based on the Tatad Case. That has been ruled upon by the Supreme Court already, Mr. Speaker.

REP. ABANTE. Of course, anyone of us is entitled to his or her own opinion, pero kapag sinabi pong operation ito at ino-operate po ng foreign companies ito, it is as almost, as you are saying, it is ownership po. Kung iyan po ang layunin, maliwanag na ang panukalang ito ay labag mismo sa Saligang Batas na nagbibigay ng limitasyon. Ayaw ko lamang po na gagawa tayo ng batas at pagkatapos niyan ay dadami ang kukuwestiyon sa Supreme Court.

REP. GARIN (S.). If that is the case, so be it, Mr. Speaker.

REP. ABANTE. Nakalagay po doon sa Article XII, Section 11 of the 1987 Constitution, and may I just read it for the benefit of the Filipino people who are watching right now this deliberation, it states: “No franchise, certificate, or any other form of authorization for the operation of a public utility ...

REP. GARIN (S.). Yes, ...

REP. ABANTE. ... shall be granted ...

REP. GARIN (S.). ... not ownership.

REP. ABANTE. ... 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, nor shall such franchise, certificate, or authorization be exclusive in character or for a longer period than fifty years...” Nakalagay po, malinaw, “operation.” The Section continues:

Neither shall any such franchise or right be granted except under the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires. The State shall encourage equity participation in public utilities by the general public. 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.

Now, the latest Supreme Court case interpreting this constitutional provision on the meaning of “public utility,” for the information of everyone, Mr. Speaker, Mme. Sponsor, is *JG Summit Holdings vs. CA*, September 24, 2003, G.R. No. 124293, exactly 16 years ago. And what a coincidence, in this decision, the Supreme Court, again, defined what a public utility is. And it says:

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. To constitute a public utility, the facility must be necessary for the maintenance of life and occupation of the residents. However, the fact that a business offers services or goods

that promote public good and serve the interest of the public does not automatically make it a public utility. Public use is not synonymous with public interest. 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 to, 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. Stated otherwise, the owner or person in control of a public utility must have devoted it to such use that the public generally or that part of the public which has been served and has accepted the service, has the right to demand that use or service so long as it is continued, with reasonable efficiency and under proper charges. Unlike a private enterprise which independently determines whom it will serve, a “public utility” holds out generally and may not refuse legitimate demand for service. Thus, in *Iloilo Ice and Cold Storage Co. vs. Public Utility Board*, this Court defined “public use.”

“Public use” means the same as “used by the public.” The essential feature of the public use is that it is not confined to privileged individuals, but is open to the indefinite public. It is this indefinite or unrestricted quality that gives it a public character. In determining whether a use is public, we must look not only on the character of the business to be done, but also on the proposed mode of doing it. If the use is merely optional with the owners, or the public benefit is merely incidental, it is not a public use, authorizing the exercise of jurisdiction of the public utility commission. There must be, in general, a right which the law compels the owner to give to the general public. It is not enough that the general prosperity of the public is promoted. Public use is not synonymous with public interest. The true criterion by which to judge the character of the use is whether the public may enjoy it by right or only by permission.

Now, the question again is this. The consolidated Bill, while it did not delete any of the definition of “public utility,” essentially transfers the power, Mr. Speaker, to define a public utility to the NEDA, as you have said a moment ago, upon recommendation of the Philippine Competition Commission which this Representation would like to abolish because it is a non-performing Commission under certain criteria.

REP. GARIN (S.). Mr. Speaker, Mr. Minority Leader, that will be another debate for us. But, yes, the NEDA can recommend to Congress. The NEDA

will recommend to Congress on the sectors or the industries that will qualify as public utility, and under the paragraph that we are talking about, it actually touches on most of the rulings of JG Summit in which a public utility has to have four criteria to meet.

REP. ABANTE. The NEDA can recommend.

REP. GARIN (S.). That NEDA can recommend, but the NEDA is limited to these four qualifications. Dapat i-meet muna ng sector na iyan...

REP. ABANTE. Okay.

REP. GARIN (S.). ... itong apat na qualifications so that the NEDA can and will determine if it meets it or not.

REP. ABANTE. Okay.

REP. GARIN (S.). That is how it will be and then it will present it to Congress and Congress will review and legislate on it if it will be public utility or not.

REP. ABANTE. Again, Mr. Speaker, Mme. Sponsor, with your indulgence, can the legislature do that? I mean, can it transfer the power to define a public utility to the NEDA and the PCC even if the Constitution and the decisions of the Supreme Court never delegated the same?

REP. GARIN (S.). Mr. Speaker, we are not delegating it to the NEDA; we are authorizing the NEDA as the entity to review the sectors that may qualify as public utility. The sole decision, if ever the industry qualifies as a public utility and, hence, the need for legislation for it to be included in the list is still lodged with the legislature or Congress, Mr. Speaker.

REP. ABANTE. Again, Mr. Speaker, Mme. Sponsor, we are dealing with semantics here, of course, ano, (*Laughs*) when it comes to the words “delegating” and the “NEDA recommending.” Now in my case, in my own opinion, the NEDA would not recommend if we will not delegate authority to them to recommend.

REP. GARIN (S.). Mr. Speaker, if the distinguished Minority Leader would endorse, I think they would recommend.

REP. ABANTE. (*Laughter*) Now, the consolidated Bill overhauls, Mme. Sponsor, Mr. Speaker. This Bill overhauls the existing definition under the Public Service Act as interpreted by the Supreme Court—it overhauls. In effect, the Bill proposes to lift the

nationality restrictions on all public services, whether we define it to be operations and not ownership and limits the application of the same to those that fall within the proposed limited definition of public utilities.

Similarly, Mr. Speaker, Mme. Sponsor, this would limit the application of the constitutional restriction on public utilities to those defined as such. Perhaps, in that case, Mme. Sponsor, you would not agree with me.

REP. GARIN (S.). It will open our economy, Mr. Speaker, and it will allow foreign investors to actually come in, but the effect of that, Mr. Speaker, Mr. Minority Leader, I think, will be beneficial to the Filipino people because by increasing foreign investments in such industries, like, for example, the obvious fact that transportation and telecommunications, those industries are not the very best services in the whole world. They are probably one of the most expensive but it is because of lack of competition. I think by allowing foreign investors, we are not merely opening up our market but we are also giving better services and improved basic services to the Filipino people.

If we see the 60-40 restriction as a way of protectionism, by having a broad definition of “public utility,” who are we protecting anyway? Are we protecting the big companies that are already existing here in the Philippines or are we protecting the Filipino people? So, I think if we open these industries, telecommunications and transportation especially, I think we will be able to better protect the Filipino people by giving them better basic services at a lower cost and with better services, Mr. Speaker.

REP. ABANTE. Mr. Speaker, I admire the words of the Sponsor—quite convincing. You can be a very good motivational speaker, Mme. Sponsor. But the thing is this, the proposed amendment statutorily defines a “public utility” as a mere—ito ha, a mere subset of public services—a mere subset, ladies and gentlemen, of public services. A recognition that while a public utility is a public service, it is much smaller in scope than the latter and limits the same to just three main industries. And that is what I have been wondering about, Mr. Speaker, namely: transmission of electricity, distribution of electricity, and waterworks and sewerage systems.

The Bill further provides that no other business or service shall be classified as a public utility unless otherwise subsequently provided by law upon the recommendation of the very unpopular Philippine Competition Commission (*Laughs*) in consultation with the National Economic and Development Authority, Mr. Speaker, Mme. Sponsor.

Can you comment on that?

REP. GARIN (S.). Mr. Speaker, honorable Minority Leader, we are trying to make a Public Service Act

define what is public service. Now, there is no definite definition of a “public utility.” Hence, we have done the research as well as refer it to the Constitutional Commission discussions and to the rulings of the Supreme Court, and even international resources. We have collated and we have set certain parameters on how to qualify an industry as a public utility:

1) I think it was also mentioned in the JG Summit ruling that the person regularly supplies, directly transmits and distributes to the public through a network, a commodity or service of public consequence;

2) The public service is a natural monopoly that needs to be regulated when the common good requires;

3) The commodity or service is necessary for the maintenance of life and occupation of the public; and

4) The person is obligated to provide adequate service to the public on demand.

The gist of this amendment is having a definition by setting the parameters on how to identify a certain industry as a public utility. So, we have incorporated that in the Bill. We have only included three as definite public utilities because we are sure that those three industries will always qualify as public utilities because they are natural monopolies, they regularly supply, directly transmit, and distribute to the public through a network. So, iyong tatlo pong iyon—iyong electricity, transmission, and water sewerage—they all definitely require, iyon po iyong static talaga na listing. The rest, that can be determined by Congress when the NEDA recommends a certain industry.

We have tried to follow all the jurisprudence, as well as the ConCom, pati po dito sa House kung ano pong mga discussion. We have tried to follow that by putting it in the amendment as the parameters or the criteria on how to identify an industry as a public utility.

REP. ABANTE. Mr. Speaker, not only her lips speak, even her eyes speak with great admiration. But, Mr. Speaker, Mme. Sponsor, when you have restricted and limited public utility in those three restrictions, where do you place the others that you have taken out?

REP. GARIN (S.). They will be public services still subject to the rules and regulations of the regulating agencies like, for example, telecommunications with the NTC. They will still be subject to same rules pero they will not be restricted within the 60-40 limitation on foreign ownership, Mr. Speaker.

REP. ABANTE. Mr. Speaker, lastly, ...

REP. GARIN (S.). Basically, this will open transportation and telecommunications to foreign ownership.

REP. ABANTE. Mr. Speaker, lastly, I do not want to belabor the interpellation when you have a Sponsor that, you know, her whole being speaks so positively about the Bill.

REP. GARIN (S). For four weeks already, Mr. Speaker.

REP. ABANTE. I guess you have been so rested for one month about this, but the last sentence of Article XII, Section 11 of the 1987 Constitution provides, and I quote:

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.

This means that all executive and managerial positions in the field of public utility should be occupied only by Filipino citizens. Do you agree to that, Mme. Sponsor? What about what the Sponsor says?

REP. GARIN (S). It is in proportion to their ownership, Mr. Speaker.

REP. ABANTE. Well, in practice, what the public utilities do to circumvent this constitutional limitation is to hire the foreigners as consultants but essentially performing executive and managerial work. Would you agree to that, Mme. Sponsor, Mr. Speaker?

REP. GARIN (S). That is a possibility, Mr. Speaker.

REP. ABANTE. If the Bill is passed into law, the last sentence of Article XII, Section 11 of the 1987 Constitution will only pertain to the three main industries defined as public utilities. Would you agree to that?

REP. GARIN (S). Yes, Mr. Speaker.

REP. ABANTE. Essentially, since other utilities are not within the purview of the new Public Service Act, these utilities may now allow foreigners to be hired as executives and managers, circumventing or effectively amending the provisions of Commonwealth Act No. 108 or the Anti-Dummy Law prohibiting foreigners from full ownership or exercise of a right reserved only to Filipino citizens under the Constitution. Would you agree to that?

REP. GARIN (S). Yes, Mr. Speaker.

REP. ABANTE. All right, Mr. Speaker, Mme. Sponsor, thank you very much for ...

REP. GARIN (S). Mr. Speaker, ...

REP. ABANTE. ... for being patient with this Representation.

REP. GARIN (S). Yes, I agree, and that is a danger and should the distinguished Minority Leader have a proposal as a safeguard or any ...

REP. ABANTE. Are you sure?

REP. GARIN (S). ... inclusion, we will consider.

REP. ABANTE. (*Laughing*) Proposal or amendment to the Bill.

REP. GARIN (S). Yes, Mr. Speaker.

REP. ABANTE. All right. Thank you very much, Mr. Speaker.

REP. GARIN (S). Thank you.

REP. ABANTE. And, Mme. Sponsor, thank you so much.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized. (*Applause*)

REP. PALMA. Mr. Speaker, I move that we recognize Hon. Jesus "Bong" C. Suntay of the Fourth District of Quezon City for his interpellation. I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Cong. Bong Suntay of Quezon City is recognized.

REP. SUNTAY. Thank you very much, Mr. Speaker. Would the good Sponsor allow this Representation to propound some questions?

REP. GARIN (S.). Yes, Mr. Speaker.

REP. SUNTAY. Before I start, I would have to agree with the good Minority Leader that looking at the Sponsor, it is not only her lips that speak of the defense but also her eyes. While the argument may seem redundant, it just highlights the importance of tinkering or defining what public utility is. As mentioned earlier, and by the other interpellators, not only a long line of cases has defined what a public utility should be. Basically, it 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 and telegraph service.

It is not only the Supreme Court that has defined what public utility is. In fact, the good Sponsor has mentioned that in our jurisdiction, they have searched what public utility is.

So, ang una ko hong tanong, in your research on the definition of what public utility is, I am very sure that you have also looked at how it is defined in other jurisdictions.

REP. GARIN (S.). Yes, Mr. Speaker.

REP. SUNTAY. How is public utility defined in our jurisdiction?

REP. GARIN (S.). There are several definitions. I am not sure what the good interpellator is referring to, but for example, all the criteria that we have mentioned on paragraph 2 of Section 4—like the supply should be regular, and the transmission should be direct and distributes to the public—it is a public consequence, those are too common definitions in different ...

REP. SUNTAY. Well, actually...

REP. GARIN (S.). ...and also natural monopoly, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, the criteria mentioned are used as the basis for the definition, but in all jurisdictions, the definition has been constant and common. For example, public utility, is defined in *Wikipedia* as a business that furnishes an everyday necessity to the public-at-large. Public utilities provide water, electricity, natural gas, telephone service and other essentials.

The definition of public utility in Black's Law Dictionary states that it is a "provider of a service to the public such as transport, energy, telecommunication, waste disposal, or water, and other public goods and services."

The Legal Dictionary defines public utility as:

Any organization which provides services to the general public, although it may be privately owned. Public utilities include electric, gas, telephone, water, and television cable systems, as well as streetcar and bus lines.

In the Cambridge Dictionary, public utility is defined as a business that furnishes everyday necessity to the public-at-large. Public utilities provide water,

electricity, natural gas, telephone service and other essentials. So, we see, in all jurisdictions there is a common definition. The definition of public utility has always been broad and not restricted. Ang ikinakatakot ko ho dito sa ating amendment ng Public Service Act, we have chosen to restrict what public utilities is or what public utilities should be.

So, bakit ho natin ginawa ito?

REP. GARIN (S.). Mr. Speaker, from our research, we also have found that public utility, by definition, should be a natural monopoly. It has been mentioned in the discussion in the 1986 ConCom by Commissioner Monsod. Pong also, in his definition in the US Public Utility law, often cited that the furnishing of municipal public utility service is a natural monopoly, which is never accompanied by competitions.

In Black's Law Dictionary, it also maintains that public utility is always a virtual monopoly and then there are so many—I would like to add to the citations of the good interpellator that it also has to be a natural monopoly.

Now, going back to the question, we are not restricting. I do believe that it is not restrictive. It is making the definition more clear, Mr. Speaker. We are not restricting the list. In fact, we have left it open for other industries to be qualified as public utility by allowing NEDA to recommend to Congress to legislate if there is a need to add another industry or business as a public utility that is stated in the proposed amendments. So, I do believe, Mr. Speaker, that, since the list is not static, it can change over time, and that Congress should be given the power to include or exclude a certain industry. In fact, if it so happens that the electricity is no longer a natural monopoly, then the proposal can be amended again. So, the definition stays but I do disagree though, Mr. Speaker, that we are very restrictive in this because, in fact, we have left it open for Congress to add more industries to qualify as public utilities, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, I would have to beg to disagree with the good Sponsor. As I mentioned, in all jurisdictions, the definition has always been constant, has always been the same. So, what makes our jurisdiction so special that we would have to create our own definition of what public utility is, which would be far different from the accepted definition of what public utilities is in various jurisdiction, not only in our country but in the Americas, in Europe and in other countries in Southeast Asia?

Now, going back, when we say that one of the criteria for being considered that public utility is being a monopoly, actually, the monopoly is a natural consequence. If we read the transcripts of the debates during the deliberations of the ConCom and even in the

decision in various cases, it becomes a natural monopoly because these industries are characterized by economies of scale in production. The logistical costs, the financial costs of putting up the industries are so high or so costly that a virtual monopoly, a natural monopoly is created so that the initial investor, whether it be private or public, would be able to recoup what has been invested.

Now, when we restrict it, when we restrict the definition then we do not really serve the public interest. Iyan ho iyong, I think, this would be the bone of contention. In fact, kapag titingnan ho natin, our Constitution, Article II, Section 19, it declares as a State policy that the development of the national economy effectively controlled by Filipinos—Section 19, of which states: “The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos.”

In fact, in Article XII, Section 11 of the Constitution 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 percent of whose capital is owned by such citizens x x x.

The industries classified under public utility are considered to be of such importance that the framers of the Constitution deemed it necessary to state that Filipino citizenship is required, that the services are of such importance that they must be in the hands of our own citizens, considering that the ultimate purpose of public utility is to serve national interest. Now, if we restrict the definition, we are opening up the economy to everyone else. So, iyong Filipinization noong national economy natin will be disrupted. Alam ninyo iyong concern ko, actually, one of my concerns—and I would not be surprised if not only three of our colleagues in Makabayan but all of them would later on stand up in their desire to protect the interest of the Filipino people, and question also the definition—you know, ang mangyayari ho dito, you see, there are various laws which have already been filed and which are slowly opening up our economy. Just recently, we passed the amendments to the Retail Trade Law, which opened even to foreign investors, even small- and medium-scale industries, kahit ho iyong mom-and-pop stores puwede nang i-operate ng foreigner dito, wala na ho iyong proteksyon.

Now, by defining or limiting what public utility is, we take away the protection bestowed by the Constitution in certain industries and has limited it to three. So, by redefining it, the protection provided by the Constitution is now limited to distribution of electricity,

transmission of electricity, water pipeline distribution and sewerage pipeline. This begs the question, bakit ho ito iyong napili natin na protektahan na lang?

REP. GARIN (S.). Mr. Speaker, it is not because we picked these industries. These industries meet the four criteria which were ruled by the Supreme Court, as cited by the distinguished interpellator. All the definitions by Black’s Law, those in the interpellations during the Constitutional Commission, as well as the ruling of the Supreme Court, these three industries have met all the criteria that we view as defining public utility.

REP. SUNTAY. Yes, but telecom ...

REP. GARIN (S.). Mr. Speaker, what was cited earlier was that we need to protect the Filipino people. We have a protectionist Constitution and the provisions there are intended to protect the Filipino people. But, Mr. Speaker, just to cite, for example, the telecommunications company industry, if we keep on protecting the Filipino people, it is as if we are saying that by limiting the ownership to Philippine companies, then we will continue to have the most expensive and slowest internet in the whole world. We will continue to have very expensive but bad telecommunication services.

So, when PLDT had the monopoly, or when there was only one player in telecommunications, it was very expensive and the service was really bad. Now, came Globe and Smart, and still it was expensive and the service was still bad. Then came Sun, at ang Sun ay nag-offer ng unli-calls and unli-text, lahat bumagsak ang presyo.

Competition is good, maybe not for the big companies or big telecommunications companies that we have here, but it is good for the Filipino people. Para po ito sa mga Pilipino that need the basic services of good telecommunications companies. So, if we restrict it to Filipino people, if we restrict the ownership or the operation of telecommunications companies, are we protecting the Filipino people, iyong nangangailangan ng serbisyo, basic services, cheap and good services, or are we protecting the big industries that have invested here, the Filipino industries who have invested in telecommunications industries? Who are we protecting if we insist on the 60-40 limitation in the telecommunications companies, Mr. Speaker?

REP. SUNTAY. Mr. Speaker, well, as mentioned by the good Sponsor, there are four criteria that she has been using. Well, the telecommunications would also fall within the four criteria which she has mentioned.

But, Mr. Speaker, ...

REP. GARIN (S.). Telecommunications are not natural monopolies, Mr. Speaker.

REP. SUNTAY. ... I would also have to use the same arguments that she has mentioned. Sabi niya, iyong telecommunication, i-open natin iyan sa lahat, sa mga dayuhan, hayaan natin para bumaba iyong presyo.

Now, kung iyon iyong gusto nating gawin, then, the same argument will hold true for the distribution of electricity, transmission of electricity, water and pipeline distribution. Kapag iyon iyong argument na gagamitin natin, mas mumura kung papapasukin natin lahat and then, wala nang industry ang mag-fall under public utilities because kung sa thinking natin, sa pag-iisip natin, ay kung mas madaming competition ay mapapaganda ang serbisyo at mapapababa ang presyo, then, huwag na natin protektahan kahit ano.

REP. GARIN (S.). Mr. Speaker, electricity and water and sewerage all fall under the public utility definition. A public utility by definition is a natural monopoly. Natural monopoly is where there is inelasticity of demand for the product that is highly valued by consumers and a natural monopoly characteristic on the supply side, leading to significant losses on social welfare. These are necessary for preconditions for permitting government price and deregulation.

Meaning, Mr. Speaker, a natural monopoly is where it will be too expensive if you have two players there, like electricity and water, kasi nga high capital iyong investment dito. So, electricity and water will always qualify based on the criteria that we have set on the proposed amendments. Kung i-include mo iyong telecommunications, it does not fall under that definition because marami pong competition sa telecommunications—there is Globe, Smart, Sun, I do not know what else. For transportation, it is the same thing. There is, in air transport, Air Asia, PAL, Cebu Pacific and Tiger Air. So, hindi po sila nagfo-fall under the definition set by the proposed amendments, Mr. Speaker, it does not ...

REP. SUNTAY. Mr. Speaker, first, once again, monopoly does not define what a public utility is. It is one of the criteria which is used. It is not the only basis for defining or for considering what is public utility. Secondly, monopoly is not defined by your nationality. Kasi sinabi kanina ng ating magaling na Sponsor, kagalang-galang na Sponsor, that there is no monopoly in telecommunication because we have Smart, we have Globe, we have Sun or whatever. If you go to electric distribution, you have Meralco, you have so many electric cooperatives that are also into distribution. So, should we consider them, electric distribution, as a non-monopoly also, considering that there is no monopoly in electric distribution in the country?

REP. GARIN (S.). Mr. Speaker, there is monopoly in those companies because they have monopoly in the areas that they serve. By definition, a natural monopoly is when there is a sole provider of services in a market where competition is not economically expedient owing to technical peculiarities such as substantial fixed cost, enlarged minimum efficient scale relative to market demand. These are based on definitions by our economists as well as the legal researchers. So, we did not include these three industries because we have picked or chosen these industries.

These industries fall under the three criteria—four criteria that we have set in the proposed amendment, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, babalik na naman ho ako doon sa aking nabanggit kanina. Lagi natin hong inuulit-ulit iyong monopoly. As I mentioned, monopoly is actually not even contained in the definition of what a public utility is. Kaya nga sinabi ko, to be fair, let us look at all the definitions ng public utility. To name some, I would read again. Sa Legal Dictionary, public utility is defined as: “any organization which provides services to the general public, although it may be privately owned. Public utilities include electricity, gas, telephone, water and television cable systems, as well as streetcar and bus lines.” In Black’s Law Dictionary definition of what public utility is: “The provider of a service to the public such as transport, energy, telecommunications, waste disposal, water and other public goods and services.”

If you can see, in various jurisdictions, the definition has always been common. In fact, wala kang makikita diyan na “the provider of the service has to be a monopoly.” Wala kang mababasa. In fact, mas madami pang beses na-mention iyong electricity, car, transportation, kaysa doon sa word na monopoly doon sa definition ng public utility. So, iyong sa akin lang, let us keep the definition of public utility broad.

Sinabi kanina in the argument with our Minority Leader that the definition evolves. Actually, it is not the definition that evolves, it is the situation. Iyong cold storage tinanggal under public service because you have to imagine noong in-approve iyong Public Service Act, way back noong 1934, wala pang mga refrigerator lahat ng tao, masyadong mahal. And to be able to store food, the cost of putting up a huge cold storage facility is prohibitive kaya nasama iyon under public service na kailangan muna kumuha ng franchise para makapag-operate ka. But because of the improvement of technology, ngayon, almost all household, kahit nga iyong mga informal settlers sa atin kapag pumasok ka doon sa kanilang lugar, mayroon ng refrigerator kahit maliit man, kaya na nilang mag-ano ng pagkain, kaya natanggal iyan sa protection. Bakit natanggal iyong stevedoring facility? If you go back during the olden days, it was

only the train system and the docks, which was the main, the center of commerce in various countries, kaya kung makikita ninyo how towns, how cities are developed, most of the cities are developed from the waterways, tapos they expanded inwards dahil trade was facilitated by ships, kaya at that time, dahil wala pang eroplano na magfe-ferry ng goods at a reasonable price, commerce was done through the shipyards, kaya iyon, that was regulated, a franchise was needed to operate it. But then, ngayon, dahil may improvement ng logistics services, nagbago iyan.

So, those are different scenarios. Dito sa gusto nating gawin, gusto natin in one fell swoop, i-restrict iyong definition. Gagawin nating tatlo na lang which I think is wrong. We might regret it later on. And I believe this will also be questioned because we are actually amending the Constitution by legislation and it should not be simple. The process of amending the Constitution was precisely made more difficult. It cannot be made just by simple legislation because there should be permanence.

REP. GARIN (S.). Mr. Speaker, I completely agree with the distinguished Interpellator that what have evolved are the circumstances, as well as the decisions of the Supreme Court. So again, I agree that that is why there has been changes in the listing of what is public utility. We are not, changing the nature of public utility by putting it in the amendment that is being proposed. In fact, all the criteria that we all have said have been consistent in most or many of the Supreme Court rulings. What he has questioned is the criteria of natural monopoly. In fact, if Black's Law Dictionary was cited, if we read Black's Law Dictionary, it says public utility is always a virtual monopoly.

REP. SUNTAY. May I request ...

REP. GARIN (S.). And also under the deliberations of the Constitutional Commission, it was mentioned again that Monsod said, "Precisely, the nature of a 'public utility' is that it is a natural monopoly; otherwise, it will be too expensive for the country and for the consumers."

In the *Batangas Transportation Case*, "The policy of regulation, upon which our present public utility commission plan is based and which tends to do away with competition among public utilities as they are natural monopolies, ..." This is not our creation. It is based on jurisprudence from our Supreme Court, as well as deliberations, again, deliberations in the Constitutional Commission. As in the Black's Law Dictionary that has been cited by the good Interpellator, it is not an invention by the authors of this Bill. It is based on several jurisprudence, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, I will have to beg to disagree. Even if we read *JG Summit Holdings vs. CA*, it did not state in the disposition or in its decision that public utility should be limited to distribution of electricity, transmission of electricity, water pipeline distribution and sewerage pipeline. Nowhere in the decision did it state that public utility should be limited to the four services provided. Kaya nga kung makikita rin natin, babalikan ko ulit, if we really read the definitions, even the decisions of the Supreme Court, in fact, it was never stated or solely used. It never solely used being a monopoly as the only element.

REP. GARIN (S.). A monopoly is different from a natural monopoly, Mr. Speaker.

REP. SUNTAY. A natural monopoly is because of the circumstances. But as I mentioned, it is just one of the elements which comprise what a public utility is. It is not the sole element so that you would qualify...

REP. GARIN (S.). There are four elements that we have cited.

REP. SUNTAY. ...again as a public utility. The four elements were also based on a Supreme Court decision which you earlier said changes. Kaya nga ang sinasabi ko in all jurisdictions, what is constant? What is common? What is common is the definition of what a public utility is. Kaya nga ang sinasabi ko, if the good Speaker can give me a definition which is different from what I have read or what I have gotten from various dictionaries, various encyclopedias, sabi ko, ako binabasa ko na nga verbatim, siguro I would ask her to—verbatimly—also read verbatim the definition as provided. Siguro let us open, ano ba, *Wikipedia*. Iyong let us have just—buksan natin iyong cellphone natin, i-google natin ang public utility. Siguro hindi na ako maghahanap kung anong dictionary, Mr. Speaker. Ang sasabihin ko na lang dito, public utility, and I will read the definition. Okay.

REP. GARIN (S.). Mr. Speaker, our definition is based on research, legal research as well as from resources from different agencies. It is not based on *Wikipedia*. And our definition, as I will state again, that the person who regularly supplies, directly transmits and distributes to the public through a network, a commodity or service of public consequence; number two, that public service is a natural monopoly that needs to be regulated when the common good so requires; number three, the commodity or service is necessary for the maintenance of life and occupation of the public and the person; number four, and the person is obligated to provide adequate service to the public on demand.

These are not new registrations, these are consistent with the Supreme Court rulings. And I agree that the listing has not been consistent because the circumstances have been evolving, so we have not changed a definition, we are merely restating the definition here in the proposed amendment. We are not introducing anything new in how we define a public utility. As long as it qualifies under these four criteria, they are public utility, and these are consistent with the rulings of Supreme Court, the rulings outside the Philippines, as well as the discussions in the Constitutional Commission, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, my argument is not also solely based on *Wikipedia*. We also made researches, we also looked at the Supreme Court decisions, we also looked at the different definitions provided within and which are accepted not only in our country but generally accepted by everyone.

Kaya nga siguro noong nag-aaral tayo, ginagamit natin iyong Merriam and Webster Dictionary. Sinasabi dito sa Merriam and Webster Dictionary, public utility definition is, “a business organization performing a public service and subject to special government regulation”.

So, babalik naman ako, *Market Business News*, “A public utility is a company that operates as a public-service corporation, and provides essential services to the public such as electricity, telephone service, natural gas, water or postal services. The public utility is typically regulated by the national, state or local government.”

Dictionary.com, public utility definition, “a business enterprise, as a public-service corporation, performing an essential public service and regulated by the federal, state, or local government.”

So, hindi ko ho iniimbento iyong definition ko. In fact, in all definitions, kapag nagkaroon, once nagkaroon ng enumerations, they enumerate what public utility is. In fact, it is not limited, one thing is constant, it has always been broad. Sinasabi ng ating Sponsor, “hindi ko, hindi natin nililimita iyong definition of what a public utility is.” Pero malinaw na malinaw ho, under Section 13, (D)(1), the term:

“PUBLIC UTILITY” REFERS TO A PERSON THAT OPERATES, MANAGES AND CONTROLS FOR PUBLIC USE, ANY OF THE FOLLOWING:

DISTRIBUTION OF ELECTRICITY x x x
TRANSMISSION OF ELECTRICITY x x x
WATER PIPELINE DISTRIBUTION SYSTEM OR SEWERAGE PIPELINE SYSTEM x x x.

So, papaano po natin sinabing hindi natin nilimita?

E, iyong definition na iyon, limited what a public utility is. Kaya nga ang sinasabi ko, I have no arguments in updating the Public Service Act, in updating the penalties provided. But let us leave the definition of public utility to the generally accepted definition of what a public utility is. Let us not create our own definition, kundi tayo lang ang kakaiba, buong mundo iisa lang ang interpretation nila ng definition nila ng public utility. Tayo lang, tayong bansa lang ang magkakaroon ng definition ng public utility na, “a person that operates, manages and controls x x x”. Let us not change it, it has been accepted.

Now, if we feel that there are certain industries which should no longer be considered “public utility”, then let us pull it out one by one. Let us not change everything. So iyon lang ho ang sa akin, Mr. Speaker.

REP. GARIN (S.). Mr. Speaker, again, I said the list is not static. The three or four industries that have been cited are the ones that are definite public utilities. Should there be a need to include transportation or telecommunications, then Congress subsequently can also provide for that as long as it follows, the four criteria that have been set in the proposed amendment, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, there is a generally accepted definition of “public utility”. Huwag ho nating ibahin. Sinabi ho ng aking kaibigan, “Hindi, hindi ko nire-restrict, tatal puwede ka naman magpasok later on.” Then, sasabihin ko rin ganito, “Huwag nating pakialaman iyong definition, then maglabas ka na lang isa-isa. Imbes na ang ginawa natin zinero natin lahat, tapos noon magpasok kayo kung ano iyong gusto ninyong ipasok. Parang baligtad ho iyong naging sistema natin.”

There is a generally accepted definition. There are industries which are considered public utilities. Let us maintain it. And, if we want to take out some of the industries, then, let us just justify one by one why we are taking this out. Baligtad iyong nangyari e. Accepted na sila dati tapos ang ginawa natin, aalisin natin lahat sila tapos noon ibabalik natin sila kung qualified sila. Qualified na sila dati kaya nga nakapasok sila.

Now, going back, there are reasons why public utilities are protected by the Constitution. As I have mentioned earlier, these are the industries which the framers of the Constitution would want to leave at the hands of the Filipino people. These are protected industries. You know, there are consequences. Hindi lang definition iyong consequence nito ang iniiba natin, there are implications of the mere changing the definition of what a public utility is, it would have dire consequences later on. As I mentioned, we are opening up, huwag naman nating—slowly binubuksan natin

iyong ating ekonomiya. I think, just before we went on recess, we passed the amendment on the Retail Trade Act which took out the protection even for small industries.

So, anong ibig sabihin ho? Dati, doon sa ginawa nating amendment, just by having, I think, magkano, \$200,000 dollars you could engage in retail trade. Iyong \$200,000 is just P10 million. So, kapag magtayo ka ng mom-and-pop na Ministop, papasukan na iyon. So, we already opened that to foreigners. And, baka kawawa naman iyong mga kababayan natin. We cannot compete with the capital which can be infused by foreigners.

In fact, in every country, there are industries which are left for the local nationals, for their own citizens. Dito, hindi pa natin kayang makipagsabayan especially because our economy is not as strong at this point. Ang mangyayari niyan, mawawalan ho tayo ng mga entrepreneur. Mawawalan tayo ng mga local na negosyante. Ang mangyayari ho sa Pilipino, magiging puro empleyado na lang dahil hindi ho sila makakapag-compete doon sa malalaking dayuhan. Iyon ho ang concern ko talaga dito. Kawawa ho iyong tao.

Baka in our desire, lagi nating sinasabi, it would be better if we invite foreigners to come in. Yes, maganda may investors. But, you know, to give our economy, the whole economy to them, mali iyon. Even our forefathers, even the framers of the Constitution deemed it wise to protect certain industries to keep it in the hands of the Filipino people. And, if we, our Legislators, and we want to protect the Filipinos, then, let us legislate laws which will protect them.

REP. GARIN (S.). Mr. Speaker, with the Retail Trade Law, that is another bill that has yet to be discussed, I think, here on the floor. But, in terms of the foreign investments in the Philippines, I do believe that by opening industries for foreign investment, I do not think that we are doing away with the protectionist idea of our Constitution.

We are actually opening industries in which Filipino capital cannot anymore augment or improve their services because of such limitations. Should there be Filipino investors, then, well and good for our industry, but if there are none, then, we need to supplement the investment from foreign investors. Kung wala po talaga, and we have a population growth rate na napakabilis po, and we are currently over a hundred million people. If you compare our telecommunications industry sa Indonesia which is, I think, I am not sure, about 27 million people there, they have 10 players in the telecommunications industry, while here, we have three for a hundred million people. Kulang po talaga ang serbisyo because napakarami po ng mga Pilipino. And it is not because we want the industry to be overtaken by foreigners, it is because we want to supplement what Filipino capital

is available here with foreign investors kung hindi talaga kaya ng foreign investments. And all the protectionist laws that we have in place, will still be in place despite the amendment of the Public Service Act. Nandiyang pa rin po iyan—regulations on telecommunications, regulations in transportation, lahat-lahat po, it is still in place, maybe the ownership restriction will be lifted, but the restrictions will still be the same. The protection that we have for small industries will still be there, the protection for our workers that are here will still be there.

I do believe, Mr. Speaker, that we should not see this as a threat in undermining the capacity of the Filipino people. It is to augment their capacity. In fact, kung kayang-kaya ng Pilipino iyan, kayang-kaya natin mag-invest abroad, kaya din natin to entertain investments from foreigners, Mr. Speaker.

REP. SUNTAY. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.).
The Honorable Suntay.

REP. SUNTAY. When we talk about protection, the best protection that can be provided by law is the protection given by the Constitution. In all jurisdictions, there has never been such a restrictive definition of what a public utility is. We should not change it in our jurisdiction. Even if we go to the deliberations during the constitutional convention—eto, I will read some excerpt. So, discussions between Justice Carpio and Commissioner Gaite:

JUSTICE CARPIO. The same Foreign Investment Act of 1991 defines a Philippine national either as a citizen of the Philippines or if it is a corporation, at least 60 percent of the voting stocks are owned by a citizen of the Philippines. Correct?

Ang sabi ni Commissioner Gaite:

COMMISSIONER GAITE. Correct, Your Honor.

JUSTICE CARPIO. You are also aware that under the predecessor law of the Foreign Investment Act of 1991, the Omnibus Investment Act of 1987, the provisions apply: Only Philippine national can own and operate a public utility in the Philippine national. If it is a corporation, 60 percent of the capital stocks of the corporation must be owned by a citizen of the Philippines. Correct?

COMMISSIONER GAITE. Correct, Your Honor.

JUSTICE CARPIO. And even prior to the Omnibus Investments Code of 1987, under the Omnibus Investments Code of 1981, the same rule applies—only a Philippine national can own and operate a public utility; and a Philippine national, if it is a corporation, 60 percent of its voting stocks must be owned by a citizen of the Philippines. Correct?

COMMISSIONER GAITE. Correct, Your Honor.

So even during the deliberations, the protection was meant to be there. The framers of the Constitution meant to protect investments which are considered under public utilities by redefining it, by restricting it to four industries, we remove that protection which was deliberately and intentionally placed by the framers of the Constitution to protect the Filipino people so that their desire to Filipinize the national economy can hold true.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Sponsor. Yes, the sponsor can...

REP. GARIN (S.). Yes, I just did not hear the question, Mr. Speaker. But if you want me to comment on the manifestation of the good Interpellator, we still maintain that public utility should be Filipino-owned—still should be 60-40, that does not change. The amendment does not change that, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, why do we insist on limiting the definition of “public utility” to these four industries? So, iyon ho iyong tanong ko. Let us not say na, dahil sila iyong may monopoly e. I think we should give a better reason rather than just saying na “may monopoly e.”

REP. GARIN (S.). Again, Mr. Speaker, those three industries or four industries do meet the four criteria that are cited under paragraph 2 of the section that we are referring to. That it has to meet the four criteria, again, even if it is a natural monopoly, but it does not regularly supply directly, transmit and distribute to the public, then it cannot be a public utility. It has to meet all these four criteria. Again, I will read the criteria:

(a) THE PERSON REGULARLY SUPPLIES, DIRECTLY TRANSMITS AND DISTRIBUTES TO THE PUBLIC THROUGH A NETWORK, A COMMODITY OR SERVICE OF PUBLIC CONSEQUENCE;

(b) THE PUBLIC SERVICE IS A NATURAL MONOPOLY THAT NEEDS TO BE REGULATED WHEN THE COMMON GOOD SO REQUIRES;

(c) THE COMMODITY OR SERVICE IS NECESSARY FOR THE MAINTENANCE OF LIFE AND OCCUPATION OF THE PUBLIC; AND

(d) THE PERSON IS OBLIGATED TO PROVIDE ADEQUATE SERVICE TO THE PUBLIC ON DEMAND.

REP. SUNTAY. Mr. Speaker, ang ibig ho sabihin natin na in the other jurisdictions, in the U.S., in Europe, that iyong public utilities kapag sinabi nilang it includes water, electricity, natural gas, telephone service and other essentials, ibig sabihin mali iyong definition nila? Hindi public utility iyon kasi dapat ang public utility lang ay iyong—is limited to what we have defined it to be.

REP. GARIN (S.). We have defined it based on the four criteria and you can include additional industries there should the circumstances evolve and then the Legislature can add industry as a public utility. Mr. Speaker, the list is not the definition...

REP. SUNTAY. Mister...

REP. GARIN (S.). ... I am sorry, Mr. Speaker, but the electricity, transmission and distribution and sewerage and water distribution is not the definition—that is the list that is provided, but the definition is on the following paragraph of the section, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, what the honorable Sponsor would want to convince me of is that iyong definition ng iba na nakasulat sa diksyonaryo mali? Na kapag in-include nila under public utility—water, gas, electricity, transportation, mali iyon? Is that what the good Sponsor is trying to convince me?

REP. GARIN (S.). I do not understand the question, Mr. Speaker. Our definition follows the jurisprudence and is consistent as well in many definitions...

REP. SUNTAY. So...

REP. GARIN (S.). ... I do not know what is inconsistent here that “the person regularly supplies...” “...transmits and distributes to the public through a network a commodity or service of public consequence;” that “the public service is a natural monopoly that needs to be regulated...” that it is necessary for life and occupation and “the person is obligated to provide adequate service.”

Those are consistent with all the definitions whether in the country or outside the country, Mr. Speaker.

REP. SUNTAY. Mr. Speaker, the good proponent used the criteria raised in the decision penned in *JG Summit Holdings vs CA*, which never confined

what public utilities are to distribution of electricity, transmission...

REP. GARIN (S.). No, we are not defining...

REP. SUNTAY. ...water pipeline distribution...

REP. GARIN (S.). ...again, we are not defining it. That is the list, but the definition is in the following paragraph. We do not define public utility by listing the industries. That is the problem of the PSA currently. Dahil inilista nila ay umiiba iyong circumstances, then stevedoring is out, then next year na naman iyong ice cold storage out na naman. So, we want to make a certain definition by providing the criteria, not making the list.

Hindi po iyong listahan iyong definition. The definition has always been consistent whether in the proceedings in the Constitutional Commission, whether in Black's Law, whether in the Supreme Court decision, consistent po ang criteria na provided dito po sa amendment. The list is not static.

Kaya po I have been insisting na ang definition is the criteria that has been set forth, not the list na kung electricity iyan, telecommunications iyan, no, that will change over time. And for now, what is definite for us are those three industries kaya inilista siya. Pero ang definition po, hindi po nag-iiba.

REP. SUNTAY. Now, Mr. Speaker, ang sinasabi kanina that, okay, itong apat na ito pasado na sila. Based on who? Kasi later on ...

REP. GARIN (S.). Based on the criteria nga na nakalista sa susunod na paragraph.

REP. SUNTAY. Yes. Inilagay rin natin dito, andito sa batas sinabi natin, those which are not included in the four should pass this other—"The National Economic and Development Authority, in consultation with the Philippine Competition Commission, shall recommend to Congress the classification of public services as a public utility on the basis of the following criteria."

In fact, even dito ha nakalagay, the classification of a public service as a public utility. Pero ang sinasabi natin dito, o sige, hahayaan natin sila iyong mag-recommend sa atin kung ano pa iyong i-include sa list. Bakit in-include na natin ito? Hindi dapat siguro tanggalin natin lahat, then sabihin natin sa NEDA, o sige, zero iyong list namin, to be equal, para ma-deliberate natin ng mabuti what should be included at magsimula tayo sa zero. Wala muna kaming listahan. Even these four industries hindi namin isasama, then

we will let NEDA and PCC to recommend to Congress, then let us all deliberate on what we should include.

REP. GARIN (S.). If the good Interpellator deems that is more prudent, then he can propose to the Committee and we can consider his proposal.

REP. SUNTAY. Mr. Speaker, that would be my suggestion. As I mentioned, you know, I am not really here to oppose the Bill, but there are consequences in doing it in such a way that it does not restrict it too much. No other jurisdiction, no other countries did it that way. There is a reason why the definition of public utilities or what is included under public utilities has remained broad for all this time. And there is also a reason why there is a protection policy given under the Constitution to industries falling under public utilities. Let us not change it by simple legislation.

Thank you very much, Mr. Speaker.

REP. GARIN (S.). Thank you, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF H.B. NO. 78

REP. PALMA. Mr. Speaker, I move that we suspend the consideration of House Bill No. 78.
I so move, Mr. Speaker.

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

The consideration of House Bill No. 78 is hereby suspended.

The Majority Leader is recognized.

ADJOURNMENT OF SESSION

REP. PALMA. Mr. Speaker, I move that we adjourn the session until three o'clock in the afternoon of Wednesday, November 6, 2019.

THE DEPUTY SPEAKER (Rep. Gonzales, A.). Is there any objection for the adjournment? (*Silence*) The Chair hears none; the session is adjourned until Wednesday, November 6, 2019, at three o'clock in the afternoon tomorrow.

It was 7:54 p.m.