

Committee Daily Bulletin

18" Congress
First Regular Session

A publication of the Committee Affairs Department

Vol. I No. 102 June 1, 2020

COMMITTEE MEETINGS ON HOUSE MEASURES			IRES	
	MEASURES			
COMMITTEE	NO.	PRINCIPAL AUTHOR	SUBJECT MATTER	ACTION TAKEN/DISCUSSION
Appropriations	HB 6656	Deputy Speaker Villafuerte	Extending the availability of the 2020 appropriations to December 31, 2021, amending for the purpose Section 60 of the general provisions of RA 11465, or the General Appropriations Act (GAA) of fiscal year 2020	The Committee, presided by Committee Vice Chair Rep. "Kuya" Jose Antonio Sy-Alvarado (1st District, Bulacan), approved HB 6656 and the corresponding Committee Report. Deputy Speaker Luis Raymund "LRay" Villafuerte Jr. (2nd District, Camarines Sur), author of HB 6656, said that the proposed law would enable the government to obligate existing appropriations until next year. Under the annual cash-based system that was recently adopted by the government, all government programs and projects budgeted for the fiscal year should be implemented and delivered within the same fiscal year. However, the COVID-19 pandemic and the measures implemented by the government to stem the transmission of the virus led to the temporary suspension or delayed implementation of many programs, projects, and activities to be funded out of the GAA 2020. Thus, the proposed law extends the availability of the 2020 appropriations up to December 31, 2021 so that the programs approved for this year can still be implemented up to next year. Majority of the Members expressed their full support for the bill. Department of Budget and Management Director Kim Robert de Leon also expressed his support for the bill. He assured the Members that no infrastructure projects especially those under the Department of Public Works and Highways will be cancelled.
Information and Communications Technology	HB 1248	Deputy Speaker Villafuerte	Establishing the E-Government, defining its powers and functions, appropriating funds therefor	The Committee, chaired by Rep. Victor Yap (2 nd District, Tarlac), approved HB 1248 subject to style. Deputy Speaker Luis Raymund "LRay" Villafuerte Jr. (2 nd District, Camarines Sur), author of HB 1248, informed the body that a similar bill was already extensively discussed in the 17 th Congress. He also underscored the importance of the proposed law under the "new normal" because of COVID-19 where minimal physical interaction is encouraged. He emphasized that a masterplan for E-government system needs to be implemented which will serve as guide for the interoperability of all national agencies and the local government units. Expressing their support for the bill were the Department of Information and Communications

Continuation Information and Communications Technology	Consolidated Bill on HBs 6759 & 6786	Deputy Speaker Villafuerte and Rep. Tutor	Supporting the growth and development of digital careers in the Philippines	Technology (DICT), Department of the Interior and Local Government (DILG), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA), and the Chief Information Officers Forum Inc. (CIOF). The Committee agreed to delete the appropriation provision of the bill as proposed by the author. The Committee approved the consolidated bill on HBs 6759 and 6786, subject to style. Deputy Speaker Villafuerte, author of HB 6759, informed the body that a similar bill was filed in the Senate – Senate Bill 1469 – by Senator Juan Edgardo "Sonny" Angara. The bills seek to empower the digital career workers by providing them the needed technical support, incentives, and social protection benefits. As defined in HB 6759, a "digital career worker, freelancer, and freelance worker" refers to a person who is self-employed and is not necessarily committed to a particular employer for the long-term. Freelance workers are sometimes represented by a company or a temporary agency that resells freelance labor to clients; others work independently or use professional associations or websites to get work. Department of Education Undersecretary Alain del Pascua and DICT Assistant Secretary Emmanuel Rey Caintic expressed their support for the bills.
Legislative Franchises jt. w/ Good Government and Public Accountability	HB 6694	Rep. Rodriguez	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	provision of the bill. The Joint Committee, co-chaired by Rep. Franz "Chicoy" Alvarez (1st District, Palawan), Chair of the Committee on Legislative Franchises, and Rep. "Kuya" Jose Antonio Sy-Alvarado (1st District, Bulacan), Chair of the Committee on Good Government and Public Accountability, will deliberate further on the 17 measures in its next
	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 (A.), 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	In today's meeting, the Joint Committee heard the sponsorship speeches of the authors of the bills and resolutions in the agenda; the statements of Solicitor General Jose Calida and NTC Commissioner Gamaliel Cordoba; and the response of ABS-CBN concerning the constitutional and legal issues raised against the network in relation to its franchise application. Both Reps. Alvarez and Sy-Alvarado reiterated that the Members of the Joint Committee are allowed to
			Urging the Committee on Legislative	participate in the discussions on the franchise application of ABS-CBN and the issues raised, but only Members of the Committee on Legislative Franchises are allowed to vote on the bills granting or renewing the franchise of ABS-CBN. As author of the first bill (HB 676) filed seeking the
			Franchises to report out without further delay for plenary action a	renewal of ABS-CBN's franchise, Rep. Micaela Violago (2 nd District, Nueva Ecija) got to deliver her

				T
Continuation Legislative Franchises jt. w/ Good Government and Public Accountability	HR 839	Rep. Fortun	consolidated version of eight pending bills proposing for the renewal for another 25 years of the legislative franchise of ABS-CBN Corporation Condemning the issuance of the NTC of a cease and desist order against the 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	sponsorship speech first. She said that ABS-CBN is one of the key players in the country's broadcast industry and the oldest, leading, and largest media conglomerate. It delivers content in the form of world class entertainment and balanced, credible news to both local and international audience. In recognition of its accomplishments and to ensure the uninterrupted delivery of its services to the Filipino people, she urged the renewal of the ABS-CBN's franchise. Voicing out their concern primarily for the workers and employees of ABS-CBN having been
	HR 846	Rep. Defensor	Calling on the appropriate House Committees to investigate and file criminal cases as warranted against the Commissioners and officers of the National Telecommunications Commission (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	employees themselves of or having worked with the network company in the past were Reps. Joy Myra Tambunting (2nd District, Parañaque City) and Sol Aragones (3rd District, Laguna), as well as Deputy Speakers Vilma Santos-Recto (6th District, Batangas) and Loren Legarda (Antique), authors of HBs 3713, 3947, 4305, and 6293, respectively. They also said that ABS-CBN went far and beyond providing news and entertainment as it engaged in various advocacies particularly extending assistance to the disadvantaged sectors of society and victims of calamities. Thus, they were one in calling for the renewal of the franchise of ABS-CBN.
	HR 853	Deputy Speaker Duterte	Inquiry into the probable violations of ABS-CBN Corporation of its legislative franchise under RA 7966	6138, asked his colleagues to renew the franchise of ABS-CBN in consideration of more than 11,000 employees who rely on the company for their livelihood.
	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	Rep. Rufus Rodriguez (2nd District, Cagayan de Oro City), author of HBs 5705 and 6694, argued that ABS-CBN did not violate the constitutional provision requiring 100% Filipino ownership and management of mass media. He stressed that Eugenio "Gabby" Lopez III is a Filipino citizen by <i>jus sanguinis</i> or by birth, hence eligible to own and manage the company. Moreover, the foreign holders of Philippine depositary receipts (PDRs) issued by the ABS-CBN Holdings Corporation do
			Show cause order issued by the Committee on Legislative Franchises to the NTC to explain why it should not be held in contempt	not make them owners of the company. In addition, he asserted, the Securities and Exchange Commission (SEC) approved the selling of PDRs by ABS-CBN both in 1999 and in 2014.
				Occidental Mindoro Rep. Josephine Ramirez-Sato, author of HB 5753, said that the PDRs were issued based on prevailing laws and jurisprudence. She also expressed dismay at the NTC's issuance of the cease and desist order against ABS-CBN while Congress is still deliberating on the franchise. It also came at the most unfortunate time when people are reeling from the effects of the pandemic, she said.
				Party-List Reps. Carlos Isagani Zarate (BAYAN MUNA) and Arlene Brosas (GABRIELA), authors of HB 6052, stressed that the closure of ABS-CBN is a clear suppression of the freedom of expression and of the press and the right of the people to information. Rep. Brosas recalled a similar fate of ABS-CBN during Martial Law when it was also shut down by government forces.

Continuation...
Legislative
Franchises jt. w/
Good Government
and Public
Accountability

Deputy Speaker Aurelio "Dong" Gonzales Jr. (3rd District, Pampanga), author of HB 5608, called on the Members of the Joint Committee to afford ABS-CBN the presumption of innocence during the hearing and while cases involving the company are pending before the Supreme Court. On the other hand, Deputy Speaker Johnny Ty Pimentel (2nd District, Surigao del Sur), co-author of HB 5608, said that the services of ABS-CBN are much needed during this time of pandemic given that with its wide reach, it is capable of delivering news to far-flung areas in the country.

Deputy Speaker Rose Marie "Baby" Arenas (3rd District, Pangasinan), author of HB 3521, not wanting to delay the proceedings, requested that the explanatory note to her bill be recorded as her sponsorship speech.

Meanwhile, authors of House Resolutions also took turns in making their sentiments known regarding the ABS-CBN franchise.

In urging the Committee on Legislative Franchises to immediately act on the bills at hand, Rep. Edcel Lagman (1st District, Albay), author of HR 639, underscored three things: that his resolution was filed as early as four months before the ABS-CBN shutdown; it was signed or endorsed by some 100 Members; and it continues to be relevant until Congress approves the franchise of ABS-CBN.

Reps. Lawrence "Law" Fortun (1st District, Agusan del Norte), Edgar Mary Sarmiento (1st District, Western Samar), and Michael Defensor (Party-List, ANAKALUSUGAN), respective authors of HRs 839, 863, and 846, denounced the NTC for disregarding its commitment made under oath to grant a provisional authority to ABS-CBN to allow its operations to continue after the expiration of its franchise on May 4 while its application for renewal is pending in Congress. Rep. Defensor has included the Solicitor General in his resolution as one of the parties who should be investigated because of the sudden issuance by the NTC of the cease and desist order (CDO) against ABS-CBN.

Rep. Carlo Lisandro Gonzales (Party-List, MARINO) sponsored HR 853 in behalf of the authors, one of whom is Deputy Speaker Paolo Duterte (1st District, Davao City). The resolution calls for an inquiry into the probable violations of ABS-CBN of its legislative franchise under RA 7966. He said that if these alleged violations are proven to be true, the franchise of ABS-CBN should not be renewed.

In the opening statements of Solicitor General Calida, he denied the allegations that he pressured the NTC into issuing the cease and desist order. He said that he merely cautioned the NTC of a possible encroachment on the powers of Congress if it issues a provisional authority to operate to ABSCBN without any legal backing.

Calida also informed the Joint Committee that he is constrained from participating fully in the hearings

Continuation... Legislative Franchises jt. w/ Good Government and Public Accountability of the Joint Committee based on the principle of "non-encroachment on the exclusive domain of judicial jurisdiction" and the *sub judice* rule. He explained that the pending cases before the Supreme Court involving the operations of ABSCBN and its franchise are also the subject of the House's inquiry.

The *sub judice* rule restricts comments and disclosures pertaining to the judicial proceedings to avoid prejudging the issue, influencing the court, or obstructing the administration of justice.

Nevertheless, Calida asserted that ABS-CBN violated the terms of its franchise, other laws, and the Constitution in the course of its operations. He said the network company violated the scope of its franchise when it allowed another entity, ABS-CBN Convergence, to use its franchise. He added that ABS-CBN's issuance of PDRs to foreign investors is a violation of the Constitutional restriction on foreign ownership of mass media, saying that these PDRs grant beneficial ownership to the holders based on the rights conferred on them.

NTC Commissioner Gamaliel Cordoba maintained that the NTC, in issuing the cease and desist order against ABS-CBN, was only doing its work according to its mandate. He said the NTC could not issue the network company a provisional authority to operate as it will be encroaching on the power of Congress. Without any legislation from Congress regarding the renewal of franchise of ABS-CBN, NTC had no other choice but to enforce the existing law. He admitted that the NTC could have exercised prudence by alerting Congress of its decision to issue a CDO, and for that he expressed his apologies. Like the Solicitor General, Cordoba said he cannot comment or answer questions related to cases pending before the Supreme Court for the same reasons cited earlier.

Rep. Sy-Alvarado clarified that under the Constitution, the House of Representatives or any of its committees may conduct inquiries in aid of legislation. He also cited Section 1 of the House's Rules of Procedure Governing Inquiries in Aid of Legislation which states that "The filing or pendency of a case before any court, tribunal or quasi-judicial or administrative body shall not stop or abate any inquiry conducted to carry out a legislative purpose."

In opposing the grant of franchise to ABS-CBN, Deputy Speaker Rodante Marcoleta (Party-List, SAGIP) reiterated that press freedom is not the issue in this case but it is whether ABS-CBN has violated the provisions of its franchise as well as other laws and the Constitution. He asked the company to submit the following documents:

 2018-2019 alpha list of ABS-CBN employees' withholding tax submitted to and received by the Bureau of Internal Revenue (BIR); contributions to the Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), Home

Continuation	Development Mutual Fund or Pag-Ibig;
Legislative Franchises jt. w/ Good Government and Public	contributions to the Employment Compensation Commission (ECC) and the Bureau of Employment of the Department of Labor and Employment
Accountability	(DOLE); and List of all labor cases filed against ABS-CBN at the National Labor Relations Commission (NLRC).
	ABS-CBN President and Chief Executive Officer (CEO) Carlo Katigbak responded to the allegations hurled against the company. He said that ABS-CBN did not violate the constitutional provisions on 100% Filipino ownership of mass media, explaining that Lopez is a Filipino from birth having both Filipino parents, and although born in America, he is deemed a Filipino under the 1935 Constitution. He added that the foreign holders of PDRs are not owners of the company because they are not allowed to vote on any matter concerning the management of ABS-CBN. He also mentioned that other media companies like GMA-7 were also allowed by SEC to offer PDRs.
	With regard to the allegation that the company exceeded the 50-year limitation on the use of airwaves set under the Constitution, Katigbak said that this 50-year limit applies to each grant or renewal of franchise. He added that there is no provision in the Constitution that limits the life of a company to 50 years.
	Katigbak also clarified that ABS-CBN was seized from the Lopez family during the declaration of Martial Law in 1972. Thus in 1986, after the people power revolution, ABS-CBN was returned to the Lopez family, as approved by the Presidential Commission on Good Government (PCGG), the Office of the President, and the Supreme Court.
	The Joint Committee agreed to invite Lopez in its next meeting on June 3 to shed light on questions pertaining to his citizenship.

DISCUSSION WITH AGENCIES/ENTITIES				
COMMITTEE	SUBJECT MATTER	DISCUSSIONS		
Information and Communications Technology	Update on the status of the National Broadband Program by the Department of Information and Communications Technology (DICT) -	The Committee, chaired by Rep. Victor Yap (2nd District, Tarlac), listened to the presentation of DICT Assistant Secretary Emmanuel Rey Caintic on the National Broadband Program (NBP). Caintic highlighted the progress of work involving the five major projects under the NBP, namely: National Fiber Backbone – The DICT and the National Grid Corporation of the Philippines (NGCP) agreed on the use and activation of the 124 NGCP nodes for the national fiber backbone; Cable Landing Stations (CLS) - Two CLS have been constructed in Baler, Aurora and in Poro Point, La Union; the target completion of the 240-km underground conduit is by the end of June; Accelerated Tower Build – The DICT has already signed		

Continuation...
Information and
Communications
Technology

- a Memorandum of Understanding with 24 common tower providers.
- Accelerated Fiber Build A total of 862 government agencies have been connected via fiber optic cable through the GovNet project of the DICT and the Department of Science and Technology; and
- Satellite Overlay The DICT is also coordinating with the US Trade and Development Agency on the approval of a grant for the conduct of a feasibility study for the procurement, launching, and development of a sovereign communications satellite in the country.

Caintic also enumerated the long-term benefits of the NBP, as follows:

- NBP will provide faster and more efficient broadband connectivity in the public sector, particularly public hospitals, rural health units, public schools, state universities and colleges, and in public places.
- Telecommunications companies (telcos) will be encouraged to serve remote areas with the NBP backbone in place.
- National Capital Region will be decongested by redirecting industries to potential municipalities or provinces and make these future-ready and demandresilient.
- NBP will aid in the consolidation and speedy and accurate updating and seamless transmission of data and information between national agencies and local government units, especially during a crisis such as the COVID-19 pandemic.
- NBP will facilitate the provision of internet connectivity in unserved and underserved areas where private telcos have limited or no service.

On the query of Deputy Speaker Evelina Escudero (1st District, Sorsogon) and Rep. France Castro (Party-List, ACT-TEACHERS) relative to the timeline of the DICT in achieving full internet connectivity throughout the country, Caintic replied that it may take more time especially in the rural areas. However, he said that the DICT is doing its best to fulfill NBP's main objectives of broadening and providing better quality and affordable internet connection in the country.

Also available at http://www.congress.gov.ph