



REPUBLIC OF THE PHILIPPINES  
**Senate**  
Pasay City

# Journal

**SESSION NO. 39**  
Wednesday, November 9, 2016

**SEVENTEENTH CONGRESS**  
**FIRST REGULAR SESSION**

**SESSION NO. 39**  
Wednesday, November 9, 2016

**CALL TO ORDER**

At 3:24 p.m., the Senate President, Hon. Aquilino “Koko” Pimentel III, called the session to order.

**PRAYER**

Sen. Grace Poe led the prayer, to wit:

*Panginoon, Ikaw ang pinagmulan  
ng lahat ng buhay.*

*Turuan Mo po kaming pagyamanin ang  
ipinahiram Mong panahon at hininga.  
Mabuhay nawa kami nang kaaya-aya sa  
Iyong mga mata.*

*Patatagin Mo ang aming paninindigan  
sa pagpapahalaga at pagtatanggol  
sa karapatan ng bawat isa:  
Mapabata man o matanda,  
Inosente man o may sala.*

*Tuwing kami’y nakakalimot,  
Paalalahanan Mo po kami na ang bawat  
buhay ay sagrado  
At magkasinghalaga ang dugo  
ng sanggano at santo.*

*Bigyan Mo kami ng kababaang-loob  
Na tanggapin ang aming pagkakamali.*

*Paningasin Mo sa aming dibdib  
ang pang-unawa at malasakit.*

*Haplusin Mo ang mga pusong pinatigas  
ng galit.*

*Tunawin ang pagngingitngit.  
Gawin Mo kaming daan sa paglikha  
Ng lipunang makatao, maka-Diyos,  
at mapayapa.  
Amen.*

**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.	Pacquiao, E. M. D.
De Lima, L. M.	Pangilinan, F. N.
Escudero, F. J. G.	Pimentel III, A. K.
Gatchalian, W.	Poe, G.
Gordon, R. J.	Recto, R. G.
Honasan, G. B.	Sotto III, V. C.
Hontiveros, R.	

With 17 senators present, the Chair declared the presence of a quorum.

Senator Zubiri arrived after the roll call.

Senator Villar was in Butuan City on “official mission” as “guest of honor and speaker at the CARAGA Agriculture Trade and Marketing Exposition 2016” as indicated in the November 9, 2016 letter of the Senator’s acting chief of staff.

The following senators were on “official mission” abroad:

- Senator Cayetano, as part of the official delegation of President Duterte in his state visits to Thailand and Malaysia;
- Senator Drilon, in Japan to receive the Grand Cordon of the Order of the Rising Sun conferred upon him by the Government of Japan;
- Senator Trillanes, in the United States of America to attend a series of meetings with various agencies of the U.S. Government, as well as members of the Filipino community there; and
- Senator Villanueva, in the United States of America to meet with Consul General Adelio Angelito S. Cruz of the Philippine Consulate in Los Angeles, California as well as to conduct consultative meetings with fellow Filipinos there.

Senator Ejercito was under preventive suspension.

#### 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. 38 (November 8, 2016) and considered it approved.

#### ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Sotto acknowledged the presence in the gallery of the following:

- Former Senator Wigberto Tañada;
- Former Congressman Oscar “Oca” Santos;
- Coconut farmer leaders; and
- Students from the Philippine Science High School main campus headed by Charles Joseph de Guzman.

Senate President Pimentel welcomed the guests to the Senate.

#### REFERENCE OF BUSINESS

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

##### BILL ON FIRST READING

Senate Bill No. 1232, entitled

AN ACT PROVIDING MEDICAL SCHOLARSHIPS IN STATE UNIVERSITIES AND COLLEGES TO QUALIFIED STUDENTS AND FOR OTHER PURPOSES

Introduced by Senator Sotto III

**To the Committees on Health and Demography; Education, Arts and Culture; and Finance**

##### RESOLUTION

Proposed Senate Resolution No. 229, entitled

RESOLUTION DIRECTING THE COMMITTEE ON SPORTS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED UNLIQUIDATED FUNDS RELEASED TO THE PHILIPPINE OLYMPICS COMMITTEE (POC) AND THE UNJUST IMPOSITION OF ELIGIBILITY REQUIREMENTS FOR THE CANDIDATES FOR POC PRESIDENT THEREBY LIMITING THE PARTICIPATION OF OTHER MEMBERS

Introduced by Senator Sonny Angara

**To the Committee on Sports**

##### COMMUNICATIONS

Letters from the *Bangko Sentral ng Pilipinas*, transmitting to the Senate certified and authenticated copies of Circular Nos. 928 and 929 dated 24 and 28 October 2016 in compliance with Section 15(a) of Republic Act No. 7653 (The New Central Bank Act)

**To the Committee on Banks, Financial Institutions and Currencies**

## SUSPENSION OF SESSION

Upon motion of Senator Gordon, the session was suspended.

*It was 3:29 p.m.*

## RESUMPTION OF SESSION

At 3:35 p.m., the session was resumed.

## PRIVILEGE SPEECH OF SENATOR GORDON

Senator Gordon stated that the previous day marked the third anniversary of supertyphoon *Yolanda (Haiyan)* and that he was availing of the privilege hour to honor and pay tribute to the Philippine Red Cross volunteers who risked their lives and limbs as they conducted rescue and relief operations in the areas devastated by this storm of the century.

Preliminarily, he said that the Philippine chapter of the American Red Cross, an international humanitarian organization, was established in 1947 and has presently almost two million volunteers around the country. He said that Senator Zubiri was its vice chairperson and that Senators Gatchalian and Villar were also Red Cross governors.

He recalled that Typhoon *Yolanda (Haiyan)*, with its powerful winds, triggered storm surges that wiped out villages, wreaked havoc in 26 provinces and left 8,000 to 10,000 people perished. He lamented that until the present, the government was still working on helping nine provinces recover from the devastation. He praised the Red Cross for turning the *Haiyan* tragedy into an opportunity to expand their organization through capacity building and by establishing more disaster-resistant communities.

Reminiscing the events of that fateful day when Typhoon *Haiyan* struck, Senator Gordon said that as chairman, he texted Red Cross representatives in the affected provinces to ensure that the volunteers had a continuity plan for securing their families so that they could concentrate on helping others; he urged them to remain steadfast and be courageous; he advised them to put in mind that their calling was to save lives and help others in times of need; and he reminded them that being prepared was their best defense particularly as it was anticipated that many people would need assistance since the Philippines has not encountered any typhoon of that magnitude.

Senator Gordon sadly recalled an instance where he suddenly lost contact with a Red Cross administrator that had been giving him updates on the situation in their area at the height of the typhoon. He said that such an experience of being unable to communicate with people in the middle of a maelstrom due to power outages was indeed worrisome. He said that he was able to contact a volunteer from Australia via satellite phone after several days only to receive the heartbreaking report on the huge number of fatalities as well as the lack of food and rioting that was taking place at the time.

In response, he narrated that the Red Cross sent a convoy of equipment, including ambulances, water tankers, rescue trucks, tower lights, generators, blood bags, backhoes, satellite phones, mobile radios, 3,000 jerry cans, water bladders, 500 gallons of fuel and 10,000 tins of ready-to-eat meals. However, he said that the delivery of the supplies was delayed due to a fire and riots in Sorsogon.

Senator Gordon said that the inability of the Red Cross to communicate with people in the disaster-stricken areas was a major obstacle in their relief operations since the airport and ports were not operational. He rued the magnitude of the devastation, adding that they were shocked upon seeing so many floating dead bodies and corpses hanging on trees. He remembered having asked his volunteers to help him pick up the bodies that were needed to be placed into the 5,000 body bags that they had prepared beforehand.

Senator Gordon showed the pictures of volunteers of Red Cross from Bataan, Olongapo and Bulacan lining up the bodies in body bags. He also remembered being called up to go to a Coca-Cola plant where he saw more bodies that had to be picked up there. He said that the company lent their trucks so that they could move more bodies. He then showed pictures of bodies lined up in the area.

Senator Gordon stated that when he saw the devastation in Leyte, he remembered the neighboring province of Bohol which was still reeling from the effects of a big earthquake. He recalled that as they were helping the victims of the Bohol earthquake, he advised the rescue volunteers to move fast to complete the provision of aid to the victims of the previous disaster before proceeding to the next one since they had to capture the generosity of the world right away. He said that typhoon *Yolanda* was a

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disaster that affected 16 million persons, rendering millions of families homeless.

Senator Gordon recalled the heroism of Jen Chico and Nilda Quiero from the PRC's blood bank. He narrated that before the storm surge came in, they tied the Red Cross ambulance to a post and ensured that the blood packs were safe and readily available. At this point, he showed images of how the Red Cross chapter building looked in the aftermath of the disaster. He said that the priority at that time was to rebuild the chapter and the blood bank so that it could provide blood right away. He remembered the generosity of people who extended assistance, like Reghis Romero who lent a container van which they turned into a blood bank. He also mentioned the United Nations which supplied the fuel that Red Cross distributed.

Senator Gordon said that on the part of the Red Cross, it was a tremendous operation as they were putting dead bodies into body bags and burying them while conducting emergency relief at the same time. He said that the Red Cross was not the only organization giving aid, and he acknowledged the other groups and people who came forward to help, like the Tzu Chi Foundation and Dr. Susie Mercado.

Senator Gordon stated that during the relief operations, the PRC immediately undertook a quick assessment to pinpoint the most vulnerable, and gave them emergency relief and food. He said that the volunteers had the people line up, then handed out cards to identify those coming in. The more important part, he noted, was that they provided the people with instruction on what to do in times of disaster. He demonstrated the drill which was similar to an evacuation procedure — the first whistle means they should listen; second whistle was for them to hang on to their family and relief items; and third whistle means they should carry their family and relief items towards safety.

Senator Gordon stated with pride that the Philippine Red Cross has been recognized as one of the best Red Cross societies in the world because during typhoon *Haiyan*, they demonstrated that they could manage all Red Cross societies and deploy them in different provinces in a way that no group would be encroaching on another's jurisdiction. He then showed a map illustrating the deployment of the various Red Cross societies from various countries, like the Qatar, UAE, British, American and Japanese Red Cross,

that were working in partnership with the PRC. It was a united, reinforced and reliable Red Cross working, he said. He pointed out that relief was also given even in conflict areas in Samar, and he supposed that the rebels were able to get their share as well. He further disclosed that in the recent typhoons in the North, particularly in Tuguegarao, Isabela, Kalinga and Apayao, Ilocos and Batanes, the Red Cross was able to do its job of bringing caravans and distributing relief goods.

Regarding shelter, Senator Gordon reported that 76,461 homes or 95% of the 80,278 homes that the Red Cross targeted to build in Palawan, Antique, Capiz, Iloilo, Cebu, Ormoc, Leyte, Western Samar, and Eastern Samar have been completed. He explained that a group of people made an assessment and pinpointed the most vulnerable including widows, the unemployed, as well as families with children and sick members, as potential recipients of housing.

Senator Gordon stated that transparency was guaranteed in the relief efforts and that it involved a lot of hard work. He said that the Red Cross provided the roofing and all the equipment, but the people had to build their houses themselves with the guidance of one carpenter for every ten families. He said that the houses themselves were sufficient proof to the Red Cross donors that their donations were used for their intended purpose. There may have been problems with securing materials, but they were able to overcome it, he said.

Senator Gordon also showed solar-paneled homes built by Red Cross for communities in Cebu. He believed that their efforts have paid off since they would be able to finish the target for shelters in the next few months.

Senator Gordon reported that the PRC also undertook the building of schools, with the first structure put up by the Philippine Red Cross in partnership with the Chinese Red Cross.

Senator Gordon proceeded to enumerate the schools built by the Red Cross in various areas. He pointed out that 510 of the 533 target number of classrooms for construction had been completed in several provinces, furnished with amenities like washrooms with flush toilets, water tanks and bidets. He added that cleaning utensils and kits were also provided for the school children to ensure good hygiene and sanitation. He hoped that with such

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facilities, the children would be motivated to study hard so that they would have homes with the same facilities in the future. He then showed pictures of the washroom with bidets. Relative thereto, he called the attention of the Committees on Education, Arts and Culture, and Finance to look into the situation of schools not being provided with toilet papers.

In the area of livelihood, Senator Gordon reported that the target number of households to be provided with livelihood was 63,221, and the Philippine Red Cross had already accomplished 99% or 62,670. One example, he said, was a woman named Irene Collado who was given P5,000 as emergency funding, who later on became the “*Buko*” Queen of Leyte. He recalled how she was able to use the money wisely to have her own *buko* stands, pickup truck, a multi-cab and a fishing boat.

Senator Gordon said that the PRC’s track record in livelihood assistance is evident in communities that grow their own organic vegetables, to residents who go into business by having *buko* stands, multicabs or fishing boats. He said that most of the people got P10,000 to start a livelihood, while others were given a house. He stated that the idea was to provide the people with resources so that they can start a new life and, indeed, many have rebuilt their lives.

Senator Gordon also reported that the Red Cross had also set up health centers and engaged in capacity building by providing various chapters with ambulances and water cleaning facilities.

Regarding water delivery, he said that the Red Cross also put up water filtration facilities, provided water receptacles for a more organized system of collecting water in the eight spigots per area, fire trucks and hospital tents with surgery services, and left surgical gears in two provincial hospitals in Leyte – Basey and Balahigan.

Senator Gordon informed the Body that the PRC also extended assistance and life-saving efforts to other countries such as Nepal and Ecuador which had been devastated by an earthquake.

Senator Gordon said that the International Committee of the Red Cross (ICRC) which began in 1863 with a five-member committee, is presently in over 190 countries, the Philippines being among the largest of the 198 Red Cross societies, and relied on by other members. For instance, he said that the

Philippine Red Cross raised \$2.4 million to assist Japan in the aftermath of the recent tsunami devastation. He said that the Philippines has also become a donor society as it sends people, money and equipment to humanitarian missions. He said that the Filipinos working for the Red Cross are well-regarded in the ICRC and in other countries as evidenced by the fact that many Filipino Red Cross volunteers are working in health camps providing health services to many people.

As a result of the recent Red Cross conference in Manila, Senator Gordon disclosed that he would be meeting with an Indian group later in the evening to set up a communication center so that overseas Filipino workers could call the Philippine Red Cross and contact the Indonesian Red Cross and other counterparts in case the volunteers are being harassed or given a hard time in a particular area.

At this point, he commended the many thousands of volunteers and thanked the international community, particularly the International Federation and the National Red Cross, who helped during the post-typhoon *Yolanda* relief operations three years ago. He said that he would like to show them a copy of what was presented to the conference so that they will realize that the Filipinos are not ungrateful and not dependent people.

Senator Gordon also informed the Body that during the meeting of the International Board of Governors of the ICRC, the ICRC Secretary General stressed the importance of going to the Philippines to learn from the Philippine chapter’s experience in responding to disasters which has become a model on how groups ought to come together in cooperation and coordination during disasters.

Senator Gordon also expressed his intention to introduce a Senate resolution thanking all the other Red Cross societies and partner national societies that have been participating in the efforts that are being undertaken by the ICRC. He then showed onscreen pictures of Tadateru Konoe, president of the International Federation of Red Cross (IFRC) and Red Crescent Societies, and Peter Maurer, president of the International Committee of the Red Cross (ICRC) carrying boxes containing Indonesian non-food items as well as photos of the electronic processing of cards to ensure that the right people are coming in to receive the relief goods. He said that such initiatives reflect a cogent effort of the Red

Cross management and officers of the ICRC. He believed that the ICRC is a great national society of people working together to overcome a disaster.

Senator Gordon took pride in the efforts of the Philippine Red Cross volunteers, noting that some volunteers in Saudi Arabia and Syria died in the service and others have their names in the Wall of Fame in Geneva. He said that there are 52 Filipino volunteers in Sudan but that even with the Red Cross and Red Crescent emblems, the place is no longer safe as it used to be as the symbols could not guarantee the safety of the people wearing them.

In commemorating the third anniversary of the Red Cross' efforts in assisting the victims of Typhoon *Yolanda*, Senator Gordon said that he should not be the one to be congratulated because he is merely the spokesman of the people that carry the brand of humanitarianism on their backs.

He said that he felt bad when Senator Legarda revealed that the P25 billion earmarked for the National Housing Authority had not been utilized along with a previous budget of P30 billion which only produced 20,000 houses, because the PRC could put up houses with less than P4 billion.

In closing, Senator Gordon said that he would ask Senator Legarda for details on the matter of housing to know why efforts during disasters are stymied by bureaucratic rigmaroles such as absence of land for housing.

He also expressed his intention to report on what has been happening in terms of relief efforts, capacity building and risk reduction because the "no-build zones" have been replaced with the people themselves who have taken matters in their own hands and have built their homes even to the extent of acting against the wishes of the government just to save themselves.

Finally, he thanked Philippine Red Cross volunteers Resty Lou Talamayan from Davao and Brian Enriquez, as well as Senators Zubiri and Gatchalian for their efforts and contribution to Philippine Red Cross.

#### **REFERRAL OF SPEECH TO COMMITTEE**

Upon motion of Senator Sotto, there being no objection, the Chair referred the speech of Senator Gordon to the Committee on Climate Change.

#### **SUSPENSION OF SESSION**

Upon motion of Senator Sotto, the session was suspended.

*It was 4:16 p.m.*

#### **RESUMPTION OF SESSION**

At 5:08 p.m., the session was resumed.

#### **ADDITIONAL REFERENCE OF BUSINESS**

The Secretary of the Senate read the following Committee Report, which the Chair assigned to the Calendar for Ordinary Business:

Committee Report No. 8, prepared and submitted jointly by the Committees on Agriculture and Food; and Finance, on Senate Bill No. 1233, with Senators Pangilinan, Recto, Cynthia A. Villar, Paolo Benigno "Bam" Aquino IV and Risa Hontiveros as authors thereof, which the Chair assigned to the Calendar for Ordinary Business, entitled:

**AN ACT CREATING THE COCONUT FARMERS AND INDUSTRY TRUST FUND, PROVIDING FOR ITS MANAGEMENT AND UTILIZATION, AND FOR OTHER PURPOSES,**

recommending its approval in substitution of Senate Bill Nos. 52, 64,139, 669 and 934.

Sponsor: Senator Pangilinan

#### **SPECIAL ORDER**

Upon motion of Senator Sotto, there being no objection, the Body approved the transfer of Committee Report No. 8 on Senate Bill No. 1233 from the Calendar for Ordinary Business to the Calendar for Special Orders.

#### **COMMITTEE REPORT NO. 8 ON SENATE BILL NO. 1233**

Upon motion of Senator Sotto, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1233 (Committee Report No. 8), entitled

AN ACT CREATING THE COCONUT FARMERS AND INDUSTRY TRUST FUND, PROVIDING FOR ITS MANAGEMENT AND UTILIZATION, 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 Pangilinan for the sponsorship.

**SUSPENSION OF SESSION**

Upon motion of Senator Pangilinan, the session was suspended.

*It was 5:10 p.m.*

**RESUMPTION OF SESSION**

At 5:10 p.m., the session was resumed.

**SPONSORSHIP SPEECH OF SENATOR PANGILINAN**

*An audio-visual presentation of the history of the coconut levy fund, how it was mismanaged and misused, depriving the coconut farmer-beneficiaries of the benefits due them was played.*

Thereupon, Senator Pangilinan, on behalf of the Committee on Agriculture and Food, submitted for the Body's consideration Senate Bill No. 1233, entitled "An Act Creating the Coconut Farmers and Industry Trust Fund, Providing for its Management and Utilization, and For Other Purposes" under Committee Report No. 8, taking into consideration Senate Bill Nos. 52, 64, 139, 669 and 934, filed by Senators Pangilinan, Recto, Villar, Aquino and Hontiveros.

*The full text of Senator Pangilinan's sponsorship speech follows:*

Yesterday, the Supreme Court decided on the Marcos burial in the National Heroes Cemetery. It is, to this Representation's mind, a move that has the effect of trying to erase our collective memory as a people of the illegal arrests, detentions, tortures, killings, and the

plunder during martial law, for there was systematic taking of liberties with the people's money, as several Supreme Court decisions have said. One of those decisions is on the coco levy.

That decision was yesterday. Today we will move so that we will not forget. Today we will prove once again that the dictator does not deserve a place at the *Libingan ng mga Bayani*. Today we sponsor the committee report on the bill "An Act Creating the Coconut Farmers and Industry Trust Fund, Providing for its Management and Utilization, and for Other Purposes."

*Tulad ng ipinakita sa video kanina, ipinataw ang coco levy sa magniniyog sa ilalim ng batas militar. Ito ay para umano sa pagpapaunlad ng industriya ng pagniniyog. Sa halip, ang pera ay ibinulsa at itinuring na personal na pondo ng diktador at mga crony. Mahigit 40 taon nang nakabinbin ang pondo dahil sa ibat' ibang mga asunto sa korte. Umabot na sa mahigit P100 billion ang halaga nito. Korte Suprema na ang nagsabi: "Para ito sa ating mga magniniyog."*

*Iyan mismo ang sinusunod ng ating panukalang batas. Ano ang namumukod na mga katangian ng panukalang batas na ito, ang Senate Bill No. 1233?*

*Una, itinatalaga na ang pera at ari-ariang bunga ng coco levy ay para sa pagpapaunlad ng kabuhayan ng magniniyog.*

*Ikalawa, itinatalaga ang pondo bilang perpetual trust fund, panghabambuhay na gagamitin ang interest income.*

*Ikatlo at ikaapat, bubuo ito ng isang tagapangasiwa ng pondo, ang isang Trust Fund Committee, at anim sa 11 miyembro o mayorya nito ay galing sa hanay o kinatawan ng magniniyog, kasama rin po ryan bilang chairman ay ang Secretary of Finance at co-chairman ang Secretary of Agriculture.*

*Ikalima, mayroon itong plano kung paano pauunlarin ang industriyang pagniniyog, ang Coconut Development Plan na irerekomenda ng Trust Fund Committee at aaprubahan ng ating Pangulo.*

*At ika-anim, sa lahat na yugto ng pagpatupad ng batas na ito, kasama, kasangga ang magniniyog.*

We cannot forget. Last January, I lost my father. Before his death, he was already losing his memory. For us who love him dearly, his death as well as his loss of memory was painful.

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But what does it mean to lose our memory?

*May nabasa akong insight mula sa isang caregiver ng isang may Alzheimer's, nawawala ang kaniyang memory, ang kaniyang alaala. Sabi niya: "Kapag may nawawalan ng braso o binti, alam natin kung ano ang nawawala. Pero pag nawawalan ng alaala, mas malaki ang nawawala. Hindi lamang alaala. Dahil ang alaala, hindi lang tungkol sa natatandaan. At ang pagkawala ng alaala, hindi lang tungkol sa pagkalimot.*

*"Ang alaala ay tungkol din sa continuity, at sa pagbuo ng kahulugan o meaning o saysay, at ng pagkakaugnay-ugnay o relationship. Hindi lamang ito tungkol sa atin, kundi pati sa mga nasa paligid natin. Kasama ito sa lahat ng bahagi ng buhay: sa pagsasalita, pagkatuto, at pagbuo ng mga relasyon."*

*Kaya bilang isang bansa, hindi tayo pwedeng makalimot. Kailangan nating makaalala. Hindi natin maaaring ibaon sa limot ang nakaraan. Bunga ng mahabang pakikibaka ang desisyon ng Korte Suprema tungkol sa coco levy. Kaya mayroon tayong P75 billion ngayon. Ito ay mga pera at ari-ariang nagmula sa kinamkam ng diktador at mga crony mula sa ating mga magniniyog. Maibabalik na natin ito sa kanila kaya hindi po dapat tayo makalimot.*

*Itong mga ito, hindi natin kakalimutan. Narito tayo ngayong lahat dahil lumaban tayo sa diktadura. Iyan ang pagpapatuloy. Nirerespeto natin ang lahat ng nagbuwis ng kanilang dugo at pawis, ng kanilang luha at buhay. Iyan ang kahulugan. Mahirap at wala pa ring pagkakapantay-pantay sa Pilipinas dahil sa kawalan pa rin ng katarungan. Iyan ang pagkakaugnay-ugnay.*

*Muli't muli, ating tatandaan ang ating pinanggalingan para mas malinaw ang ating patutunguhan. Ganyan din po sa panukalang batas na ito.*

*Sapagkat ang kuwento ng coco levy ay kuwento ng magniniyog at kuwento rin natin, ng pang-aapi at pang-aabuso sa kanila at sa atin, ng pagpapanatili sa kanilang kahirapan at sa ating bayan. Pero ito rin ay kuwento ng ating pakikibaka, ng ating pagkakabuklod-buklod, ng ating tagumpay.*

*Ang pagsasabatas na ito ukol sa coco levy ang magpapatibay ng ating mga alaalang ito at ng ating paninindigan upang mabigyan sa wakas ng katarungan at hustisya at*

*mas magandang kinabukasan ang ating magniniyog.*

*Hindi po dapat tayo makalimot. Hinihiling po natin ang suporta ng ating mga kasamahan dito sa Senado na maitulak at maipasa na itong "An Act Creating the Coconut Farmers and Industry Trust Fund, Providing For its Management and Utilization and For Other Purposes."*

*At gaya po nang nasabi natin kanina, hindi lamang po ito tungkol sa kahirapan. Hindi lamang po ito tungkol sa industriya ng niyog at ng ating magniniyog. Ito ay tungkol po sa katarungan at hustisya na mahigit 40 taon na pong ipinagkait sa kanila.*

The Senate must rise up and address this long-standing injustice by passing this measure at the soonest possible time.

May we also take this opportunity to place on record the following organizations who are here this afternoon to support the passage of the measure that will finally release these funds for the benefit of our coconut farmers: *Katipunan ng mga Maliliit na Magniniyog sa Pilipinas (KAMMPI); Aniban ng mga Magsasaka, Mangingisda at Manggagawa sa Agrikultura-Katipunan (AMMMA-KATIPUNAN); Pambansang Kaisahan ng mga Magbubukid sa Pilipinas (PKMP); Pambansang Kilusan ng mga Samahang Magsasaka (PAKISAMA); Coconut Industry Reform Movement (COIR); Katipunan ng Bagong Pilipina (KABAPA); Magsasaka Cam Norte; Nagkakaisang Ugnayan ng Malilit na Magsasaka at Manggagawa sa Niyugan (NIUGAN); at Pambansang Katipunan ng mga Samahan sa Kanayunan (PKSK).*

*Narito rin po ang Damayan ng mga Manggagawa; Magsasaka at Mangingisda sa Bansa (DAMBA); Pambansang Katipunan ng Makabayang Magbubukid (PKNN); at Kilusang Magbubukid ng Pilipinas (KMP).*

*Narito rin po ang ating butihing dating Senador Bobby Tañada at dating Congressman Ka "Oca" Santos para po sa pagsuporta sa panukalang batas na ito.*

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1233**

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

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**INTERPELLATION  
ON SENATOR GATCHALIAN'S  
PRIVILEGE SPEECH**

*(Continuation)*

Senator Sotto manifested that on October 12, 2016, Senator Gatchalian delivered his privilege speech, entitled "Powering Growth on Temporary Issues in the Philippine Energy Sector." He informed the Body that the parliamentary status of the speech was the period of interpellations and that the following senators made reservations to interpellate thereon: Senator Zubiri who already waived his reservation; Senator Ejercito who was no longer able to interpellate; and Senator Hontiveros.

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration of the privilege speech of Senator Gatchalian.

Thereafter, the Chair recognized Senator Gatchalian, and Senator Hontiveros for her interpellation.

**INTERPELLATION  
OF SENATOR HONTIVEROS**

At the outset, Senator Hontiveros noted that one of the priorities of Senator Gatchalian as chairman of the Committee on Energy was to collaborate with public and private stakeholders of the energy sector in laying down the blueprint for establishing the right energy sector mix for the Philippines. She believed that the whole idea of popularizing energy mix and promoting the right energy mix was so important. She then asked Senator Gatchalian what his most important policy proposals were with regard to both public and private stakeholders in order to come up with the right energy mix for the country.

Senator Gatchalian stated that the energy sector is a very dynamic sector, one that changes every time there is a technological advancement. He cited the privilege speech of Senator Legarda a few days ago on the COP21 (21<sup>st</sup> Conference of the Parties) or the Paris Agreement which would give directions to the Philippines on how to reduce its carbon emissions by 70%. He said that to reduce carbon emissions by 70%, the reduction must come from two very important sources: 1) transportation; and 2) industry, including power generation.

Senator Gatchalian underscored the need to consult the different stakeholders when it comes to

energy, saying that the economy is built on manufacturing, which is an energy-dependent industry, and services.

He stated that once the country starts moving into carbon emissions reduction, the fine-tuning and reducing of coal power plants that will be built in the future cannot be avoided, thus, it would have some effect on the pricing. He said that it is important to consult the manufacturing sector and industries that will be adversely affected by coal power plant reductions as it may increase the cost of electricity in their production. He stressed that the consultations are very important in order to achieve the right balance, and he pointed out that the energy sector is a great balancing act in terms of what is required environmentally and what is required by manufacturing and industries.

Senator Hontiveros agreed that manufacturing and renewable energy should complement each other.

Senator Gatchalian reiterated that manufacturing and renewable energy need a very sensitive balancing act because the technology for renewable energy is currently quite expensive but its technological advancement is very quick.

He informed the Body that recently Meralco closed a deal of buying 100 megawatts of solar power at P5.39 per kilowatt-hour, the last Feed-In-Tariff (FIT) rate being P8.69/kwh, or almost P3.00 discounted from the previous FIT rate. He stated that the leaps in technological advancement in renewable energy had to be monitored closely by the Department of Energy so that people can take advantage of it.

Senator Hontiveros expressed pleasure on the manner by which Senator Gatchalian presented a very concrete example of how the price gap between the supposed cheap energy and the supposed expensive energy would be closed over time because of technological advances.

Asked to enlighten the Body regarding his "vision is to build an energy supply founded on the principle of 3S – *stable* energy supply which provides for '*sulit*' or affordable energy to consumers while ensuring environmental *sustainability*," and how he would translate it into a concrete new energy policy and program on the ground, Senator Gatchalian explained that the country's economy would grow

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even without doing anything because it has some organic fundamentals for it to grow and, in so doing, would demand energy. He said that one of the challenges of the country is providing stable power supply: on the other hand, the energy industry faces the challenge of red tape. To illustrate, he pointed out that to build a power plant, it takes 1,340 days or almost four years to get a permit done and two years to build it, or a total of six years from the time it is conceptualized to the time the first electricity supply is generated. He stated that one of the strategies of the Committee on Energy is to find solutions to make sure that the country has stable power supply and to make sure that it remains stable as the economy grows.

As regards sustainability, Senator Gatchalian averred that it is hinged on the country's commitment to the international community to fight climate change, in particular, reducing greenhouse gas and carbon emissions.

On the aspect of "*sulit*," he supposed that closest to the need of the people to fill the stomach is paying for electricity that is reasonable. He stated that the Philippines cannot claim that it has the lowest electricity cost because other countries in the region subsidize the cost of electricity and the Philippines, as a matter of fact, is the only ASEAN country that does not subsidize it. He said that the Committee would look into the direction of ensuring that people pay a reasonable amount for their electricity and that solutions to trim down the excess charges like systems losses, as found in the consumer's electric bill, could be made. He believed that savings can be generated by trimming down the cost of electricity, as he reiterated that the three important balancing acts in the power industry – sustainability, stability and "*sulit*" — are what people are paying for to the power generating companies.

Senator Hontiveros opined that the 3S could be an effective way of popularizing very technical and esoteric energy policies and programs in order to get the stakeholders and the consumers involved.

Senator Gatchalian said that when he mentioned red tape, what he meant was the process in the application for power plants passing through different departments, as well as through the LGUs and indigenous peoples communities where massive consultations would have to be done. He stated that the Committee would not want to displace the

concerned sectors and that there ought to be participation from the people. He clarified further that the intention is not to remove the stakeholders from improving the systems, but only to put accountability and transparency in place in the applications for power plants and other stakeholders in the power industry.

At this juncture, Senator Hontiveros again quoted Senator Gatchalian when he said in his privilege speech: "I hope that this administration's emerging independent foreign policy agenda will also serve as a catalyst for achieving Philippine energy independence by vigorously upholding and defending our exclusive sovereign rights to explore and develop resources in the West Philippine Sea." She then inquired how the country, by sustaining a correct position in the West Philippine Sea especially after diplomatic and political victory at The Hague, could achieve energy independence.

In reply, Senator Gatchalian said that based on statistics, half of the country's energy requirement i.e. coal and oil, come from foreign sources, a fact that does not make the country secure in terms of energy and power. He stressed the need to look for indigenous resources from within, and he believed that one of the richest areas to look for oil and gas is in the West Philippine Sea as evidenced by the Malampaya deep water gas field. He lamented how unfortunate it was for the Reed Bank in the West Philippine Sea to be part of the maritime dispute. He opined that with the favorable ruling of the International Arbitral Tribunal, the Philippines could already start to slowly talk with China and slowly maximize the area to the country's advantage and need. He acknowledged though that it could be a tricky tightrope for the Department of Foreign Affairs, and he asserted the need for this issue to be continuously put on the agenda as it would be to the best interest of the nation to be secured in terms of energy.

Senator Hontiveros said that although it could be a tricky tightrope for the country to walk on, it has still a very strong and stable balancing rod to hold on to, which is the diplomatic victory in The Hague. She agreed that it is important for the government not to let go of the West Philippine Sea as it could help the country achieve its energy requirements.

Recalling his recent trip with the President to Beijing, Senator Gatchalian stated that he was hoping

that both countries would discuss their energy concerns but he had to understand that it would take some time and that the President could not insist or even talk about something sensitive in their first meeting. He believed that in the succeeding meetings, the concerns over the West Philippine Sea would be high on the agenda.

Senator Hontiveros believed that both countries would be looking forward to the second meeting.

As regards Malampaya, Senator Hontiveros noted that after Senator Gatchalian's speech, there have been materials coming out about possibilities for promoting the so-called "energy independence," which includes seeing how the natural gas deposits in the Malampaya could aid in weaning the country away from traditional energy towards an energy mix where renewable energy has the greater share.

Senator Gatchalian informed the Body that Malampaya would run out soon and that the country has until 2024 and another 10 years to prepare for its depletion. Thus, he stressed that it is imperative for the country to find a replacement for natural gas supply which takes up about 20% of the country's energy source and relatively cleaner compared to coal and other sources. He reiterated the need for government to look for a replacement for Malampaya and hopefully maximize the resources in the West Philippine Sea.

Senator Hontiveros commended Senator Gatchalian for informing the Body that Malampaya would only be good optimally until 2024 plus another 10 years before it is totally depleted, thereby giving the country a window of 24 years to maximize it as a source of renewable energy. She hoped that the Senate could look forward to the Committee on Energy in exploring ways to maximize the use of Malampaya in very concrete terms.

As regards the need to formulate and implement a new transmission development plan which would close the loop through an integrated national power grid connecting Luzon, Visayas and Mindanao, Senator Gatchalian explained that among the three major islands, only Luzon and Visayas are interconnected. He stated that it is unfortunate that Mindanao is not yet connected to the main grid of Luzon and Visayas which explains why WESM, or the Wholesale Electricity Spot Market, only operates in Luzon and Visayas. He said that there are many plans of

interconnecting Mindanao, one via the east in the Samar area and the other via the west around the Zamboanga area. He stressed that it is important to interconnect the three islands so that the market could start cross-selling its electricity from different sources which would make the power industry stable and secure.

As an example, Senator Gatchalian cited the present grid which traverses Luzon and Visayas in one line. He explained that in case an earthquake occurs and one of the transmission tower falls, there is no way to transmit power from Luzon all the way down to the Visayas. He stated that in a perfect setting, Mindanao should be in a loop so that even when one side collapses, the other side would still transmit power. He said that the loop is the international standard of putting up transmission grids. He underscored the need for the DOE to come up with the much-delayed long-term transmission development plan, a plan to put up the loop system to interconnect Mindanao with Luzon and Visayas to help in the stability and sustainability of the country's power industry.

On the matter of giving subsidies to lower-level power producers, Senator Hontiveros stated that in Germany, through energy transition, 1.2 million families and households were able to effectively break up possible energy monopolies by installing solar panels on their rooftops.

Senator Gatchalian agreed with Senator Hontiveros on the need to develop renewable energy on the household level. He informed the Body that earlier that day, the Committee met with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), a foreign aid organization of Germany, which observed that the Philippines is not yet in the household level when it comes to renewable energy.

Senator Gatchalian admitted that many provisions in the Renewable Energy (RE) law are not yet being implemented, but in the proposed measure, he said that one of the provisions on net metering would empower the households to buy their own solar panels and sell to the grid the excess energy they produces, thereby encouraging tremendous development in solar rooftop technology. He said that the ERC and the DOE should be pushed to implement the provision of the law. He believed that if everyone would use a solar rooftop panel and sell to the grid the excess energy they produce, households could

get discounts on energy. He then assured the Body that the Committee would find ways to ensure that the RE law would be implemented and that the consumers would be able to maximize what is written therein.

Senator Hontiveros agreed that the net metering provision is one of the most important provisions of the RE Law and that the Committee on Energy can exercise its oversight functions to monitor the implementation of energy projects for solar and microhydro through running bodies of water behind households so that they can generate their own power to contribute to the grid and deduct the monetary value from the electric bill at the end of the month. She said that the process could be a way to democratize energy.

Senator Gatchalian said that he learned a lot of ideas when he met with GIZ and he realized that the country is very much behind in household level independence in terms of power. He said that in Germany, 1.2 million households compete in power generation because they sell electricity to the grid; thus, power generators in Germany are always on their toes in terms of technology and are selling their power as cheaply as possible.

#### **INQUIRIES OF SENATE PRESIDENT PIMENTEL**

Asked by Senate President Pimentel if the P3.00 drop in the FIT was for solar power, Senator Gatchalian replied in the affirmative.

Asked whether the drop represents technological advance and would be good for consumers, Senator Gatchalian explained that in the RE Law, all the consumers are subsidizing the use of renewable energy. He said that the FIT was designed to encourage renewable energy technology to come into the market. However, he noted that in the previous year, the price of solar power was still high at P8.00 per kilowatt hour, thus the need for consumers to subsidize it. He added that recently, Meralco reportedly entered into a contract to buy solar power at P5.39, P3.00 lower than the previous year's and was going down further. He believed that a decreasing solar power cost is beneficial to consumers because they would no longer have to subsidize the use of renewable energy. He hoped that other technology for renewable energy sources like wind and biomass would follow suit so that

consumers would not be burdened by having to subsidize the cost and likewise for the country to enjoy clean energy.

As regards the feed-in-tariff, Senator Gatchalian replied that it is the subsidy being paid to the renewable energy companies.

Asked how the consumers are being charged, Senator Gatchalian replied that the difference is being charged to the consumers by TRANSCO and TRANSCO, in turn, would use the proceeds to pay the installers of the renewable energy. This feed-in-tariff, he said, is reflected in every electric bill.

Asked on the energy potential of Benham Rise in the Pacific as a replacement for Malampaya, Senator Gatchalian believed that a bill seeking to look at Benham Rise's potential as energy source has been filed by Senator Angara.

For his part, Senator Angara said that he has no idea whether there was an exploration in the area but that he read a post online that deuterium is a potential source of energy.

Senator Gatchalian presumed that there was a study on the Benham Rise and its potential to contribute oil and gas but no definitive exploration has been made because exploration is very costly. He suggested that the government pursue the exploration.

Senator Angara expressed his full support for whatever endeavor Senator Gatchalian would make as chair of the Committee on Energy especially that the reserves in Malampaya are running out and there are a few other alternative energy sources.

#### **MANIFESTATION OF SENATOR ANGARA**

Senator Angara informed the Body of the desire of Senator Recto to interpellate on the privilege speech of Senator Gatchalian on Monday.

#### **SUSPENSION OF INTERPELLATION ON THE PRIVILEGE SPEECH OF SENATOR GATCHALIAN**

Upon motion of Senator Angara, there being no objection, the Body suspended the period of interpellations on Senator Gatchalian's privilege speech.

**ADJOURNMENT OF SESSION**

Upon motion of Senator Angara, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, November 14, 2016.

*It was 5:56 p.m.*

I hereby certify to the correctness of the foregoing.

  
**ATTY. LUTGARDO B. BARBO**  
*Secretary of the Senate*

Approved on November 14, 2016