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COMMITTEE MEETINGS ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Legislative Franchises jt. w/ Good Government and Public Accountability	HBs 6694 & 6901	Reps. Rodriguez and Salo	Granting ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation) a franchise to construct, install, operate and maintain radio and television broadcasting stations in the Philippines	The Joint Committee, co-chaired by Rep. Franz "Chicoy" Alvarez (1 st District, Palawan), Chair of the Committee on Legislative Franchises, and Rep. "Kuya" Jose Antonio Sy-Alvarado (1 st District, Bulacan), Chair of the Committee on Good Government and Public Accountability, will deliberate further on the 18 measures in its next hearing.
	HBs 676, 3521, 3713, 3947, 4305, 5608, 5705, 5753, 6052, 6138 & 6293	Rep. Violago, Deputy Speaker Arenas, Reps. Tambunting, Aragones, Deputy Speakers Santos-Recto and Gonzales, Reps. Rodriguez, Ramirez-Sato, Zarate, Go (M.), and Deputy Speaker Legarda	Renewing for another 25 years the franchise granted to ABS-CBN Corporation under RA 7966	
	HR 639	Rep. Lagman	Urging the Committee on Legislative Franchises to report out without further delay for plenary action a consolidated version of eight pending bills proposing for the renewal for another 25 years of the legislative franchise of ABS-CBN Corporation	In today's meeting, the Joint Committee continued its discussion on the issue of whether or not ABS-CBN Broadcasting Corporation violated Article XVI, Section 11 of the 1987 Constitution requiring 100% Filipino ownership and management of mass media through its issuance of Philippine Depositary Receipts (PDRs) to foreign investors. It likewise discussed whether or not the acquisition of ABS-CBN by the Lopez family after the EDSA revolution was pursuant to the Constitution.
	HR 839	Rep. Fortun	Condemning the issuance by the National Telecommunications Commission (NTC) of a cease and desist order against ABS-CBN in wanton disregard of its commitment to both Houses of Congress to grant the broadcasting network a provisional authority to operate pending renewal of its franchise	Deputy Speaker Rodante Marcoleta (Party-List, SAGIP), Committee Vice Chair Rep. Michael Defensor (Party-List, ANAKALUSUGAN), and Rep. Elpidio Barzaga Jr. (4 th District, Cavite) were of the opinion that the ABS-CBN used the PDRs to circumvent the constitutional prohibition against foreign ownership of mass media companies.
	HR 846	Rep. Defensor (M.)	Calling on the appropriate House committees to investigate and file criminal cases as warranted against the Commissioners and officers of the NTC and the Solicitor General and such other officials and individuals for perjury and for violation of the Code of Conduct and Ethical Standards for Public Officials and Employees and the Anti-Graft and Corrupt Practices Act and other applicable laws	Deputy Speaker Marcoleta alleged that the ABS-CBN Holdings Corporation, Lopez Holdings, Inc., and the PCD Nominee Corporation, which are stockholders of the ABS-CBN Broadcasting Corporation, are alter egos of the media company which allowed the sale of PDRs to foreign nationals. He suggested "piercing the veil of corporate fiction" to establish the relationship between the owners of shares of stock of ABS-CBN Broadcasting Corporation and the the PDR holders.
	HR 853	Deputy Speaker Duterte	Inquiry into the probable violations of ABS-CBN Corporation of its legislative franchise under RA 7966	Rep. Barzaga likewise maintained that the ABS-CBN Broadcasting Corporation indirectly violated the Constitution through intricate corporate layering that makes it difficult to determine ownership thereby concealing foreign investments. He explained that while the ABS-CBN Holdings Corporation issues PDRs to foreign investors, the beneficial owners of the shares of stocks underlying every PDR are the PDR holders themselves.

Continuation... Legislative Franchises jt. w/ Good Government and Public Accountability	HR 863	Rep. Sarmiento	Urging the House of Representatives, through the Committee on Legislative Franchises, to admonish the NTC on its failure to comply with their commitment under oath and to conduct an inquiry, in aid of legislation, on the same and on possible measures to be taken on the matter	<p>Rep. Defensor added that the ownership of PDRs is tantamount to the ownership of common shares of ABS-CBN, hence unconstitutional. He went on to say that the PDRs were used as a “dummy” to conceal foreign investment in the media company.</p> <p>On the contrary, Rep. Edcel Lagman (1st District, Albay) opined that the PDRs are compliant with the requirement of the Constitution and in no way do they constitute a scheme to circumvent it indirectly. There is no need to apply the rule on “piercing the corporate veil” to ABS-CBN because the issuance of these PDRs was never kept secret, he said.</p> <p>“The doctrine of piercing the veil of corporate entity is used whenever a court finds that the corporate fiction is being used to defeat public convenience, justify wrong, protect fraud, or defend crime or confuse legitimate issues, or that a corporation is the mere alter ego or business conduit of a person or where the corporation is so organized and controlled and its affairs are so conducted as to make it merely an instrumentality, agency, conduit or adjunct of another corporation.” (Source: G.R. No. 191525)</p> <p>On the reacquisition of ABS-CBN after the EDSA Revolution, Atty. Arcio Rendor Jr., legal counsel for ABS-CBN during its 1994 arbitration case, said that the Lopez family never gave up ownership of ABS-CBN. “It was never sold nor was ownership ever transferred,” he added.</p> <p>Rendor narrated that the broadcasting company was sequestered during the martial law pursuant to Letter of Instruction (LOI) Nos. 1 and 1-A issued on September 22, 1972 by the late President Ferdinand Marcos. After the EDSA Revolution, former Senator Lorenzo Tañada (then counsel for ABS-CBN) wrote a letter to the late President Corazon Aquino for the return of TV Stations Channels 2 and 4. This paved the way for an Agreement to Arbitrate between the ABS-CBN and the Office of the President. The Agreement was the basis for the Lopez family’s gradual takeover of the ABS-CBN facilities from 1986 to 1992. Also in June 1986, the Lopez family made a written request to the Presidential Commission on Good Government (PCGG) for the return of TV Station Channel 2, which the PCGG approved.</p> <p>In 1995, the Regional Trial Court approved the Compromise Agreement which resolved the claims of rentals and damages to ABS-CBN for the use of its facilities from 1986 to 1992. By virtue of this Agreement, the government paid the ABS-CBN P97 million which was executed through offsetting of the media company’s tax liability; payment for the unpaid rentals of ABS-CBN to Banahaw Broadcasting Corporation;</p>
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<p>Continuation... Legislative Franchises jt. w/ Good Government and Public Accountability</p>				<p>and application of the remaining balance to ABS-CBN's tax credits in the future.</p> <p>Deputy Speaker Marcoleta alleged that the reacquisition of the ABS-CBN was not in accordance with the instruction of then President Aquino to make the process of returning the properties transparent. He then requested that all documents pertaining to the proceedings of the arbitration be submitted to the Joint Committee.</p> <p>Deputy Speaker Marcoleta asked the PCGG to explain why it hastily issued an order to return the facilities to ABS-CBN. PCGG Commissioner John Agbayani replied that the order was only for the temporary use and possession of the ABS-CBN facilities. The decision was still subject to whatever may be the final adjudication of the proper agency on the ownership of ABS-CBN.</p> <p>Proffering a contrary opinion, Reps. Lagman, Rufus Rodriguez (2nd District, Cagayan de Oro City), Carlos Isagani Zarate (Party-List, BAYAN MUNA), Josephine Ramirez-Sato (Occidental Mindoro), Lawrence "Law" Fortun (1st District, Agusan del Norte), and Gabriel Bordado Jr. (3rd District, Camarines Sur) stated that there was nothing unconstitutional or illegal with regard to the Lopez family's reacquisition of the ABS-CBN.</p> <p>Rep. Lagman said that the reacquisition of the ABS-CBN was supported by the following: letter of the Office of the President effecting the reacquisition as requested by then Senator Tañada; the order of the PCGG releasing the assets of ABS-CBN under sequestration; provisional authority granted by the National Telecommunications Commission (NTC) allowing ABS-CBN to resume its operations; the agreement to enter into arbitration; Supreme Court's decision upholding the validity of the Agreement to Arbitrate; and the revision to the arbitral award. Moreover, RA 7966 or the law granting ABS-CBN a legislative franchise has put to rest any challenge to the reacquisition.</p> <p>Likewise, Rep. Rodriguez pointed out that the issue at hand was already settled by the appropriate government offices, adding that there had been no questions to such actions of the Executive Department. He stressed that these actions of government are "operative acts that produce consequences that Congress should acknowledge and that cannot be erased, ignored, or disregarded."</p> <p>Meanwhile, Rep. Fortun established the fact that although ABS-CBN was sequestered by the government, it was able to exercise its right of ownership by way of the lease contract it entered into with RPN9. ABS-CBN also mortgaged its property in 1975 evidencing its right of ownership even during martial law.</p>
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Continuation... Legislative Franchises jt. w/ Good Government and Public Accountability				<p>Rep. Rodriguez asked the specific provision in the Constitution or any existing law that was violated by the Lopez family's reacquisition of ABS-CBN.</p> <p>Rep. Barzaga said that it is in violation of the equal protection clause of the Constitution saying that all persons similarly situated should be treated alike. He opined that the ABS-CBN was favored by the previous administration, while others whose properties were also sequestered were not given such treatment.</p> <p>Deputy Speaker Marcoleta said that the reacquisition is in violation of Article II, Section 26 of the Constitution, which states that "The State shall guarantee equal access to opportunities for public service, and prohibit political dynasties as may be defined by law."</p> <p>When asked if the compromise agreement entered into by the ABS-CBN was binding, Department of Justice Assistant Secretary Nicholas Felix Ty replied that if the decision is not appealed by any of the parties then it becomes final and executory.</p> <p>The Secretariat was instructed to invite ABS-CBN Vice Chairman Augusto Almeda-Lopez; former Senator Juan Ponce Enrile to shed light on the sequestration order issued during the martial law; and any member of the Board of Arbitration which heard the ABS-CBN arbitration case.</p> <p>Earlier in the meeting, Rep. Claudine Diana Bautista (Party-List, DUMPER PTDA) requested the Joint Committee to include in its agenda the issue on whether or not ABS-CBN and the Lopez Group of Companies unjustly benefited from the alleged condonation of loans amounting to P1.6 billion by the Development Bank of the Philippines (DBP) to the prejudice of the government. The Joint Committee will discuss the alleged "ride-off" or condonation issue in the next hearings and to invite representatives from the DBP to shed light on this issue.</p>
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DISCUSSION WITH AGENCIES/ENTITIES		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
North Luzon Growth Quadrangle (Special Committee)	Briefing by the Department of Health (DOH) on plans and programs implemented in North Luzon in response to COVID-19 and on the 2021 budget proposals for Regions I and II, and the Cordillera Administrative Region (CAR)	<p>The Committee, chaired by Rep. Ramon Guico III (5th District, Pangasinan), listened to the DOH's briefing on its plans and programs in North Luzon in response to the COVID 19 pandemic, and its proposed FY 2021 budget for Regions I, II and CAR.</p> <p>DOH Region I (DOH-RO1) Director Valeriano Jesus Lopez informed the body that as of June 11, 2020, there are 95 confirmed cases of COVID-19 in the Region specifically in the following provinces: Pangasinan, 48; La Union, 21; Ilocos Sur, 3; and Ilocos Norte, 2; and in Dagupan City, 21.</p>

<p>Continuation... North Luzon Growth Quadrangle (Special Committee)</p>	<p>Lopez enumerated the measures implemented by the DOH-RO1 in response to the pandemic and to combat the spread of the virus, which include the collection and transport of specimens for confirmation by laboratories of the Philippine Red Cross and Chinese General Hospital; conducted contact tracing and risk-based mass testing in coordination with the Department of the Interior and Local Government (DILG), Office of Civil Defense (OCD), Philippine National Police (PNP), and the Bureau of Fire Protection (BFP); conduct of information education activities on COVID-19 through all media platforms; development of a Risk Communication Plan for COVID-19; and disseminated guidelines related to environmental and occupational health.</p> <p>The proposed FY 2021 budget for DOH-RO1 is P4.31 billion to be distributed by expense class, as follows: Maintenance and Other Operating Expenses (MOOE), P1.05 billion; and Capital Outlay (CO), P3.26 billion.</p> <p>For DOH Region II (DOH-RO2), Rosalie Paje, Chief of Lifestyle-Related Diseases Division of the DOH, said that there are 39 confirmed COVID-19 cases in the Region as of June 13, 2020. She also discussed the accomplishments of the Region in response to COVID-19 some of which are: intensified information education campaign through various media platforms; continuous monitoring and coordination of activities in the different checkpoints with the DILG, PNP, and OCD; regular disinfection of the Emergency Operation Center (EOC) facilities and other equipment; continuous monitoring of suspect, probable, and confirmed COVID-19 cases in the Region; strict implementation of social distancing and hand washing inside the EOC; and delivery of medical supplies and other logistics to different local government units (LGUs) and health facilities.</p> <p>Other program plans of DOH-RO2 include expanding the Region's testing capacity and increasing the number of Temporary Treatment and Monitoring Facilities for repatriates.</p> <p>The proposed FY 2021 budget for DOH RO2 is P10.66 billion which would be distributed by expense class as follows: Personnel Services (PS), P3.23 billion; MOOE, P3.15 billion; and CO, P4.28 billion. According to Paje, most of the budget will be used to upgrade hospitals and other health facilities and to establish more barangay health stations (BHS) in the region.</p> <p>DOH-CAR OIC-Regional Director Amelita Pangilinan reported that as of June 14, 2020, there are 94 confirmed cases of COVID-19 in the Region with 47 recoveries and 1 death. She explained that the increase in cases was due to the following: expanded targeted risk-based testing which allowed the identification of positive cases which without testing could not have surfaced; returning residents and repatriates some of whom were carriers of the virus; and the implementation of the Modified General Community Quarantine (MGCQ) in the whole region which allowed the people to go out of their homes and increased their exposure.</p> <p>Likewise, DOH-CAR is also conducting contact tracing, information education activities on COVID-19, and expanded risk-based testing to frontline personnel, senior citizens, and pregnant women. Other plans include the augmentation of the operations of Baguio General Hospital Medical Center (BGHMC) and the procurement of personal protective equipment (PPEs) and medical supplies and equipment for a better COVID-19 response.</p> <p>The proposed FY 2021 budget for DOH-CAR is P6.65 billion and will be distributed by expense class as follows: PS, P2.48 billion; Retirement and Life Insurance Premiums (RLIP), P9.30 million; MOOE, P670.43 million; and CO, P3.49 billion.</p>
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<p>Continuation...</p> <p>North Luzon Growth Quadrangle (Special Committee)</p>		<p>On the query of Rep. Kristine Singson-Meehan (2nd District, Ilocos Sur) on the status of infrastructure projects in Region I for 2020, Lopez said that the release of the budget for these projects is currently suspended given the ongoing health emergency situation. However, she assured that the bidding for infrastructure projects and other equipment will resume once the situation improves.</p> <p>Batanes Rep. Ciriaco Gato Jr. inquired if the DOH has an existing protocol for monitoring and screening crew members of cargo ships at the country's ports. DOH Assistant Secretary Maria Francia Laxamana said that DOH quarantine officers are stationed in all ports of the country to conduct the appropriate health and safety measures.</p> <p>Rep. Tyrone Agabas (6th District, Pangasinan) noted that Pangasinan has the lowest budget for Health Facilities Enhancement Program under the proposed 2021 budget as compared to other provinces in Region 1. He suggested an increase in the budget for Pangasinan considering that majority of confirmed cases in the Region come from this province.</p> <p>Baguio City Rep. Mark Go agreed with the suggestion of Rep. Agabas. He explained that most of the patients being admitted in BGHMC are from Pangasinan. He also recommended that the DOH should come up with a standard communication plan on COVID-19 that could be used by all regions in informing the people.</p> <p>Deputy Speaker Deogracias Victor "DV" Savellano (1st District, Ilocos Sur) asked the DOH regional directors to regularly update the Members on the health programs for their respective districts in order for the Members to help fast-track the implementation of these programs.</p> <p>Nueva Vizcaya Rep. Luisa Lloren Cuaresma recommended that the physical structure of some barangay health stations in Region II be improved. She also suggested that the budget for the construction of hospitals in the Region be increased.</p> <p>Meanwhile, Rep. Sandra Eriguel (2nd District, La Union) suggested increasing the health benefit package of medical frontliners affected by COVID-19. She explained that the family members of infected frontliners are most likely to contract the virus as well, further increasing their medical expenses. Laxamana replied that she would take up this matter with the Philippine Health Insurance Corporation (PhilHealth).</p>
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