



REPUBLIC OF THE PHILIPPINES
Senate
Pasay City

Journal

SESSION NO. 70
Monday, March 6, 2017

SEVENTEENTH CONGRESS
FIRST REGULAR SESSION

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CALL TO ORDER

At 4:20 p.m., the Senate President, Hon. Aquilino "Koko" L. Pimentel III, called the session to order.

PRAYER

Sen. Juan Miguel "Migz" F. Zubiri led the prayer, to wit:

*Let us put ourselves in the presence
of the Lord.*

Dear God, our Father, You are the greatest of all and our only salvation.

Shine Your light upon us. We need You to guide us and be there for us and our loved ones always.

Father, bless our countrymen who are in deep sorrow and who suffer from disaster

by nature as well as by other men's follies. Bless those who carry heavy physical, financial, emotional and spiritual burdens.

Father, we confess that we often forget to listen to You. We hear other voices and ignore Your voice.

Dear God, open our minds and hearts so we will follow only Your wise, just, gentle and loving voice.

Let us hear and heed Your Godly counsel as we tackle the tasks You have set before us.

Help us make decisions that reflect Your unconditional love as we deal with Your people's life, liberty, sickness and death.

Grant us discernment that will assist us in legislation, governance and charitable undertakings.

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Let our actions today prepare for our countrymen a society of equal opportunities, responsible institutions, justice and peace for all.

Let all these be under the protection of Your Holy Spirit made powerful by Your sacrifice, forgiveness and love.

In Your Holy Name, Amen.

NATIONAL ANTHEM

The Malayan High School of Science Choir led the singing of the national anthem, and thereafter rendered the song, entitled “*Isang Dugo, Isang Lahi, Isang Musika.*”

ROLL CALL

Upon direction of the Senate President, the Secretary of the Senate, Atty. Lutgardo B. Barbo, called the roll, to which the following senators responded:

Angara, S.	Lacson, P. M.
Aquino, P. B. IV B.	Legarda, L.
Binay, M. L. N. S.	Pangilinan, F. N.
Cayetano, A. P. C. S.	Pimentel III, A. K.
Ejercito, J. V. G.	Poe, G.
Escudero, F. J. G.	Recto, R. G.
Gatchalian, W.	Sotto III, V. C.
Gordon, R. J.	Villanueva, J.
Honasan, G. B.	Villar, C. A.
Hontiveros, R.	Zubiri, J. M. F.

With 20 senators present, the Chair declared the presence of a quorum.

Senators Pacquiao and Trillanes arrived after the roll call.

Senator Drilon was on official mission abroad “to meet with Filipinos in Johannesburg and Cape Town in South Africa to discuss his proposed amendments to Republic Act No. 9225 (Citizenship Retention and Reacquisition Act of 2003) and on matters concerning proposed measures referred to the Committee on Constitutional Amendments and Revision of Codes.”

Senator De Lima was unable to attend the session as she was under detention.

APPROVAL OF THE JOURNAL

Upon motion of Senator Sotto, there being no objection, the Body dispensed with the reading of the Journal of Session No. 69 (March 1, 2017) and considered it approved.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Senator Sotto acknowledged the presence in the gallery of the following guests:

- Sultan Faisal Bansao and Dr. Fatani Abdul Malik from the Royal Houses of the Sultanate of Batangas, Batangas City – guests of Senator Zubiri;
- Students from Mater Ecclesiae School of San Pedro, Laguna, headed by Sr. Emma T. Badajos and Sr. Ma. Lenita S. Rivera of DVM;
- Representatives from Industrial Global Union and LAGABLAB Network – guests of Senator Hontiveros; and
- Students from Meiji University of Tokyo, Japan – guests of Senator Pacquiao.

Senate President Pimentel welcomed the guests to the Senate.

APPROVAL OF SENATE BILL NO. 1305 ON THIRD READING

Upon motion of Senator Sotto, there being no objection, the Body considered, on Third Reading, Senate Bill No. 1305, printed copies of which were distributed to the senators on February 28, 2017.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Sotto, there being no objection, Secretary Barbo read only the title of the bill, to wit:

AN ACT INCREASING THE MATERNITY LEAVE PERIOD TO ONE HUNDRED TWENTY (120) DAYS FOR FEMALE WORKERS IN THE GOVERNMENT SERVICE AND THE PRIVATE SECTOR WITH AN OPTION TO EXTEND FOR AN ADDITIONAL THIRTY (30) DAYS WITHOUT PAY, PROVIDING A PARENTAL LEAVE PERIOD FOR

ADOPTIVE PARENTS, AND GRANTING AN ADDITIONAL THIRTY (30) DAYS FOR SOLO MOTHERS, AND FOR OTHER PURPOSES.

Secretary Barbo called the roll for nominal voting

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Legarda
Aquino	Pacquiao
Binay	Pangilinan
Cayetano	Pimentel
Ejercito	Poe
Escudero	Recto
Gatchalian	Sotto
Gordon	Trillanes
Honasan	Villanueva
Hontiveros	Villar
Lacson	Zubiri

Against

None

Abstention

None

With 22 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 1305 approved on Third Reading.

EXPLANATION OF VOTE OF SENATOR RECTO

Senator Recto explained his affirmative vote, as follows:

A wag once said that if men were to get pregnant, "maternity leave would last for two years with full pay, and morning sickness would rank as the nation's number one health problem."

Hopefully, the passage of this bill won't lead to the mass agitation by menfolk for parity, as parental leave today is a short seven days.

But there is a good reason for that. Maternity is a matter of fact. Paternity, however, is a matter of opinion.

Seriously, I hail this bill for the many bests it brings out of this institution.

It is a fruit of bipartisan push.

It is a testament of our ability to multitask, that we can conduct high-profile investigations at the same time we quietly craft wise legislation.

It is a demonstration of the Senate tradition to champion progressive laws.

In whatever era, whenever the Senate pushes the envelope, the status quo pushes back.

But in the case of this bill, any hostility, if any, from business and capital, is answered by the exemptions that this bill provides.

Leeway is given to distressed companies, to retail and service companies with less than 10 employees, to microbusinesses whose total assets do not exceed P3 million, to firms who are already giving the same benefits.

The rationale for these is simple: Maternity benefits should be calculated in a way that should not cause businesses to abort their operations, especially businesses still in incubation.

This bill is past its due date. This should have been delivered a long time ago.

On the macro level, longer maternity leaves do not harm the economy. On the micro level, longer maternity leaves make both the baby and the mother healthy and happy.

And the father, in many aspects, benefits, too. On this, there is one innovative section in the bill worth mentioning.

Under Section 6, a mother entitled to maternity leave benefits may opt to allocate up to 30 days of said leave credits to the father of the child, whether they are married or not.

This is the best *pasa-load* app ever invented. And a fair one too, as it does not impose the burden of matrimony.

I can sense that this section was inspired by that line in Nancy Smith's famous poem which says:

For every woman who feels "tied down" by her children, there is a man who is denied the full pleasures of shared parenthood.

Let me further extol some of the related provisions. One is that if the father of the child is absent or incapacitated, the leave credits can be transferred to a qualified caregiver.

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Another is that a solo mother is entitled to 30 more days of maternity leave.

Birthing progressive legislation has always been marked by resistance and attended by pain.

And when it comes to laws that affect women, the gestation is counted not in trimesters but in years.

Filipinas only got the right to vote 70 years ago on April 30, 1937, after years of struggle, marked by defeats, by our brave suffragettes, and the country even had to hold a national plebiscite to ratify a right that was basically theirs.

Two years later, in 1939, the eight-hour-workday law was passed. And in 1941 came the first maternity benefits law, the Commonwealth Act 647.

Both have to hurdle opposition – vilification even – and the breakthrough came only after a tireless campaign by labor and women's groups who have to fend off criticisms that both laws were radical.

But the ensuing years would later uphold as reasonable and fair and just what was seen as radical then.

Any step that lightens the burden for women, and lights the path for the full development of their being, benefits humanity.

Husbands, brothers, fathers and sons, too. As Nancy Smith, in the same poem, beautifully said:

For every woman who takes a step toward her own liberation, there is a man who finds the way to freedom has been made a little easier.

I vote yes to this bill. I congratulate the sponsor. I call for its early signing by the President.

APPROVAL OF SENATE BILL NO. 462 ON THIRD READING

Upon motion of Senator Sotto, there being no objection, the Body considered, on Third Reading, Senate Bill No. 462, printed copies of which were distributed to the senators on March 1, 2017.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Sotto, there being no objection, Secretary Barbo read only the title of the bill, to wit:

AN ACT REGULATING THE PRACTICE OF SPEECH LANGUAGE PATHOLOGY IN THE PHILIPPINES, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES.

Secretary Barbo called the roll for nominal voting

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Pacquiao
Aquino	Pangilinan
Binay	Pimentel
Cayetano	Poe
Ejercito	Recto
Escudero	Sotto
Gatchalian	Trillanes
Gordon	Villanueva
Honasan	Villar
Hontiveros	Zubiri

Against

None

Abstention

None

With 20 senators voting in favor, none against, and no abstention, the Chair declared Senate Bill No. 462 approved on Third Reading.

REFERENCE OF BUSINESS

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Letter from the House of Representatives, informing the Senate that on 27 February 2017, the House of Representatives passed the following House bills, in which it requested the concurrence of the Senate:

House Bill No. 4903, entitled

AN ACT SIMPLIFYING THE DONOR'S

TAX RATE, AMENDING FOR THE PURPOSE SECTION 99 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

To the Committee on Ways and Means

House Bill No. 2924, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY CRISTO REY IN THE MUNICIPALITY OF CAPAS, PROVINCE OF TARLAC;

House Bill No. 3839, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY NORTH SIGNAL VILLAGE IN THE CITY OF TAGUIG, METRO MANILA;

House Bill No. 3840, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY SOUTH SIGNAL VILLAGE IN THE CITY OF TAGUIG, METRO MANILA;

House Bill No. 3841, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY CENTRAL SIGNAL VILLAGE IN THE CITY OF TAGUIG, METRO MANILA;

House Bill No. 3842, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY NORTH DAANG HARI IN THE CITY OF TAGUIG, METRO MANILA;

House Bill No. 3843, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY SOUTH DAANG HARI IN THE CITY OF TAGUIG, METRO MANILA;

House Bill No. 3844, entitled

AN ACT CREATING A BARANGAY TO

BE KNOWN AS BARANGAY CENTRAL BICUTAN IN THE CITY OF TAGUIG, METRO MANILA;

House Bill No. 3845, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY NEW LOWER BICUTAN IN THE CITY OF TAGUIG, METRO MANILA;

House Bill No. 3848, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY KATUPARAN IN THE CITY OF TAGUIG, METRO MANILA;

House Bill No. 3849, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY TANYAG IN THE CITY OF TAGUIG, METRO MANILA;

and House Bill No. 3850, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY SAN MIGUEL IN THE CITY OF TAGUIG, METRO MANILA.

To the Committees on Local Government; and Electoral Reforms and People's Participation

House Bill No. 4848, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN THE CITY OF BISLIG, PROVINCE OF SURIGAO DEL SUR AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 4850, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN THE MUNICIPALITY OF LOPEZ, PROVINCE OF QUEZON AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 4851, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN THE MUNICIPALITY OF ATIMONAN, PROVINCE OF QUEZON AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 4852, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN THE MUNICIPALITY OF GUMACA, PROVINCE OF QUEZON AND APPROPRIATING FUNDS THEREFOR;

and House Bill No. 4853, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN THE MUNICIPALITY OF BAROBO, PROVINCE OF SURIGAO DEL SUR AND APPROPRIATING FUNDS THEREFOR.

To the Committees on Agriculture and Food; and Finance

COMMUNICATIONS

Letter from the National Irrigation Administration, dated 17 January 2017, submitting to the Senate the “CY 2016 Fourth Quarter Progress Report, for Agrarian Reform Infrastructure Support Project – III (ARISP-III).”

To the Committee on Agrarian Reform

Letter from the National Economic and Development Authority, dated 24 January 2017, submitting to the Senate the list of foreign retailers selling high-end or luxury goods, pursuant to Section 8 of Republic Act No. 8762, otherwise known as the “Retail Trade Liberalization Act of 2000.”

To the Committees on Trade, Commerce and Entrepreneurship; and Economic Affairs

Letter from the Calapan Waterworks Corporation, dated 8 February 2017, submitting to the Senate

the operational report for year 2016, pursuant to Section 10 of Republic Act No. 1985.

To the Committee on Public Services

ADDITIONAL REFERENCE OF BUSINESS

BILLS ON FIRST READING

Senate Bill No. 1359, entitled

AN ACT AMENDING ARTICLES 180, 183, AND 184 OF ACT NO. 3815, OTHERWISE KNOWN AS THE REVISED PENAL CODE, AS AMENDED, INCREASING THE PENALTIES THEREOF, CRIMINALIZING SUBORNATION OF PERJURY, AND FOR OTHER PURPOSES

Introduced by Senator Leila M. de Lima

To the Committee on Justice and Human Rights

Senate Bill No. 1360, entitled

AN ACT AMENDING SECTION 11 OF REPUBLIC ACT NO. 3019, OTHERWISE KNOWN AS “THE ANTI-GRAFT AND CORRUPT PRACTICES ACT,” AS AMENDED

Introduced by Senator Leila M. de Lima

To the Committee on Justice and Human Rights

Senate Bill No. 1361, entitled

AN ACT AMENDING SECTION 2 OF ACT NO. 3326, OTHERWISE KNOWN AS AN ACT TO ESTABLISH PERIODS OF PRESCRIPTION FOR VIOLATIONS PENALIZED BY SPECIAL ACTS AND MUNICIPAL ORDINANCES AND TO PROVIDE WHEN PRESCRIPTION SHALL BEGIN TO RUN

Introduced by Senator Leila M. de Lima

To the Committee on Justice and Human Rights

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RESOLUTIONS

Proposed Senate Resolution No. 309, entitled

RESOLUTION CALLING FOR THE CONTINUED SUSPENSION OF OPLAN TOKHANG/ PROJECT DOUBLE BARREL, WITH THE END IN VIEW OF ITS COMPLETE CESSATION

Introduced by Senator Risa Hontiveros

To the Committee on Public Order and Dangerous Drugs

Proposed Senate Resolution No. 310, entitled

RESOLUTION DIRECTING THE COMMITTEES ON PUBLIC ORDER; AND ON HEALTH AND DEMOGRAPHY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE KILLING OF FORMER DOCTOR-TO-THE BARRIO AND CURRENT MUNICIPAL HEALTH OFFICER OF SAPAD, LANAO DEL NORTE, DR. DREYFUSS BOLIVAR PERLAS, WITH THE END IN VIEW OF ENACTING MEASURES TO ENSURE THE SAFETY AND WELL-BEING OF PHYSICIANS AND OTHER MEDICAL PERSONNEL IN RURAL AREAS

Introduced by Senator Risa Hontiveros

To the Committees on Public Order and Dangerous Drugs; and Health and Demography

SPECIAL ORDER

Upon motion of Senator Sotto, there being no objection, the Body approved the transfer of Committee Report No. 42 on Senate Bill No. 1355 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 42
ON SENATE BILL NO. 1355**

Upon motion of Senator Sotto, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1355 (Committee Report No. 42), entitled

AN ACT ADOPTING INNOVATION AS VITAL COMPONENT OF THE COUNTRY'S DEVELOPMENT POLICIES TO DRIVE INCLUSIVE DEVELOPMENT, PROMOTE THE GROWTH AND NATIONAL COMPETITIVENESS OF MICRO, SMALL AND MEDIUM ENTERPRISES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Sotto, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Gatchalian for the sponsorship.

**SPONSORSHIP SPEECH
OF SENATOR GATCHALIAN**

Senator Gatchalian submitted for plenary consideration Senate Bill No. 1355, entitled "The Philippine Innovation Act," under Committee Report No. 42, which adopts an innovation framework to stimulate regional capacity for development and competitiveness in key reform areas nationwide towards economic growth and national development.

The full text of Senator Gatchalian's sponsorship speech follows:

**INNOVATION IS TO ALL APPEARANCES,
AN IDEA WHOSE TIME HAS COME**

Allow me to introduce this presentation with a real-life anecdote that could perfectly weave the history and the vision that has inspired the passage of this legislation— The Philippine Innovation Act.

At this juncture, slides per topic were shown on the screen.

This is Diosdado Banatao, the son of a poor farmer and homemaker. He was born and raised in a rural area in the municipality of Iguig, Cagayan Valley. Growing up in poverty, he went to school without shoes. His family had no access to electricity. Today, his net worth is estimated at about \$5 billion as he also sits on the big chair of a multibillion dollar company in Silicon Valley. This company invests in semiconductors and semiconductor-related technologies.



Perhaps, the easiest way to explain Dado's journey from Cagayan Valley to Silicon Valley is to attribute it to a computer chip: that first single-chip graphical user interface accelerator that made computers work a lot faster without the large boards. These chips can be found in every PC today— just as Banatao's name is found in the Computer History Museum in Mountain Valley, California as pioneer of the first PC chipset.

While most people refer to these chips as his "invention," Dado says that it is more appropriate to refer to them as his INNOVATION. He explains that "innovation is more important because innovation implies that we are putting together a whole bunch of other elements beyond one's invention."

Dado's life inspires the Filipino, especially the innovators of today. As he would himself say: "My story could be your story. As Filipinos, it must be our story." The Philippine Innovation Act carries that much needed "innovation vision" to inspire the commitment and cooperation of the government, industry, educational, academic, research and scientific institutions and the rest of the community, towards building an innovation economy that would change the economic narrative of our country.

A few days ago, I met a group of innovation advocates – one of them was Dado Banatao – and together we envisioned how this legislation could put innovation at the center of our national development policies, and make innovation a major driver of economic development that will build the foundation of a more inclusive future. We, therefore, made it an overarching objective of this Act to generate and scale up the promotion of innovation in all levels and all areas of national development, through the following areas of endeavor:

1. Promote a culture of strategic planning and innovation to encourage creative thinking and knowledge creation;
2. Improve the country's innovation governance and compel the adoption of a long-term vision and focused priorities for innovation;
3. Ensure the effective coordination and eliminate the fragmentation of innovation of policies and programs at all levels;
4. Remove obstacles to innovation by eliminating bureaucratic hurdles;
5. Strengthen partnerships among different actors—from the public and private sectors to the academe, the micro, small and medium enterprises (MSMEs), the research and deve-

lopment institutions, and our communities—towards improving the quality of life through innovation;

6. Strengthen the position of MSMEs in the innovation system in order to stimulate business ambitions and encourage entrepreneurial behavior; and
7. Explore, promote and protect the potentials of innovation of traditional knowledge, traditional cultural expressions and genetic resources.

In the Global Innovation Index (GII) Report of 2016, the Philippines ranked 74th among 128 economies in terms of overall innovation, garnering a score of 31.8 out of 100. This is a slight improvement from our 83rd place ranking out of the 141 economies in 2015 with a score of 31.1. In this 2016 GII Report, the country also ranked fifth out of the seven ASEAN economies that are included in the survey. It ranked higher than Cambodia (95th) and Indonesia (88th) but lagged behind Singapore (6th), Malaysia (35th), Thailand (52nd) and Vietnam (59th).

The Philippines' relatively low ranking was pulled down by weakness in human capital and research, with a score of 27 out of 100. The score was brought about by low public and private expenditure on education and research and development as well as low tertiary inbound mobility.

While the Philippines has shown an increasing trend in R&D spending, the percentage of its R&D expenditures to GDP at 0.14% still falls below the UNESCO norm of 1% for R&D expenditure to GDP for developing countries. For comparison with other ASEAN countries, R&D expenditure to GDP is 0.19% in Vietnam; 0.36% in Thailand; 1.09% in Malaysia; and 2.0% in Singapore. In terms of S&T human researchers, the country's number of researchers is equivalent to 270 researchers per million population — which is below the UNESCO norm which is 380 per million population.

From 2015 to 2016, the Philippines registered an improvement by being ranked 47th among 144 countries in the Global Competitiveness Index (GCI) of the World Economic Forum. However, steady improvements were also made by our neighboring countries. Hence, we still lagged behind economies like Malaysia (18th), Thailand (32nd) and Indonesia (37th). The same report also ranked the Philippines 68th in terms of technological readiness and 48th in terms of innovation factors.

In yet another global ranking in 2016 which looks specifically at the country's total impact

on global innovation, the Philippines ranked 47th among 56 economies assessed in a report by the Information Technology and Innovation Foundation. This report focused on the extent to which a country's innovation policies generate benefits for the global innovation system.

This survey results offer nothing more than compelling evidence on the need for a more vigorous action to stimulate a thriving and growth-fueling national innovation system. Such is the purpose of this legislation. In fact, there is no better timing for the passage of this bill than now. Under *AmBisyong 2040*, innovation is identified as one of the three major components of fostering economic growth along with infrastructure and competition. The recently approved Philippine Development Plan (PDP) 2017 to 2022 likewise identifies innovation as one of the major components of fostering economic growth. Under Chapter 14, entitled "Vigorously Advancing Science, Technology and Innovation," the latest Philippine Development Plan aims to increase the country's growth potential by graduating into a knowledge economy where technology adoption will be promoted and innovation will be stimulated. This is in recognition of the important role that STI continues to play in the country's economic and social progress.

In the past six years, for example, STI has provided landmark solutions to our problems through the Project NOAH, the nationwide flood-hazard and resource mapping using LiDAR, and the launch into space of the country's first micro-satellite Diwata-1, which was designed, developed and assembled by Filipino researchers and engineers under the guidance of Japanese experts.

The new Philippine Development Plan emphasizes that it is very critical to mobilize all the actors in the innovation ecosystem to collaborate and translate their results of research activities into tangible products and services for the people.

Consistent with this development goal under the new Philippine Development Plan, the Philippine Innovation Act will steer the adoption of a clear and inspiring long-term view of the country's innovation vision, improve the governance framework for innovation and mandate key reform areas toward building a thriving and exclusive national innovation ecosystem.

For the Philippines, the challenge does not stop at clearly defining the vision upon which our innovation thrusts and strategies will be rooted. Setting the national innovation agenda is another key element of the National Innovation

System which, in other countries, is a task done by a National Innovation Council. A study by Information Technology and Innovation Foundation or the ITIF states that about 50 economies have established national innovation foundations or enterprises that are specifically charged with promoting innovation.

This ITIF table lists 30 out of the more than 50 countries throughout the world that have created government-chartered entities specifically charged with promoting innovation.

The establishment of our own National Innovation Council (NIC) under Section 9 of this proposed Act is necessitated by our highly fragmented formal governance system where numerous agencies are charged with carrying their respective parts of the innovation mandate. The NIC will facilitate horizontal interaction and consultation with stakeholders beyond the official circle of government functionaries, thus avoiding too much focus on "top-down planning" that stifles broad-based participation in the development of the national innovation agenda. It will develop the country's innovation goals, priorities and long-term national strategy. Its proposed structure is guaranteed to be well-supported by broad expert advice, with adequate authority to harmonize inter-agency roles and contribute to the national innovation agenda.

Under Section 6 of this Act, the NIC shall develop a National Innovation Agenda and Strategy Document (NIASD). Such document will establish the country's vision and long-term goals for innovation and provide a roadmap and the strategies for improving innovation governance through clear-cut delineation and complementation of innovation efforts across agencies. The goal must be to deepen and accelerate innovation efforts, especially inclusive innovation programs that target the poorest of the poor, and integrate public-private partnership with those of large businesses, MSMEs, academe and RD&E institutions.

In developing the agenda, the NIC shall identify strategies to stimulate regional capacity for development, taking into consideration the competitive advantages and strengths of each province, region and community. The agenda and strategy shall have a minimum horizon of ten years, subject to periodic reviews. It will be developed in consultation with government agencies, regional development councils (RDCs), local government units (LGUs) and other stakeholders. The bill has identified vital areas that shall be considered in developing the country's priorities for innovation.

The NIC is also tasked to administer an Innovation Fund under Section 2 of this Act, from which grants will be issued to strengthen entrepreneurship and enterprises engaged in developing innovative solution benefitting the poorest of the poor.

Since a successful national innovation system will require collaborative governance, it is vital that a “whole of government” approach is adopted in laying down the foundations and setting the long-term goals, priorities, strategies and policies in delivering the country’s innovation programs. This will strengthen our innovation ecosystem, improve policy coherence and allow innovation to unlock the potential of more inclusive, stronger growth. Thus, under Section 13 of this Act, the NIC will adopt strategies that promote regional innovation to harness the competitive advantages and potential strength of regions and provinces.

Cluster policies or strategies shall also be adopted by the NIC as a significant component of the country’s innovation policy phase. The cluster policies shall be adopted to focus on regional hubs, provinces or sectors such as MSMEs, large firms, spinoffs and start-ups, academic or educational institutions and research centers.

Under Section 12, the internationalization and participation in the local and global value change of MSMEs are specifically promoted. The NIC is tasked to develop a comprehensive support program to push the growth of MSMEs through innovation. In the Philippines where 99.6% of the businesses are considered MSMEs, the role of innovation cannot be overemphasized. Unlike large companies that have ready access to funding and resources, MSMEs are at a disadvantage because of their size and problems of access to resources and markets. Innovations will enhance the MSMEs global competitiveness.

On the whole, what this legislation intends to achieve is to make innovation a major driver of economic growth and a key foundation of a more inclusive future. It compels us to place innovation at the center of our development policies to enable the country to move as a coherent pool. We cannot anymore afford to take half-steps or sporadic efforts in our bid to fuel sustainable and inclusive growth. We need to finally develop a culture of innovation that will propel our nation to an economic success.

Last but not the least, I would like to thank Sen. Loren Legarda for spearheading the passage of the Philippine Innovation Act. This legislation will change the rules of the game. A Filipino with an innovative idea will no longer

have to look elsewhere for support. This will not only transform our country to an economic powerhouse, it can also turn innovators into patriots.

COSPONSORSHIP SPEECH OF SENATOR LEGARDA

Preliminarily, Senator Legarda thanked Senator Gatchalian for his stewardship and timely sponsorship of Senate Bill No. 1355 which she had principally authored. She said she did not expect the measure to immediately merit Senator Gatchalian’s consideration and sponsorship at such a short time. She said that the bill is the byproduct of much consultation and the outcome of the Philippines’ hosting of the Asia Pacific Economic Cooperation summit. She said that Senate Bill No. 1355 is an original measure which she hoped would bring the economy back to what it was decades ago.

The full text of Senator Legarda’s speech follows:

The Philippines has had the enviable status of being the second most progressive nation in Asia during the 1950s and early 1960s. Our country was a model of development, second only to Japan.

We were envied as an industrial powerhouse and served as a manufacturing hub for many products – from consumer goods to medical products, cement, textile and fertilizers, as well as steel for shipbuilding. We assembled automobiles, televisions and home appliances.

Technology and capital from multinational enterprises during this period could have helped develop our inherent capacity for indigenous innovation, but that did not happen.

Today, the Philippines ranks 74th out of 128 countries on a range of global innovation indexes that include institutional environment, human capital and research, infrastructure, business sophistication, knowledge and technology outputs and creative outputs.

The Information Technology and Innovation Foundation classifies the Philippines as an “innovation follower” – meaning we do not contribute significantly to the global innovation system. It also means we underinvest in scientific research and are not willing to embrace needed reforms that could bolster our innovation potential.

Being a mere follower is simply unacceptable.

The Filipino talent has contributed a number of game-changing solutions to the world, including:

- the first graphics accelerator chip for personal computers invented by Dado Banatao, which allowed data processing to happen at the speed of light;
- the medical incubator invented in 1941 by Dr. Fe del Mundo, which continues to save millions of infant lives everyday;
- the video phone invented in 1955 by Gregorio Zara, which paved the way for the camera in our mobile phones today;
- the development of nine rice breeds in 1966 by Dr. Rodolfo Aquino which helped prevent famine in much of Asia and helped make Thailand and Vietnam the world's leading rice producers, a spot once solely occupied by the Philippines;
- the moon buggy, invented in 1968 by Eduardo San Juan, then a project leader for NASA in the buggy development;

and so much more.

These outstanding achievements, long delivered before other economies achieved their economic status today, show that if we put in place a firm and explicit commitment to innovation, we can turn things around.

More recently, a 15-year old Filipino-Canadian student, Ann Makosinski, inspired by her friend's difficult plight as a student in a village without electricity in Mindanao, developed a flashlight that generates light from body heat.

There are numerous inspiring stories from other countries.

South Korea's transformation from a country in ruins after the war into one of the richest economies in the world today is rooted in its systemic approach to building a knowledge-based innovation economy.

The Research and Innovation Council of Finland, headed by its Prime Minister, plays a crucial high-level role in coordinating education, research, science and technology, and innovation policies. More than 50 other countries have similar innovation councils. We have none.

Taiwan has 19 state-created research institutes that contribute to designing and implementing industrial policy. Their research institute holds more than 14,571 patents and its

personnel produce an average of five new patents every day.

Canada, guided by its goal of becoming the most innovative country in the world by 2030, adopted the model of networked clusters. Specializations within localized industries are fostered through collaboration among universities, SMEs and government.

The Philippines, on the other hand, has 32 laws related to science, technology and innovation. At least 15 agencies pursue their respective innovation programs with very weak coordination. In fact, that is what I always say in every hearing every year – that there is lack of coordination and convergence between and among government agencies.

The recently adopted *AmBisyon Natin 2040* has identified innovation as one of three major components of fostering economic growth, along with infrastructure and competition. Innovation efforts, however, can no longer be directed at broad national development outcomes. We need a well-defined, explicit vision for the country that places innovation in the context of where we want to be in the mid- to long-term. Our innovation agenda needs to transcend the term of political administrations.

This measure will help fulfill that, together with improving innovation governance. It will help create an ecosystem that facilitates and supports innovation and entrepreneurial growth, in cooperation with all stakeholders, including academe and business. It will support inventors, so that intellectual theft against the likes of Dr. Abelardo Aguilar, who discovered erythromycin in 1949, will not happen again.

The proposed Philippine Innovation Act is about making strategic, reasoned priorities.

I enjoin you to support Sen. Sherwin Gatchalian and this Representation and kindly support this measure.

MANIFESTATION OF SENATOR ANGARA

Requesting that he be associated with the measure by being a cosponsor, Senator Angara congratulated Senators Gatchalian and Legarda for their sponsorship of Senate Bill No. 1355. He believed that knowledge and innovation is the biggest single creator of wealth in the last 15 years of the world economy, citing India, which is taking millions of its population out of poverty by having invested in research and development over the last decade or so.

COSPONSORS

Upon their request, Senators Zubiri, Villar, Villanueva, Binay, Poe, Aquino and Gordon were made cosponsors of Senate Bill No. 1355.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1355

Upon motion of Senator Sotto, there being no objection, the Body suspended consideration of the bill.

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 5:12 p.m.

RESUMPTION OF SESSION

At 5:20 p.m., the session was resumed.

COMMITTEE REPORT NO. 19 ON SENATE BILL NO. 1277

(Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1277 (Committee Report No. 19), entitled

AN ACT ESTABLISHING THE FREE INTERNET ACCESS PROGRAM IN PUBLIC SPACES IN THE COUNTRY AND APPROPRIATING FUNDS THEREOF.

Senator Sotto stated that the parliamentary status of the measure was still the period of individual amendments.

Thereupon, the Chair recognized Senator Aquino, sponsor of the measure.

MANIFESTATION OF SENATOR AQUINO

For reference, Senator Aquino stated that the amended copy of Senate Bill No. 1277 as of February 27, 2017 would be used as basis as he introduces the amendments proposed by Senator De Lima, which he would be adopting as his own.

AQUINO AMENDMENTS

As proposed by Senator Aquino, there being no objection, the Body approved the following amendments, one after the other:

1. On page 2, line 1, at the beginning of the sentence, insert the phrase WITHIN ONE (1) YEAR FROM THE EFFECTIVITY OF THIS ACT and a comma (,) thereafter;

2. On page 3, line 15, after the acronym "NTC," replace the period (.) with a semicolon (;) and add a new proviso to read as follows:

PROVIDED, FURTHER, THAT THE NTC MAY NOT WITHDRAW THE USE OF THE AVAILABLE AND UNASSIGNED SPECTRUM WITHOUT A MINIMUM OF ONE-YEAR PERIOD PRIOR NOTICE TO THE DICT;

3. On page 3, line 10, after the word "facilities," insert a new sentence to read as follows:

ANY VIOLATION OF SAID PROHIBITION SHALL SUBJECT THE CONCERNED GOVERNMENT OFFICIALS AND EMPLOYEES TO ADMINISTRATIVE PENALTIES UNDER EXISTING CIVIL SERVICE LAWS, RULES AND REGULATIONS;

4. On page 3A, after line 22, insert a new paragraph to read as follows:

ANY COLLECTION, PROCESSING, AND STORAGE OF DATA SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF REPUBLIC ACT NO. 10173, OTHERWISE KNOWN AS THE DATA PRIVACY ACT;

5. On the same page, line 31, replace the word "and" with a comma (,); and

6. On the same page, line 31A, insert the phrase AND THE NATIONAL PRIVACY COMMISSION.

MANIFESTATION OF SENATOR SOTTO

Senator Sotto stated that Senate President Pro Tempore Recto and Senator Zubiri would also be introducing their individual amendments on the measure.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri informed the Body that in a meeting with several public interest groups on the effects of electro-magnetic frequencies (EMF), he was alarmed to learn that radiation from particular emitters causes poisoning and cancer. He said that

he would propose amendments to make sure that the scope of the EMF radiation would be limited, by only allowing a particular designated area for Wi-Fi with proper signage or warning.

Senator Aquino noted that the group that Senator Zubiri was referring to was the same group that also spoke with the Committee, and their concerns were actually the subject of some of his amendments in the previous weeks. However, he said that he would be happy to accept further amendments by Senator Zubiri on the matter.

Senator Zubiri said that he would check the amendments to see if it would still be necessary for him to propose further amendments, adding that he made a commitment to the group that he would make sure their concerns are addressed before the bill is passed on Second and Third Readings.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1277

Upon motion of Senator Sotto, there being no objection, the Body suspended consideration of the bill.

COMMITTEE REPORT NO. 21 ON SENATE BILL NO. 1279

(Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1279 (Committee Report No. 21), entitled

**AN ACT CREATING A NATIONAL
SCHOOL FEEDING PROGRAM TO
COMBAT HUNGER AND UNDER-
NUTRITION FOR ALL PUBLIC
BASIC EDUCATION STUDENTS,
AND FOR OTHER PURPOSES.**

Senator Sotto stated that the parliamentary status of the measure was still the period of individual amendments.

Thereupon, the Chair recognized Senator Aquino, sponsor of the measure.

MANIFESTATION OF SENATOR AQUINO

For reference, Senator Aquino stated that he would be using the amended copy of Senate Bill

No. 1279 as of February 22, 2017. He said that the amendments were drafted in collaboration with Senators Honasan and Zubiri.

AQUINO AMENDMENTS

As proposed by Senator Aquino, there being no objection, the Body approved the following amendments, one after the other:

1. On page 1A, line 8, after the word "regulations," replace the period (.) with a semicolon (;) and insert a new proviso to read as follows:

PROVIDED, FURTHER, THAT SHOULD THE SCHOOL-BASED FEEDING PROGRAM HAVE THE CAPACITY TO EXPAND, THE DEPED SHALL COORDINATE WITH THE CONCERNED LOCAL GOVERNMENT UNIT TO INCLUDE SEVERELY WASTED AND STUNTED CHILDREN BELOW FIVE (5) YEARS OF AGE;

2. On page 2, line 27, after the phrase "Local Government Unit," insert a new sentence to read as follows:

SEVERELY WASTED AND STUNTED CHILDREN UNDER FIVE (5) YEARS OF AGE LISTED IN THE NATIONAL NUTRITION AND POVERTY INFORMATION SYSTEM SHALL BE INCLUDED IN THE FEEDING PROGRAM BY THE CONCERNED LOCAL GOVERNMENT UNIT;

3. On the same page, line 18, replace the word "Basis" with BASIC;
4. On page 3, line 16D, replace the word "central" with CENTRALIZED;
5. On page 3A, line 29, before the word "producers," insert the phrase FARMERS, FISHERFOLK;
6. On the same page, line 29D, after the word "based," insert the phrase FARMERS, FISHERFOLK; and
7. On the same page, line 33, before the word "producers," insert the phrase FARMERS, FISHERFOLK.

MANIFESTATION OF SENATOR SOTTO

Senator Sotto stated that Senate President Pro Tempore Recto would like introduce his individual amendments on the measure.

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MANIFESTATION OF SENATOR VILLAR

Senator Villar stated that she would also introduce amendments on the bill.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1279

Upon motion of Senator Sotto, there being no objection, the Body suspended consideration of the bill.

COMMITTEE REPORT NO. 36 ON HOUSE BILL NO. 4631

(Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4631 (Committee Report No. 36), entitled

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO REPUBLIC BROADCASTING SYSTEM, INC., PRESENTLY KNOWN AS GMA NETWORK, INC., AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7252, ENTITLED AN ACT GRANTING THE REPUBLIC BROADCASTING SYSTEM, INC. A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES.

Senator Sotto stated that the parliamentary status of the measure was still the period of individual amendments.

Thereupon, the Chair recognized Senator Poe, sponsor of the measure.

RECTO AMENDMENTS

On page 5, as proposed by Senator Recto and accepted by the Sponsor, there being no objection, the Body approved the following amendments, one after the other:

1. On line 11d to line 11e, after the word "UNDER," delete the phrase "THE NATIONAL INTERNAL REVENUE CODE OF 1977";

2. On line 11f, after the number "8424" and comma (,), insert the phrase OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997;
3. On lines 11f to 11g, after the word "amended" and the comma (,), delete the phrase "THE LOCAL GOVERNMENT CODE OF 1991;" and
4. On line 11g, after the figure "7160" and the comma (,), insert the phrase OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

There being no other individual amendment, upon motion of Senator Sotto, there being no objection, the Body closed the period of individual amendments.

APPROVAL OF HOUSE BILL NO. 4631 ON SECOND READING

Submitted to a vote, there being no objection, House Bill No. 4631 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 4631

Upon motion of Senator Sotto, there being no objection, consideration of the House Bill No. 4631 was suspended.

COMMITTEE REPORT NO. 43 ON HOUSE BILL NO. 4637

(Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4637 (Committee Report No. 43), entitled

AN ACT EXTENDING FOR TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO SMART COMMUNICATIONS, INC. (FORMERLY SMART INFORMATION TECHNOLOGIES, INC.), AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7294, ENTITLED "AN ACT GRANTING SMART INFORMATION TECHNOLOGIES, INC. (SMART) A FRAN-

CHISE TO ESTABLISH, MAINTAIN, LEASE AND OPERATE INTEGRATED TELECOMMUNICATIONS/ COMPUTER/ELECTRONIC SERVICES, AND STATIONS THROUGHOUT THE PHILIPPINES FOR PUBLIC DOMESTIC AND INTERNATIONAL TELECOMMUNICATIONS, AND FOR OTHER PURPOSES."

Senator Sotto stated that the parliamentary status of the measure was the period of interpellations.

Thereupon, the Chair recognized Senator Poe, sponsor of the measure.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros noted that Smart, within the 25-year period of its franchise, has not been able to offer at least 30% of its share to the public in compliance with the terms of its original franchise; and the Committee on Public Services, by way of an amendment to House Bill No. 463, has recommended that Smart make a public offering of the shares representing 30% of its authorized capital stock within a period of two years. She asked if there is a guarantee that, this time, Smart would comply with the requirement.

Senator Poe replied that the original provision in Republic Act No. 7294 was retained, and that the issue of compliance is an issue that should be dealt with by the administrative agencies concerned, such as NTC and SEC. She said that she would be willing to hear Senator Hontiveros' proposals if any.

To Senator Hontiveros' observation the SEC had a position paper stating that there must be compliance with the 30% public ownership requirement, Senator Poe opined that the SEC did not make a definitive statement, but simply gave its opinion on the matter.

Asked if she would be willing to accept an amendment *ipso facto* revoking Smart's franchise should it fail to offer at least 30% of its shares to the public within two years from the effectivity thereof, Senator Poe replied that, although Smart has to comply with the law, there are many issues to be considered including the millions of subscribers dependent on the network, and the possibility of ending up with only one telecommunications company in operation should the extension be delayed or rejected.

But Senator Hontiveros recalled that during the hearing, representatives of Smart themselves mentioned that even if the franchise would not be renewed on time, Smart would still be able to operate using the franchise of Digitel Communications, Philippines, or DIGITEL, also commonly referred to as "Sun."

Senator Poe replied that the monetary penalties that might be imposed on them are not much of a concern, and she believed that the Senate can work and manage its time properly to comply with the deadline. However she pointed out that Smart is being held by a publicly-listed company, and in the event its franchise is not renewed before its expiration, it would end up in default of its loan obligations and the situation might have repercussions. She believed that the bill's passage should not be delayed any further as it is something that could be done within the time required for its passage.

Senator Hontiveros said that if the Body could address the substantive issues that she has been raising since the public hearings, she saw no reason why Smart's franchise would not be renewed in time. She acknowledged that Smart is a publicly-listed company but it failed to comply with the 30% public offering requirement.

Asked by Senator Hontiveros whether Smart would still be able to use the frequencies assigned to it by the NTC should its franchise expire, Senator Poe believed that it could be able to do so since the NTC does not seem to object to it should the unfortunate event occur that the Senate is not able to renew Smart's franchise on time.

On whether Smart may be able to use DIGITEL's franchise since the latter is controlled by Smart's parent company, PLDT, Senator Poe said that Smart would still need congressional approval to be able to use the full DIGITEL access franchise.

Asked whether Smart would be able to use frequencies assigned to DIGITEL or any other subsidiary of PLDT Inc. should it have a congressional permission, Senator Poe replied that it would be able to use the frequencies with the approval of the NTC.

Asked on the possible effect of the expiration of Smart's franchise on its contracts with its subscribers, Senator Poe replied that the effect would be fatal because Smart would be in default of its loan obligations. However, as regards its services, she believed



that Smart would try to minimize the effect of the non-renewal of the franchise on its operations but without guarantees. She said that as a public utility, Smart would still need to continue its services and operations.

At this point, Senate President Pimentel asked for clarification as to the exact date of the expiration of Smart's franchise, noting that Senator Zubiri in his sponsorship speech mentioned that it would be in April while Senator Poe said it would be in March. Senator Poe said that the official expiration date of Smart's franchise is on March 27, 2017.

Senate President Pimentel further asked on the legal basis of Smart's continuing operations in the event that its franchise is not renewed before March 27, 2017.

SUSPENSION OF SESSION

Upon motion of Senator Poe, the session was suspended.

It was 5:45 p.m.

RESUMPTION OF SESSION

At 5:46 p.m., the session was resumed.

Upon resumption, Senator Poe recalled that in the 16th Congress, there was a similar situation involving PT&T under House Bill No. 5601. She said that the bill was approved by the Committee on February 9, 2015, and was passed on Third Reading in October 2015. She explained that considering the period that a legislative measure takes to get approved, PT&T's franchise lapsed in November 2015 but since its application for renewal was still within the term of the 16th Congress, the House of Representatives interpreted it as PT&T getting a reprieve since it was still in the process of getting its franchise renewed. She opined that the NTC would have to allow Smart to operate because it is a public utility with about 70 million subscribers dependent on it. She said that while Smart could operate under another company with a franchise, in this case, DIGITEL, the process would still need a congressional approval and in the interim, the customers would be temporarily transferred to DIGITEL because it is the one with a legal and valid franchise.

Since congressional approval is necessary to enable Smart to use DIGITEL's franchise, she said

that it would be a compelling reason for the Body to finish the measure as it would save time. She cautioned that the situation could also result in a monopoly wherein only one company would get new subscribers in the interim period that Smart is not able to renew its franchise.

On the issue of infrastructure development plan, Senator Hontiveros said that the Internet services in the Philippines are among the slowest and most expensive in Southeast Asia, the primary reason of which is the inadequacy of the country's telecommunications infrastructure.

Asked by Senator Hontiveros whether there are provisions in the franchise bill that would require Smart to improve its infrastructure for the purpose of providing better services to the public, Senator Poe said that there is no timeline in the franchise itself as regards such projects, but in its agreement with the NTC regarding the acquisition of some of the broadband capacity of SMC, it would have to comply with the rollout within three years, otherwise, the NTC would forfeit the extra frequencies Smart would acquire. She said that if Smart would comply within three years, it would be able to service 90% of the municipalities that still have not been serviced. She disclosed that the franchise bill has a provision which requires Smart to give priority to improving and extending its services in areas not yet served and in hazard and typhoon-prone areas. She said that the provision does not have a specific timeframe.

Asked by Senator Hontiveros whether she would be willing to accept during the period of amendments an amendment requiring Smart to submit an annual infrastructure development plan to Congress as part of its reportorial requirements in its renewed franchise, Senator Poe said that the NTC is mandated to check on the deliverables of Smart within three years and Congress can exercise its oversight function to put to task the NTC should it be remiss in its obligations to check on Smart. She said that Senator Hontiveros, through a resolution, could request the Committee on Public Services to invite the NTC to a hearing. But she clarified that such a requirement is not imposed on the other franchises.

Senator Hontiveros said that she might consider coming up with a law that would better regulate the telecommunications industry.

Senator Hontiveros noted that the Senate version contains an equality clause which provides that any

advantage, favor, privilege, exemption or immunity granted under existing franchises or which may be granted by Congress, shall become part of the Smart franchise, reminiscent of the most favored nation's status in international trade whereby a country that has been accorded such status may not be treated less advantageously than any other country. She also noted that the Senate version also expanded the equality clause from House Bill No. 4637 by making the same applicable to existing and not just future franchises issued by Congress.

Asked by Senator Hontiveros on the rationale for the inclusion of the expanded equality clause in the renewed franchise, Senator Poe said that the equality clause was placed as a matter of policy similar to what was adopted in the most recent franchise that was approved.

Senator Hontiveros said that the provision in the equality clause which states that "it shall neither apply to, nor affect, provisions of telecommunications franchises concerning territory covered by the franchise" seemed rather ambiguous. Asked which particular franchises it would apply to, Senator Poe said that the provision was lifted from RA 7925, exactly the same wording as stated in the law. She said that by adopting the equality clause in the Bell franchise, the Committee intended to level the playing field by ensuring that incentives granted by Congress to other franchises, except with regard to taxes, are given to other players.

Senator Hontiveros pointed out that the equality clause in House Bill No. 4637 applies specifically to telecommunications franchises. She asked whether the clause in the bill was intended to apply to all existing franchises or only to franchises for the same services being offered by Smart.

Senator Poe said that since it is provided in Section 23 of RA 7925, it would apply to all franchises. However, she clarified that as in any franchise bill, one particular provision in a franchise does not necessarily bind the others unless there is already an actual law covering all of them, such as in the case of RA 7925. She said that the equality clause only pertains to regular incentives and benefits and not to tax incentives or other monetary or tax release that Congress may grant to a start-up franchise.

On whether the equality clause which covers existing franchises allows Smart to cherry-pick

beneficial provisions from existing franchises, Senator Poe replied in the negative, saying that one has to comply with the law in its entirety.

Referring to Senator Poe's earlier statement that a duopoly composed of Smart and Globe currently exists in the telecommunications industry, Senator Hontiveros asked whether the franchise of other players who wish to enter the market at a later time and successfully compete need to contain certain incentives in their favor. In reply, Senator Poe pointed out that there may be certain tax incentives that Congress may grant to a new or third player, the reason franchise bills usually have a period because the incentives may be withdrawn by Congress at anytime stipulated in the franchise.

Senator Hontiveros asked whether the equality clause entitles Smart to enjoy the incentives that would be granted later to other future players in the telecommunications industry.

SUSPENSION OF SESSION

Upon motion of Senator Poe, the session was suspended.

It was 5:58 p.m.

RESUMPTION OF SESSION

At 5:58 p.m., the session was resumed.

In reply to Senator Hontiveros' query, Senator Poe said that should Congress grant a franchise to a start-up company and that start-up company is later acquired by Smart, Congress has to approve the acquisition of the franchise by Smart. She said that if Congress finds out that the start-up company just obtained a franchise to later sell it, it can deny the franchise and Smart may not necessarily benefit from it if it could not even own it.

To the observation that an equality clause would, in fact, be solidifying Smart's dominant market position rather than giving a future player in the industry a real fighting chance to compete on a more level playing field, Senator Poe said that precisely the Philippine Competition Commission was created to look into any new players that would come in and to make sure that they are not merged with another big player. Besides, she noted that the government still has enough frequencies left to allow new players to



come in, part of the reason San Miguel Corporation has left a certain portion which is owned by the government to allow other players in the industry to come in.

Asked if she is willing to delete the equality clause in the bill, Senator Poe replied that removing it would not affect the bill since the clause is actually just a redundancy.

On tax exemptions, Senator Hontiveros observed that the bill exempts Smart from custom duties, tariffs and other taxes on electronic communications equipment, machinery and spare parts needed for its business. She also noted that the franchise tax of 3% on its gross receipts was also deleted in favor of a value added tax (VAT). She then questioned why, with its dominant position in the market, Smart was granted exemptions from customs duties and tariffs for its equipment and machinery.

In reply, Senator Poe said that Congress has the power to grant tax exemptions or tax obligations to a franchisee and to level the playing field. She explained that at the time Globe entered the telecom business it did not have to pay all such taxes while Smart has paid in excess of P300 million in taxes provided for in its original franchise agreement. She added that Globe's franchise is due to expire in 2030.

As for the rationale in removing the 3% franchise tax, Senator Poe explained that Globe does not have such provision also in their franchise and that the tax has been repealed by an amendment in the National Internal Revenue Code. On whether the VAT charged against telecoms is passed on to consumers making the cost of Internet service more expensive, Senator Poe said it is not passed on to consumers.

SUSPENSION OF SESSION

Upon motion of Senator Poe, the session was suspended.

It was 6:05 p.m.

RESUMPTION OF SESSION

At 6:05 p.m., the session was resumed.

Senator Poe clarified that any franchise holder or any company would not want to pass the VAT on to consumers but it has to comply with the law.

On the rationale for not taxing Smart like any other corporation, Senator Poe enumerated a list of taxes being paid by Smart which includes documentary stamp tax, fringe benefits tax, withholding tax, expanded withholding tax, final withholding tax, registration fees, real property tax and local franchise tax, among others.

On whether she would be willing to amend the bill by removing the tax exemptions favoring Smart, Senator Poe said she saw no reason for doing so considering the equality clause and the other taxes Smart has to pay.

On the restrictions on transfer of ownership, Senator Hontiveros noted that the bill restricts the sale or transfer of controlling interest in Smart to any other entity without the prior approval of Congress; however, the bill also included a number of exceptions, such as allowing the transfer or sale to foreign investors. She then asked if the same exception applies in the case of a sale or transfer to local investors as she observed that the provision seemed to favor the sale of a company operating a public service to foreigners.

Senator Poe replied that foreigners still have to comply strictly with the 60:40 requirement, meaning they could not exceed the ownership beyond the 40% mandated by law.

Noting that the bill allows transfer or sale to another telecom franchise holder, Senator Hontiveros asked whether it could facilitate consolidation of the industry and strengthen the existing duopoly rather than open it up to more competition among industry players. Senator Poe clarified that the provision is also found in other franchises which, at that time of their approval, no Competition Act was yet enacted that established what is currently the Philippine Competition Commission whose recommendation or prior approval may be needed.

As to what sale or transfer of a controlling interest in Smart is prohibited, Senator Poe said that what is prohibited would be what is not approved by Congress, which is really a general rule for all franchises. Senator Hontiveros recalled that when the Philippine Competition Commission tried to do its job, a case was filed against it and a temporary restraining order was issued against its action.

Senator Poe believed that what happened was all part of the process. She said that when the transfer



is done, for instance through a stock exchange, and for purposes of qualifying persons for election to the board, such are acts or transactions done in the course of a franchisee's business and no longer needed to be mentioned in the law. She stressed the need for government intervention to be kept to a minimum as possible, as there are already sufficient regulatory mechanisms in place to ensure that franchisees comply.

Senator Poe further explained that under clause (b) of the provision on restriction on transfer of ownership, the obligation to ensure that qualified and responsible persons are fit and proper to hold key positions in the company rests upon the grantee or franchisee. For big companies such as Smart, she said that it is reasonable to expect that it complies with the fit and proper best practices since it applies to regulated institutions as well as to the individuals involved in its management and control.

Senator Hontiveros then expressed the need to pass franchises or a law that better complements the work of the Philippine Competition Commission to really spur greater competition in the telecom market, for example, and to give the State more authority to regulate the industry for the public good. Senator Poe agreed with the proposition.

On whether she would be willing to return the restriction clause to the version contained in the original franchise which is RA 7294, Senator Poe replied in the affirmative.

Since Smart should be 60% owned by Filipinos to operate as a telecom entity following the 60:40 ownership requirement, and since it is 100% owned by PLDT, Senator Hontiveros pointed out that PLDT itself should be owned by Filipinos. She then shared what she considered are important facts about PLDT: 33% of PLDT's capital stock is owned by foreign companies such as JP Morgan, Hong Kong Ltd, NTT Docomo, Inc. and NTT Communications Corp, and that 22% is owned by Filipino corporations such as Philippine Telecommunications Investment Corp. (PTIC) and Metro Pacific Resources, Inc; PTIC, in turn, is 40% owned by Larouge B.V., a Dutch company, and 60% by Metro-Pacific Assets Holding, Inc., a Filipino company which is, in turn 60% owned by Metro Pacific Resources, Inc. and 40% by Intalink B.V., another Dutch company; Metro Pacific Resources is 60% owned by Metro Pacific Holdings and 40% by Metro Pacific Investment Ltd,

a company registered in the Cayman Islands; on the other hand, Metro Pacific Holdings is 57% owned by Enterprise Investments Holdings, Inc., 26.71% by Intalink B.V., and 13.29% by First Pacific International Ltd, a Hong Kong company, while Enterprise Investment Holdings is 60% owned by Pilipinas Pacific Enterprise Holdings, Inc., and 40% by First Pacific International Ltd; Pilipinas Pacific Enterprise Holdings, Inc. is 60% owned by Pilipinas Enterprise Management Holdings Inc., and 40% by First Pacific Enterprise Holdings B.V., the Hong Kong company; finally, Pilipinas Enterprise Management Holdings Inc. is owned by Manny V. Pangilinan, Alfredo S. Panlilio, Victoriano P. Vargas, Rene G. Banas and Ma. Lourdes C. Chan.

As to the current percentage of foreign ownership in PLDT, Senator Poe assured Senator Hontiveros that the ownership is less than 40%. She stated that in the *Roy vs SEC* case, the Supreme Court upheld the SEC rules on determination of foreign ownership and PLDT complied with the SEC rules. She said that foreign ownership in both the PTIC and Metro Pacific Resources, Inc. is also 40%.

As to whether the foreign ownership in PLDT would be the same if the grandfather rule were applied, Senator Poe replied that based on the *Roy* case, the grandfather rule was not applied.

Asked by Senate President Pimentel if it meant that a company which is 60% Filipino and 40% foreign-owned would be considered as 100% Filipino, Senator Poe replied in the affirmative.

Senator Poe agreed to Senator Hontiveros' request that the foreign ownership of Smart Perrin Co. be further verified prior to the renewal of the franchise, adding that she would also get a guarantee from Smart that Smart Perrin Co is compliant with the ownership requirement.

As to why PLDT and Smart have adopted a convoluted corporate structure with multiple layers of Filipino and foreign entities, Senator Poe said that as long as they comply with the 60:40 ownership rule, they can adopt any business structure no matter how convoluted.

Senator Hontiveros thanked Senator Poe, saying that she would look forward to working further with the Sponsor not only to achieve the objectives of individual franchises but also to regulate a vital national industry for the good of the public.

For her part, Senator Poe thanked Senator Hontiveros for speaking for the rights of consumers regarding the service provided by Smart.

INTERPELLATION OF SENATOR VILLANUEVA

Considering that Smart paid P318,110,063.08 in local government taxes in 2016, Senator Villanueva asked if the government has plans on alternative sources of income to make up for such losses since it is giving exemptions to Smart similar to what it gave to the Globe franchise. Senator Poe replied that the rationale behind such scheme is the equality clause; thus, Congress could not impose certain regulations in one company and not in the other. She said that the Committee could help the local government find alternative sources of income to make up for the exemptions.

Senator Villanueva then asked if there is a record of unpaid local taxes currently due from Smart, recalling that in the last committee hearing, an LGU representative claimed that Smart has about P200 million of unpaid local taxes. Senator Poe replied that the company is paying its obligations and has a list of the taxes that it is still paying, like business taxes, mayor's permit and some realty taxes.

Asked if the more than P200 million unpaid local taxes are outstanding and if passing the franchise bill with the exemptions would exempt them from paying their already unpaid local taxes, Senator Poe replied in the negative. She explained that Smart would have to comply with everything that was mandated for them to obligate or to pay during the last franchise. She said that with the franchise at hand, the Committee would move forward from the date the new franchise is approved.

Senator Villanueva disclosed that in the previous hearings, he received several complaints from the labor sector and he also learned that Smart is involved in several Supreme Court labor cases. He asked if Senator Poe would be amenable to including an amendment for Smart to comply with applicable labor laws. Senator Poe replied that the Committee is very much open to the suggestion, as she underscored the need for all franchises to comply with all labor laws and regulations.

REQUEST OF SENATE PRESIDENT PIMENTEL

At this juncture, Senate President Pimentel

requested a list of all the taxes, as mentioned by Senator Poe earlier, in order to help the Members of the Body visualize or appreciate the payments made by Smart and to guide them during the period of interpellations, including the permits and the amounts per category the company has paid for the last five years.

Senator Poe then furnished the Members with a copy of the list.

INTERPELLATION OF SENATOR SOTTO

Preliminarily, Senator Sotto asked on the number of active Smart subscribers. Senator Poe replied that there are 63 million Smart subscribers.

As to how many active Smart cell sites there are in the country, Senator Poe replied that Smart has 10,000 cell sites and would be adding 2,000 more sites in the next three years.

Senator Sotto said that one of the complaints of the consumers, not against Smart but against the telcos, is that other than the slow Internet speed, there is also the high cost of Internet fees. He then asked on the factors which affect the cost of services. Senator Poe replied that the cost of services is affected by the demand of a number of subscribers and the number of operators. She explained that the services of the telcos become inefficient by the difficulty, for instance, of putting up a tower because of the different permits required, about 15 to 18 permits which take a few months to obtain and are renewable every year, and costing the company up to P10 million per cell site. She said that according to the Akami survey, Smart is supposedly the cheapest in data services in Asia.

As regards the steps taken by Smart to lessen the cost of its services, Senator Poe replied that Smart has a three-year commitment with the NTC to modernize its equipment, to build more infrastructure, and to erect more cell sites, which is part of the agreement that granted it the right to use the frequencies of the SMC deal.

As regards the 18 permits required from the local government units to put up a cell site, Senator Poe replied that it is actually 25 to 30 permits from LGUs for one cell site. Senator Sotto then asked if such provision would be addressed by the proposed measure of one of the Members of the Body.

MSB/PB

At this point, Senator Zubiri stated that the ease of doing business would definitely lessen the waiting time for many businesses applying for local government and national government permits and licenses. He stressed that it would definitely help Smart and other telecommunication companies in applying for permits and licenses.

As to the number of reported cases of text spams or text scams Smart had received in the past two years, as well as the preventive measures it has taken, Senator Poe replied that when Smart receives text spams, or scams, or complaints regarding fraud, it has to report them to the NTC which, in turn, has the mandate to direct Smart to deal with their customers or to resolve the issue itself. She disclosed that for the month of January of the current year, the customer complaints, on an average, including lost phones and data connectivity, were about 53,4754, with around 28,000 on technical issues like data connectivity service downtime and 26,000 on billion credit dispute. She noted that 53,000 out of 63 million subscribers look small because people who have issues with the telcos do not always file complaints because of the time involved.

INQUIRIES OF SENATE PRESIDENT PIMENTEL

Senate President Pimentel asked if Smart is asking for exemption from customs duties, tariffs and other taxes mentioned in Section 4 of the proposed measure. Senator Poe replied in the affirmative, explaining that such taxes were also included in the Globe franchise, especially on equipment, in order to equalize all telecommunications companies because Smart is not exempted from paying it.

Asked if there is a legal obstacle if the exemptions of both companies are removed, Senator Poe replied in the negative, adding that as a general law, it is Congress that would decide on the exemptions.

Senate President Pimentel then posited that the policy decision to equalize the playing field is for the Chamber to grant the exemptions to Smart or it could remove it from Globe, meaning, a bill has to be introduced to amend the franchise of Globe which will expire in 2030 so that the benefit that it is allegedly enjoying will be withdrawn. Replying in the affirmative, Senator Poe said that it has to be a general law, especially when there is a need to rationalize all the incentives given and if the DOF and Congress find it reasonable.

Senate President Pimentel believed that since Smart is an established company, it does not need preferential treatment of duties exemption. Senator Poe replied that it could be repealed by a general law but with an equality clause so that a similar company with the same status would also not benefit from such incentive.

Asked if Senator Poe's position is to pass the Smart franchise with the incentives and then subsequently pass a bill withdrawing from both Smart and Globe or any other telecommunications companies such concession, Senator Poe replied in the affirmative, explaining that at present, the Committee just wanted to equalize the playing field and later on enact the general law, unless a general law is enacted ahead of the proposed measure.

Asked if Smart would not mind if a bill of such nature would be filed the following day given that it is not after the exemptions, Senator Poe replied that the telecommunication company's main concern is a level playing field and if its competitor is not accorded the same privilege, it would not mind if it would not have it as well.

INTERPELLATION OF SENATOR GATCHALIAN

Preliminarily, Senator Gatchalian asked if Senator Poe is familiar with "mobile number portability" and asked how Smart defines the term.

SUSPENSION OF SESSION

Upon motion of Senator Poe, the session was suspended.

It was 6:36 p.m.

RESUMPTION OF SESSION

At 6:40 p.m., the session was resumed.

Upon resumption, Senator Poe stated that a law is necessary to allow the portability of mobile numbers as there is no technology for it yet. However, since Smart Communications, Inc. is willing to invest in portability service, she believed that it would be possible, noting that in addition to convenience, it would also improve the service inasmuch as many network subscribers are only hesitant to shift to a new network because they do not want to lose their old mobile numbers.

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Senator Gatchalian stated that in the last five years, there were 113 countries, even Third World and African countries, implementing mobile number portability such as Colombia, Ghana, Kenya, Chile, Bermuda, Nigeria and Sudan. He said that Vietnam also started implementing the technology in 2017, a service being enjoyed by telecom consumers in their respective countries.

On whether the technology for number portability is possible with Smart Telecommunications, Inc., Senator Poe said that it is possible, according to its directors.

As regards the technological prohibition in implementing the number portability service, Senator Poe assured that as long as there is a mandate, Smart Communications, Inc. could acquire technology for mobile portability that would allow subscribers to keep their numbers even if they transfer to other network providers.

At this point, Senator Gordon suggested that along with the portability of mobile numbers, emergency numbers should likewise be allowed and utilized by all franchisees if a telecommunications law is mandated. Since it is a franchise, he believed it should be done over again, saying that Senator Gatchalian and himself would author a bill to that effect.

Asked by Senator Gatchalian why a special law is necessary for number portability when the franchise could be amended to include a portability service therein, Senator Poe stated that she would appeal with Smart to do it even as she noted that there is no penalty for Smart supposing it denies her appeal. She said that if NTC would require the number portability, all other telecommunication networks should also be obliged; hence, there ought to be a regulation from the NTC, as a clearing house, to cover all players.

At this juncture, Senator Gatchalian thanked Senator Poe, as he manifested his desire to suggest some amendments to the bill at a later time so that the consumers would enjoy bringing their own numbers when they transfer to other networks. He cited that in other countries, in fact, cellphone numbers are state-owned. Thereupon, he suggested introducing an amendment to the bill to enable everyone to bring their cellphone numbers to whatever network they wish to subscribe to.

REMARK OF SENATOR GORDON

Senator Gordon expressed support for mobile portability although he believed that there would be more leverage if a national law would cover such technology, including a government clearing center for all telecommunications company.

At this point, Senate President Pimentel said that Senator Gatchalian has already filed Senate Bill No. 1237 relative thereto.

MANIFESTATION OF SENATOR SOTTO

Senator Sotto informed the Body that Senator Cayetano would no longer interpellate on the measure but might introduce amendments at the proper time.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no further interpellation, upon motion of Senator Sotto, there being no objection, the Body closed the period of interpellations.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 4637

Upon motion of Senator Sotto, there being no objection, the Body suspended consideration of the bill.

SUSPENSION OF SESSION

With the permission of the Body, the session was suspended.

It was 6:47 p.m.

RESUMPTION OF SESSION

At 6:48 p.m., the session was resumed.

MOTION OF SENATOR SOTTO

Senator Sotto informed the Body that Senator Poe, chair of the Committee on Public Services, informed him that an amendment was omitted on House Bill No. 4631.

Thereupon, he moved for the reconsideration of the approval of the bill on Second Reading.

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SUSPENSION OF SESSION

With the permission of the Body, the session was suspended.

It was 6:49 p.m.

RESUMPTION OF SESSION

At 6:50 p.m., the session was resumed.

RECONSIDERATION OF THE APPROVAL OF HOUSE BILL NO. 4631 ON SECOND READING

Upon motion of Senator Sotto, there being no objection, the Body reconsidered the approval, on Second Reading, of House Bill No. 4631, entitled

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO REPUBLIC BROADCAST SYSTEM, INC., PRESENTLY KNOWN AS GMA NETWORK, INC., AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7252, ENTITLED "AN ACT GRANTING THE REPUBLIC BROADCAST SYSTEM, INC. A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES."

As a consequence, the Body reopened the period of individual amendments.

Thereupon, the Chair recognized Senator Sotto for an additional amendment, at the instance of Senator Lacson.

LACSON AMENDMENT

At the instance of Senator Lacson, on page 3 (a), as proposed by Senator Sotto and accepted by the Sponsor, there being no objection, the Body approved to replace lines 19a to 19n with the following:

"PUBLIC SERVICE TIME" REFERRED HEREIN SHALL BE EQUIVALENT TO TEN PERCENT (10%) OF THE PAID COMMERCIALS OR ADVERTISEMENTS WHICH SHALL BE ALLOCATED BASED ON NEED TO THE

EXECUTIVE, LEGISLATIVE, JUDICIARY, CONSTITUTIONAL COMMISSIONS AND INTERNATIONAL HUMANITARIAN ORGANIZATIONS DULY RECOGNIZED BY STATUTE; PROVIDED, THAT THE NATIONAL TELECOMMUNICATIONS COMMISSION (NTC) SHALL INCREASE THE PUBLIC SERVICE TIME IN CASE OF EMERGENCY OR CALAMITY. THE NTC SHALL ISSUE RULES AND REGULATIONS FOR THIS PURPOSE, THE EFFECTIVITY OF WHICH SHALL COMMENCE UPON APPLICABILITY WITH OTHER SIMILARLY SITUATED BROADCAST NETWORK FRANCHISE HOLDERS.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

There being no other individual amendment, upon motion of Senator Sotto, there being no objection, the Body closed the period of individual amendments.

APPROVAL OF HOUSE BILL NO. 4631 ON SECOND READING

Submitted to a vote, there being no objection, House Bill No. 4631 was approved on Second Reading.

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 6:53 p.m.

RESUMPTION OF SESSION

At 6:54 p.m., the session was resumed.

MANIFESTATION OF SENATOR SOTTO

Senator Sotto recalled that previously, Senator Gordon filed a committee report prepared by the Committee on Justice of Human Rights and the Blue Ribbon Committee and attached to it were three bills which were referred to two different committees, i.e., Senate Bill Nos. 221 and 1128 to the Committee on Public Services, and Senate Bill No. 1275 to the Committee on Public Order and Dangerous Drugs.

After consulting with the chairpersons of the committees concerned, however, he said that the said bills would be referred to the Committee on

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Rules to address the particular questions of Senator Gordon.

CHANGE OF REFERRALS

Upon motion of Senator Sotto, there being no objection, the Body approved the change of referral of the following bills to the Committee on Rules:

1. Senate Bill No. 221 - An Act Prohibiting Backriders on Two-Wheeled Motorcycles/ Scooters and Exceptions Thereto;
2. Senate Bill No. 1128 - An Act Penalizing and Preventing the Use of Motorcycles or Scooters in the Commission of Crimes through the Use of Bigger Plate Numbers and Identification Marks, Regulation of Backriders and for Other Purposes; and
3. Senate Bill No. 1275 - An Act Amending Republic Act No. 8551, Otherwise Known as the Philippine National Police Reform And Reorganization Act of 1998, and for Other Purposes.

COMMITTEE VICE CHAIRMANSHIP

Senator Sotto placed on record that Senator Escudero, chair of the Committee on Education, Arts and Culture, has designated Senators Aquino and Ejercito as committee vice chairpersons.

The Chair took note of the manifestation.

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 6:56 p.m.

RESUMPTION OF SESSION

At 6:57 p.m., the session was resumed.

CHANGE OF REFERRAL OF SENATE BILL NOS. 221, 1128 AND 1275

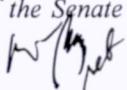
In consultation with the concerned committee chairpersons, upon motion of Senator Sotto, there being no objection, the referral of Senate Bill Nos. 221, 1128 and 1275 was transferred from the Committee on Rules to the Committee on Justice and Human Rights.

ADJOURNMENT OF SESSION

Upon motion of Senator Sotto, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of the following day.

It was 6:57 p.m.

I hereby certify to the correctness of the foregoing.


ATTY. LUTGARDO B. BARBO
Secretary of the Senate


Approved on March 7, 2017