



REPUBLIC OF THE PHILIPPINES
Senate
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Journal

SESSION NO. 36
Tuesday, November 26, 2019

EIGHTEENTH CONGRESS
FIRST REGULAR SESSION

SESSION NO. 36
Tuesday, November 26, 2019

CALL TO ORDER

At 3:00 p.m., the Senate President, Hon. Vicente C. Sotto III, called the session to order.

SILENT PRAYER

The Body observed a minute of silent prayer.

ROLL CALL

Upon direction of the Senate President, the Secretary of the Senate, Atty. Myra Marie D. Villarica, called the roll, to which the following senators responded:

Angara, S.	Pacquiao, E. M. D.
Binay, M. L. N. S.	Pangilinan, F. N.
Cayetano, P. S.	Recto, R. G.
Drilon, F. M.	Revilla Jr., R. B.
Gatchalian, W.	Sotto III, V. C.
Go. C. L. T.	Tolentino, F. T. N.
Hontiveros, R.	Villanueva, J.
Lacson, P. M.	Villar, C. A.
Lapid, M. L. M.	Zubiri, J. M. F.

With 18 senators present, the Chair declared the presence of a quorum.

Senators Dela Rosa, Gordon, Marcos, Pimentel and Poe arrived after the roll call.

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

**ACKNOWLEDGMENT
OF THE PRESENCE OF GUESTS**

At this juncture, Senator Zubiri acknowledged the presence in the gallery of JCI Philippines national president, Mr. Paul Jess Estrellado, together with Board Member AJ Rebong of Occidental Mindoro.

APPROVAL OF THE JOURNAL

Upon motion of Senator Zubiri, there being no objection, the Body dispensed with the reading of the Journal of Session No. 35 (November 25, 2019) and considered it approved.

REFERENCE OF BUSINESS

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

BILLS ON FIRST READING

Senate Bill No. 1186, entitled

AN ACT MANDATING THE DEPARTMENT OF EDUCATION (DEPED) TO INCORPORATE FIRST AID IN THE PHYSICAL EDUCATION (P.E.) SUBJECT IN ELEMENTARY AND SECONDARY SCHOOL CURRICULA IN BOTH PUBLIC AND PRIVATE SCHOOLS

ms jmv

Introduced by Senator Lapid

To the Committee on Basic Education, Arts and Culture

Senate Bill No. 1187, entitled

AN ACT INSTITUTING ONE PARTY CONSENT, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4200, OTHERWISE KNOWN AS "AN ACT TO PROHIBIT AND PENALIZE WIRE TAPPING AND OTHER RELATED VIOLATIONS OF THE PRIVACY OF COMMUNICATION, AND FOR OTHER PURPOSES" AND REPUBLIC ACT NO. 9372, OTHERWISE KNOWN AS THE "HUMAN SECURITY ACT OF 2007"

Introduced by Senator Lacson

To the Committees on Public Order and Dangerous Drugs; and National Defense and Security, Peace, Unification and Reconciliation

Senate Bill No. 1188, entitled

AN ACT PROVIDING FOR THE NATIONAL ENERGY POLICY AND REGULATORY FRAMEWORK FOR THE PHILIPPINE LIQUEFIED PETROLEUM GAS INDUSTRY

Introduced by Senator Gatchalian

To the Committees on Energy; and Trade, Commerce and Entrepreneurship

Senate Bill No. 1189, entitled

AN ACT INSTITUTIONALIZING SUPPORT MECHANISMS ON MATTERS OF STUDENT DISCIPLINE AND CLASSROOM MANAGEMENT FOR TEACHERS AND PERSONNEL IN THE PUBLIC SCHOOL SYSTEM

Introduced by Senator Poe

To the Committees on Basic Education, Arts and Culture; and Women, Children, Family Relations and Gender Equality

Senate Bill No. 1190, entitled

AN ACT REGULATING CLASS SIZE IN ALL PUBLIC SCHOOLS AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Poe

To the Committees on Basic Education, Arts and Culture; and Finance

RESOLUTIONS

Proposed Senate Resolution No. 220, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE COMPLIANCE WITH MARITIME SAFETY STANDARDS SET BY THE MARITIME INDUSTRY AUTHORITY (MARINA), AND RELATED ISSUES ON THE EFFECTIVE IMPLEMENTATION OF OUR MARITIME TRANSPORTATION LAWS, WITH THE END VIEW OF ENACTING AMENDMENTS TO EXISTING LEGISLATIONS THAT WILL ENHANCE PROTOCOLS ON THE SAFETY AND QUALITY OF PASSENGER TRANSPORT SERVICES, PROVIDE FOR EFFECTIVE SUPERVISION AND REGULATION OF ALL WATER TRANSPORT IN THE COUNTRY AND ENSURE PROPER MOBILIZATION OF RESOURCES FOR NECESSARY MARITIME TRANSPORTATION INFRASTRUCTURE

Introduced by Senator Gatchalian

To the Committee on Public Services

Proposed Senate Resolution No. 221, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE STATUS AND CHALLENGES OF PROJECTS UNDER THE 'BUILD,

BUILD, BUILD' PROGRAM AND THEIR MODES OF FINANCING WITH THE AIM OF ENSURING TRANSPARENCY AND ACCOUNTABILITY OVER ITS IMPLEMENTATION ADDRESSING ISSUES AND CHALLENGES THAT HAMPER ITS PROGRESS, AND DETERMINING THE NEED TO LEGISLATE AN INFRASTRUCTURE MASTERPLAN POLICY

Introduced by Senator Gatchalian

To the Committee on Economic Affairs

Proposed Senate Resolution No. 222, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON PUBLIC ORDER AND DANGEROUS DRUGS AND THE COMMITTEE ON YOUTH, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED ENLISTMENT AND TRAINING OF YOUNG PEOPLE AS CHILD-WARRIORS, WITH THE END VIEW OF INSTITUTING REMEDIAL MEASURES TO PROTECT AND PROMOTE THE RIGHTS AND INTEREST OF THE YOUTH OF OUR COUNTRY

Introduced by Senator Dela Rosa

To the Committees on Public Order and Dangerous Drugs; and Youth

Proposed Senate Resolution No. 223, entitled

RESOLUTION URGING THE APPROPRIATE SENATE COMMITTEE TO INQUIRE, IN AID OF LEGISLATION, INTO THE NATIONAL SECURITY IMPLICATIONS OF CHINESE OWNERSHIP AND CONTROL OF THE NATIONAL POWER TRANSMISSION GRID, AND FOR THE JOINT CONGRESSIONAL ENERGY COMMISSION TO CONDUCT A NATIONAL SECURITY AUDIT OF THE NGCP'S OPERATIONS AND FACILITIES

Introduced by Senator Hontiveros

To the Committees on Public Services; and Energy

APPROVAL OF HOUSE BILL NO. 5437 ON THIRD READING

Upon motion of Senator Zubiri, there being no objection, the Body considered, on Third Reading, House Bill No. 5437, printed copies of which were distributed to the senators on November 21, 2019.

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

AN ACT EXTENDING THE AVAILABILITY OF THE 2019 APPROPRIATIONS TO DECEMBER 31, 2020, AMENDING FOR THE PURPOSE SECTION 65 OF THE GENERAL PROVISIONS OF REPUBLIC ACT NO. 11260, THE GENERAL APPROPRIATIONS ACT OF FISCAL YEAR 2019.

Secretary Villarica called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

- | | |
|------------|------------|
| Angara | Pangilinan |
| Binay | Pimentel |
| Cayetano | Recto |
| Drilon | Revilla |
| Go | Sotto |
| Hontiveros | Tolentino |
| Lacson | Villanueva |
| Lapid | Villar |
| Marcos | Zubiri |
| Pacquiao | |

Against

None

Abstention

None

With 19 senators voting in favor, none against, and no abstention, the Chair declared House Bill No. 5437 approved on Third Reading.

EXPLANATION OF VOTE OF SENATOR RECTO

In explaining his affirmative vote, Senator Recto made the following statement:

This bill is more about giving the government the chance to accelerate actual spending, and less about giving more time for them to do it. It is meant to turbocharge spending and not simply extend the period for it to continue with its current sluggish pace. Because if the velocity and volume of disbursement will remain as is during the extended period, then at the end, it will not make much of a difference at all.

This is like a basketball game which has gone into overtime, of which the goal of the team behind is to score, and not to waste time by simply passing the ball around. And the same is true in overcoming deficits—whether in games or in national expenditures.

I have framed the challenge this way—more on the process of spending than on the period to do it – because if government is hard pressed in spending this much money within a year, then what gives it the confidence to spend about one-and-half years' worth of money within the same year? If it cannot spend one GAA within a year, then how much more for 1.5 GAA within the same period? If we are making their plate fuller, what should be done so they will not suffer from budgetary indigestion?

It has to make adjustments, of the legal kind, because a business-as-usual mode will only yield more of the same results. I emphasized the “legal variety” of accelerated disbursement because bottleneck spending should not be at the expense of breaking laws.

In the panic to spend, agencies should not resort to—and DBM must not countenance—the usual recipes in the almanac of fake spending, like transferring the procurement to another agency, such as the DBM Procurement Service, or the PITC, to foist the illusion that an allotment has been obligated.

This kind of “*pasa-load*” type of obligation merely extends the validity of fund and does not give it any value in terms of service provided or goods procured. This violates the taxpayers' trust—taxpayers who have been assured again and again that money taken from them in cash

will be returned to them in kind as fast as they had been collected.

Hindi rin po dapat na basta lamang masabi na nagasta ang pera ay gagamitin na lang sa walang mga katuturan na planning, workshops, seminars, meetings sa mga hotel, resort o pribadong mga restaurants.

Activities such as these are not excursions to see new sights but should be activities to learn new things. Let us not be tempted by the low-hanging fruits from the poisonous trees. This can be avoided if use of the carryover funds will be attended by the highest transparency. This would require constant disclosure of fund releases.

This will also entail the declaration from the onset of important baseline information such as the amount of available funds.

A congressional oversight is likewise needed so that funding duplication will be avoided, and to ensure that activities that the DBM might greenlight for funding are indeed covered by authorized appropriations and not a fruit of their discretionary powers.

I vote yes.

MANIFESTATION OF SENATOR DRILON

Senator Drilon placed on record that the measure which the Body approved, extending the availability of the 2019 Appropriations Act, was already a bill and not just a joint resolution, in light of the decision of the Supreme Court in the case of *Ang Nars*. He said that even as they maintain that joint resolutions have the force and effect of law, henceforth, they have to follow the same procedure in recognition of the decision of the Supreme Court.

Senate President Sotto said that while a joint resolution might not have the force and effect of law according to the Supreme Court, it would still be the expression of the sense of both houses of Congress.

Senator Drilon agreed, saying that, in fact, a joint resolution passed by Congress need not have the approval of the President and that it places on record the strong sense of both Chambers on the matter treated therein. He recalled that before, Congress had adopted joint resolutions concurred in by the President as a way of extending the effectivity of the General Appropriations Act. This time, he said, it must be in the form of a bill.

**COMMITTEE REPORT NO. 6
ON SENATE BILL NO. 1074**

(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1074 (Committee Report No. 6), entitled

AN ACT INCREASING THE EXCISE TAX ON ALCOHOL PRODUCTS, HEATED TOBACCO PRODUCTS AND VAPOR PRODUCTS, AMENDING FOR THIS PURPOSE SECTIONS 141, 142, 143, 144, 147, 150, AND 288, OF REPUBLIC ACT NO. 8424, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

Senator Zubiri stated that the parliamentary status was still the period of interpellations.

Thereupon, the Chair recognized Senator Cayetano, sponsor of the measure, and Senator Villanueva for his interpellation.

**INTERPELLATION
OF SENATOR VILLANUEVA**

Preliminarily, Senator Villanueva said that he shared the noble objective of Senator Cayetano in promoting the health of the Filipino people and in effectively discouraging the over consumption of products that are harmful not only to the health of individual users but to society in general.

Asked by Senator Villanueva if e-cigarette or heated tobacco is illegal in light of the President's order banning it, Senator Cayetano replied that according to Executive Secretary Medialdea, which was also confirmed by DOF Undersecretary Chua, an executive order would be released to clarify the issue. Until then, she said, the Senate Committee on Ways and Means deemed it best to continue with the interpellation on the proposed measure. She said that if the product continues to be available in public, the Filipino people's health is at risk and the very least the Body could do is to resolve the issue via taxation because it is a tool in reducing consumption and an effective deterrent.

Asked whether the executive order would be to regulate or ban e-cigarettes, Senator Cayetano believed that it would be regulatory in nature.

Senator Villanueva recalled that during the committee deliberations, the cigarette industry even agreed that chronic use of e-cigarettes is harmful. He then asked how many Filipinos have suffered from diseases caused by it.

Senator Cayetano said that e-cigarettes is a new product in the market and the people became conscious of its harmful effects only recently, prompting the medical institutions to start documenting it. She said that even the Center for Disease Control and Prevention (CDC) and Food and Drug Administration (FDA) of the US have been working doubly hard to investigate and document the effects of e-cigarettes. She noted that there was only one documented case in the Philippines about the ill-effects of e-cigarettes but if somebody is admitted to a hospital and manifests certain symptoms for use of vape, then the public should be alerted.

Senator Villanueva then asked for a data on the number of e-cigarettes-induced diseases and recorded number of deaths of e-cigarettes users over the past years. He disclosed that Senator Tolentino showed him the other day research and data from the World Health Organization (WHO) regarding the harmful effects of e-cigarettes.

Senator Cayetano, reading the data she has on hand, stated that e-cigarettes contain a very highly addictive substance known as nicotine which, aside from being highly addictive, is linked to increased risk of heart attack and stroke, with 56% more likely to have a heart attack and 30% more likely to have a stroke than non-users. She said that there is conclusive evidence that in addition to nicotine, most e-cigarettes contain and emit numerous potential toxic substances. She recalled that in her two-day indoctrination/education at WHO and London, she learned of the numerous potential toxic substances that have been identified, the reason why health advocates or those working with the Department of Health would prefer to err on the side of safety before allowing such a substance to be accessible to the public. She said that aside from premature death caused by heart and lung diseases, and the worsening of chronic diseases such as asthma, heart attack, bronchitis, and other respiratory problems, long-term exposure may also lead to plaque deposit in arteries causing vascular inflammation and

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the hardening of the arteries which can eventually lead to heart attack and strokes. She added that there are also 39 out of 51 e-cigarette brands that contain diacetyl which causes "popcorn lungs" and when inhaled causes bronchiolitis obliterans or scarring of the tiny air sacs in the lungs which makes one cough and feel short of breath.

Senator Cayetano said that there was high clamor for a ban not just in the Philippines, but also in other countries because health professionals and experts could not give clearance that there are no potentially toxic substances present in e-cigarettes. She feared that in the near future, the product could be tweaked and a refined one would be developed that has very little or no risk. For the moment, she stressed that none of the health advocates could say that e-cigarette is good and safe.

Senator Villanueva said that he was glad Senator Cayetano pointed out that nobody has claimed whether it is good or safe because one contentious issue on e-cigarettes is that it may attract even the young non-smokers to begin the habit. He asked whether the Committee was considering imposing higher excise taxes on variants of e-cigarettes identified to be appealing to the youth.

In reply, Senator Cayetano stated that she would first define the term "youth" or those referred to as young. She said that those below 18 years old are called minors, while a big chunk of those who are attracted are no longer minors. Thus, she said that there are proposals by WHO to include in the classification those 18 years old all the way to 25 years old which she adheres to because of the scientific evidence that the brain continues to grow up to the age of 25. She said that if young people would not be protected because they are no longer 18, then they would be exposed to all the health hazards. She warned that more dangers would appear if flavored e-cigarettes are introduced because there is more experimenting and they are more attractive to the youth.

Senator Villanueva added that those who are not supposed to smoke would be encouraged to try smoking because of experimenting.

Senator Cayetano told of a story of a lady in her 30s who was a social drinker and smoker, who never smoked outside of her social environment. She said that when the lady heard that e-cigarettes are healthier,

she tried and eventually became addicted to it; she got hooked to something that was considered less harmful even if she was not hooked on cigarettes at all before.

Senator Villanueva then asked how the government is protecting the young people and how it is regulating e-cigarettes as he recalled that the tax measure, which was passed during the last Congress, contained a provision introduced by Senator Recto restricting the sale of e-cigarettes to minors but sadly, he said, majority of those who have access to e-cigarettes are minors. Senator Cayetano stated that the query was whether flavors in e-cigarettes are banned or regulated. She recalled that in the earlier discussions in the Chamber and her educational exposure with WHO and other health experts, there really was a strong recommendation to ban flavors and, if at all, to stick to tobacco and menthol which are common in cigarettes, so that if tobacco taste is disliked, the alternative would be to have menthol so that the concern of smokers to shift from one flavor to another would be addressed. But in the case of e-cigarettes, she feared that offering different flavors may entice the youth to shift to e-cigarette smoking. In this regard, she recalled one resource person who made a testimony in London, the head of the association of e-cigarette users who explained how he shifted, how he started playing around with the flavors which he eventually loved. She said that the product has become very exciting that it has become a very exciting world to live in not only to the youth but even to adults. She said that instead of just shifting away from cigarettes, many of them already have all these flavors stocked in their cars even while it has not been proven healthy to everyone. Thus, she believed that the goal for the smokers to stop smoking was not achieved as they are now exploring to try different flavors.

For his part, Senator Villanueva stated that such is the reason why he strongly supports any move to highly regulate e-cigarettes, especially flavored e-cigarettes. He said that JUUL sells four flavors, namely, mint, tobacco, mango, and cream while other countless flavors are available in the market, such as peppermint, coffee, candy and lemonade, among others.

Asked what could be done to prevent the person from being addicted to the substance or to the flavor, and whether the government is getting better and more effective in regulating e-cigarettes, Senator Cayetano replied that there is no regulatory agency

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that is looking at the matter because the members of the industry had certain concerns about the regulatory arm, thus, they filed a case and a TRO was issued against FDA and DOH as the regulating arms. She said that one of the strong positions aired by the members of the industry during the hearings and consultations is that they should not be required to get a license to operate and comparing themselves to cigarettes, that they should not be required to have the certificate of product registration of the FDA. But she wondered how the government could not regulate a product that is not healthy and which is the job of the FDA and DOH.

Senator Villanueva asked why the Food and Drug Administration should solely regulate e-cigarettes when there is an interagency called "Interagency Committee-Tobacco" (IAC-Tobacco) tasked to regulate traditional or regular cigarette product. Since Package 2 essentially treats e-cigarettes and regular cigarettes as equal, as manifested in its intent to impose an equal level of excise tax, he asked if the same interagency could regulate e-cigarettes and if the Food and Drug Administration could be included in the interagency committee. Senator Cayetano explained that the interagency, headed by the DTI, was created to regulate tobacco consumption which she and many health advocates, even the DOH and the previous FDA administrators, thought to be wrong because to them, there cannot be an agency that includes the tobacco industry and whose function is to regulate the consumption of tobacco, one of the most hazardous products in the world. And indeed, she pointed out, the Framework for Tobacco Control, to which the country was a signatory, prohibits the cigarette industry from participating in regulatory measures. She stated that members of the e-cigarette industry compared themselves to the cigarette industry; thus, they questioned why they are going to be regulated when the cigarette industry is not when they are thought to be safer. However, she believed that one wrong could not be corrected by another wrong.

Asked by Senate President Sotto what law created the interagency and when it was formed, Senator Cayetano said that it was created pursuant to Republic Act No. 9211.

Senator Villanueva stated that Section 29 of RA 9211 (the Tobacco Regulation Act) mandated the creation of the Inter-Agency Committee-Tobacco vested with the exclusive power and function to administer and to implement the law, with the

secretary of the Department of Trade and Industry as chairperson and the secretary of the Department of Health as the vice chairperson.

Senate President Sotto assumed that the FDA is technically present in the interagency because it is an agency under the control of the DOH.

Senator Cayetano explained that historically, the DTI has been the head of the interagency and that it was only recently that the Administration took the lead in crafting protective measures as regards cigarettes and e-cigarettes by virtue of an administrative order on e-cigarettes. She said that the major intervention which happened during President Aquino's administration, was when she, as chairman of the Committee on Health, shepherded the passage of the current FDA law which strengthened the then BFAD law, and in that law, she pointed out, any product that is harmful will be covered, including cigarettes. She disclosed that she and Senator Drilon were intervenors in the case filed by the industry against DOH and FDA to prevent FDA from exercising the same kind of regulatory powers. Unfortunately, she said, a TRO was issued and the TRO is still existing. She posited that the President declared a total ban on e-cigarettes out of disgust.

Asked why she did not file a law to repeal Republic Act No. 9211 if she felt so strongly about the law, Senator Cayetano explained that she has two bills yet to finalize, one is to regulate e-cigarettes and the other is to amend R.A. No. 9211, so that cigarettes and e-cigarettes would finally be settled in the agency where they belong. She also asked for the support of the Body, admitting that she cannot fathom how cigarettes and e-cigarettes could be put under an agency that has no training and no expertise when it comes to health.

Senator Villanueva said he would support the measure once it reaches the plenary as he agreed and thanked Senator Cayetano for her clear explanation of the background on the composition of the Inter-Agency Committee-Tobacco as the implementing agency of R.A. No. 9211.

On the excise tax on alcohol products, Senator Villanueva noted that there are three types of excise tax: specific tax, which is based on quantity or volume and which could either be unitary or dual; *ad valorem*, which is based on value; and mixed, which is both specific tax and *ad valorem* tax. He

said that the alcohol types are distilled spirits, fermented liquor, and wines. He then presented a table showing the type of excise tax under the current law and under the proposed versions of Senate and the House of Representatives:

- Under Republic Act No. 8424 or Tax Reform Act of 1997, the type of excise tax used on certain products are the following: for distilled spirits — mixed; fermented liquor — specific tax-dual; and wines — specific tax-dual;
- Under House Bill No. 1026 for distilled spirits — mixed; fermented liquor — specific tax-unitary; wines — mixed; and
- Under Senate Bill No. 1074 for distilled spirits — mixed; fermented liquor — specific tax-unitary; wines — specific tax-unitary.

Senator Villanueva flashed a presentation showing a table of comparison of the types of excise taxes being implemented on distilled spirits, fermented liquor, and wines if based on R.A. No. 8424, House Bill No. 1026, and Senate Bill No. 1074.

Asked to explain why the Committee proposed in Senate Bill No. 1074 a mixed type of taxing distilled spirit, Senator Cayetano explained that the practice is the same under the current law; there is the *ad valorem* tax and a specific tax. She said that the reason the Committee proposed to continue using it is that it works in terms of reaching the objectives. She explained that when there is an *ad valorem* tax, that is based on the price and therefore, across the board with 20% as the proposed rate, so that whether it is a cheap alcohol product, such as the cheapest Gin *Bilog* at P40 with a retail price of P44, or an expensive whiskey at P1,000 with a retail price of P1,200, both get taxed based on their price at 20%.

Senator Villanueva observed that given the big price range, the best option is to impose a mixed excise tax of specific tax and *ad valorem* tax. Senator Cayetano clarified that *ad valorem* tax is the percentage that takes care of the price difference, while the specific tax addresses the alcohol content, so that those with higher alcohol content would technically end up being taxed higher and consequently, its price higher which is where the health deterrent component comes in.

Asked on the basis for amending the excise tax on fermented liquor from specific and dual under the

Tax Reform Act of 1997 into specific and unitary, Senator Cayetano pointed out that its alcohol content compared to beer is roughly the same, it is not as extreme as distilled alcohol. She said that fermented liquor is taxed as per proof liter for simplicity. She explained that if the concern would be the pricing between imported and local products, it should be noted that there are still the value-added tax (VAT) and the customs duties.

On wines, Senator Villanueva said that in the House version, it falls under the same category as the distilled wine; thus, the price range is almost the same although the alcohol content varies.

Asked why the Committee proposed a specific and unitary kind of excise tax instead of a mixed one when looking at the volume and the collection that government would be collecting would be higher if a mixed type is imposed, Senator Cayetano replied that it was a judgment call that the Committee made, saying simplicity was the basis for the decision since wines constitute only 1% of the market. She noted that compared to the version of the House of Representatives, the rate is much higher using the mixed type of excise tax.

Looking at distilled spirits and wines, Senator Villanueva said that sparkling wines currently with a net retail price (NRP) of less than P500 is priced at P328 only under the current law, and if Senate Bill No. 1074 is passed, it would be priced at P600 only, whether the NRP is less than or greater than P500. Thus, he posited that if the government wanted to collect more revenues, it would be better to implement the same with the distilled spirit, which is a mix kind of excise tax.

Senator Cayetano stated that in proposing the kind of tax to be imposed, she had to weigh the need for taxes *vis-a-vis* simplicity and deterrence. She nevertheless expressed openness to suggestions. Senator Villanueva said it was good that the Sponsor was open to the idea of imposing a mixed-type of excise tax on wines as he shared that his friends from the DOF were also saying that they are actually agreeable to that idea.

On the objective of promoting a tax structure that better responds to the health objectives of the bill, Senator Villanueva said that it is clear that excessive blood alcohol concentration exposes one to countless alcohol-attributable diseases and impairs one's judgment in physical faculties resulting in

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accidents and crimes, as mentioned by Senator Cayetano in her sponsorship speech.

Asked which type of product among the distilled spirits, fermented liquors, and wines accounts for the largest share of consumption in terms of pure alcohol. Senator Cayetano stated that in terms of alcohol consumption, distilled spirits registered the highest amount, but in terms of the overall consumption, it would be beer and the per bottle percentage of alcohol in beer is lower than distilled spirits.

Senator Villanueva stated that based on the Bureau of Internal Revenue (BIR) data, the Philippines had 1.825 billion liters of fermented liquor products and 441.15 million proof liters of distilled spirits in 2017. He said that it was interesting to note that beers usually have 5% alcohol content while distilled spirits contain approximately 40% alcohol; thus, one shot of distilled spirits is already equivalent to one bottle of beer, and that while fermented liquor comprise the largest volume among all alcoholic beverages, they, in fact, account for a smaller share in terms of pure alcohol intake of an average Filipino drinker. He also cited the data from the Global Status Report on Alcohol in Health by the World Health Organization which confirmed that: "An average Filipino drinker, aged 15 years old and above, consumed an estimated 19.9 liters of pure alcohol—in 2016—and of this total pure alcohol intake, fermented liquors accounted for only about 1/4, at 27%; while distilled spirits accounted for almost 3/4, at 72%; and wine products comprised the remaining one percent." At this juncture, he showed on the screen a pie graph indicating the percentage of the recorded alcohol per capita consumption.

Asked why distilled spirits constituted the largest pure alcohol consumption of Filipino drinkers, Senator Cayetano revealed that the Philippines tops the world record when it comes to alcohol consumption because the price of alcohol is cheaper here than in other parts of the world. She added that distilled products are also very cheap, adding that one shot of the cheapest commercially produced gin is currently at P4. With her proposed taxation, she said that the price would be six pesos (P6.00), and that she would stand by her higher rates precisely because of the sad reality that the country sells liquor at very cheap price.

Agreeing with the Sponsor, Senator Villanueva said the Body can still stretch the tax rate more on the distilled spirits since it has the worst effects among the alcohol products.

Giving another data from the WHO, Senator Villanueva stated that distilled spirits are the largest contributor to the pure alcohol consumption of Filipino drinkers; the consumption is too high that such volume of alcohol — 14 liters from distilled spirits — is the highest recorded among ASEAN countries. He added that at present, in the ASEAN, only the Philippines, Myanmar, and Thailand, recorded a higher portion of alcohol from distilled spirits than from beer. Looking at the data from the International Wine & Spirit Research, he noted that the Philippine gin market, the largest gin market in the world, grew by 8% in 2018 despite its global decline in popularity, and that the same report predicted that the Philippines' alcohol market would continue to grow up to 2023, such from 1.1% of the global consumption in 2018, to 1.4% of global consumption in 2023.

Asked why the Philippines has such high consumption of pure alcohol, Senator Cayetano affirmed that culture and accessibility contribute to such habit of drinking. She said that just like the youth's constant exposure to e-cigarette smoking and promotion, a parallel example is the youth's constant exposure to drinking alcohol which is evident in the streets where a group drinking spree is a common sight. She admitted that drinking has become part of the culture that cannot be solved by tax alone; thus, there should be an intervention on the social side as well.

Senator Villanueva lamented that the tax on distilled spirits is not enough despite the fact that it is responsible for the larger source of alcohol intake of an average Filipino drinker. He asked if it is logical to infer that distilled spirits carry a bigger responsibility or burden in terms of the health and social cost associated with over-drinking in the country. In terms of health risk, Senator Cayetano said that distilled spirits definitely have a very detrimental effect on health because of the higher alcohol content. However, she noted that in the Philippine social context, it is aspirational to be a beer drinker. Thus, she said that it would be irresponsible to just focus on distilled products. She emphasized that there is no safe level of alcohol consumption, even one glass of red wine a day which was believed to be beneficial to health.

Senator Cayetano also pointed out that the burden of taxation in the proposed measure has shifted to distilled spirits. Currently, she said that the taxation burden for fermented products or for beer is at 73%, which is more or less commensurate to its sales or consumption which is 75% of the market.

Under the proposal, she explained that it would go down to 67%, but for distilled spirits, it would go up from 24% to 31%. She said that the intervention to increase both, or all categories, has been made in the proposed measure. She assured that the proposed rates underwent a lengthy study, considering health issues as well as spreading out the burden among the industries.

Senator Villanueva placed on record that he has never drunk beer and that it was not his aim to single out distilled spirits. He pointed out a study which states that it is difficult and unsafe for the liver to process alcohol beyond the standard drink level as being espoused by the Department of Health, which is defined as 12-ounce of beer or 1.5-ounce of distilled spirits per hour. He emphasized that with the huge alcohol concentration in distilled spirits, it is relatively easy to breach the standard level when consuming those products. He asked if Senator Cayetano would agree that the product responsible for almost three-fourths of alcohol consumption should be held equally responsible for all the social cost of drinking as compared to the product that accounts for only one-fourth of alcohol intake.

Senator Cayetano acknowledged the fact that the alcohol content of distilled products is higher and, therefore, unhealthy. However, she also recognized the reality that there are more beer drinkers in the country. She reiterated that it is irresponsible for the Committee to focus on just one category and not look at the bigger picture. She said that it is their job to spread out the rates while considering all sides.

Regarding the rates for wine, Senator Cayetano clarified that simplicity was not the only basis for imposing the rates because the specific tax would still distinguish between different price points, so the expensive and imported products would still increase proportionally. Additionally, she noted that wine is already a prohibitive product because it is not something that the average youth would drink, so it was not the focus in terms of deterrent. She reiterated her openness to discuss and amend the rates.

Senator Villanueva inquired on the number of beer drinkers in the country. He noted that distilled spirits is the largest contributor to pure alcohol consumption of Filipinos—14 liters which is the highest recorded among ASEAN countries. He added that only the Philippines, Myanmar, and Thailand recorded higher portion of alcohol consumption from distilled spirits than from beer and coincidentally, consume

more alcohol in total. He also cited a WHO data which showed that in ASEAN, the total pure alcohol intake in countries where distilled spirits is the most common alcohol of choice is 60% higher in other countries where beer is the top choice—20.9 liters versus 12.9 liters of alcohol, respectively. He stated that they should remain true to their health objectives and identify which products cause the health problems to be addressed and exert proportionate efforts to reduce their consumption.

Asked which alcoholic product is taxed more heavily per volume of alcohol content, Senator Cayetano replied that it is still beer; hence the recommendation of the Committee to shift some of that burden to distilled spirits. Senator Villanueva again clarified that he does not intend to single out distilled spirits as he wants both categories to be taxed.

Asked why the alcohol excise tax structure has been designed in a way that the equivalent tax per alcohol content is higher for fermented liquor than for distilled spirits, and whether this is due to the health and social cost associated with it, Senator Cayetano said that during the deliberation of the Sin Tax Law in 2012, she was quite supportive of it because it has been a long time since an increase was introduced. Likewise, she recalled that the health advocates were also happy that there was an increase in taxation. She reiterated that the Committee further increased the share of the distilled products. While she agreed that the increase was not enough, she said they have to look at the bigger picture and ensure that, while unhealthy products are available in the market, they are doing the proper interventions to make it less accessible to the most vulnerable.

Senator Cayetano lamented that despite the country's journey towards becoming an upper middle-class economy, such products are still accessible to the youth. She reiterated they have to distribute the burden because they cannot tax just one industry.

Given that health is at the core of the objective of this legislation to minimize illness, deaths, accidents, and violent acts associated with alcohol consumption, Senator Villanueva stated that it is important to discuss and talk about the intent behind the disparity in excise taxes levied per volume of alcohol across the different products.

Regarding the trend of tax burden in other countries, Senator Cayetano mentioned that the

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tendency is to drink socially and not get drunk, partly because of health advocates, awareness, and the strong institutions handling tobacco and alcohol control. She said that people usually consume either expensive distilled products or fermented products like beer. She added that they could not just let go of the tax for beer and focus on distilled products because for the youth, it is considered aspirational to hold a bottle of beer. She noted that social component is the reason for watching the price of beer.

Senator Villanueva stated that distilled spirits contribute a lion's share in alcohol consumption, yet, they collect more revenues from fermented liquor products. He surmised that for the funds the government was able to generate in the past years, taxes on producers of distilled spirits shared a lower contribution to the Universal Health Care. He remarked that it is hard to reconcile such irony.

Asked how the proposed bill would change the tax burden of fermented products compared to the distilled spirits. Senator Cayetano stated that currently, the share of fermented products is 73.9%, the share of distilled products is 25.2%, and less than 1% left for others. Under the committee report, she said that the excise tax share for fermented products would decrease to 67.9%, the share of distilled products would increase to 31.2%, and for wine and others it would still be less than 1%.

Agreeing with Senator Villanueva's concerns and conclusion, Senator Cayetano, however, informed the Body that in terms of comparative prices of popular beers in the ASEAN, the Philippines ranks third to the lowest, with Vietnam and Cambodia lower than the Philippines. She stated that the country has not improved as Laos' rates are higher than the committee's proposed rates, which means it cares about the liver of its citizens more than the Philippines does.

Senator Villanueva stated that his questions are intended to help the Senate shape an alcohol excise tax structure that is more pro-health and one that would fairly impose a higher tax burden on the product that is more responsible to the health concerns being addressed. In addition, he said that the intention is to discourage the consumption of alcoholic beverages.

As regards the specific health targets of the bill, Senator Villanueva stated that whenever a new tax measure is deliberated, specific measures of performance are used to assess the effectiveness of the law,

similar to the assessment of the budget utilization and its physical performance. He recalled that during the deliberation of the TRAIN Package 1, the Department of Finance generated targets in relation to revenue, inflation, poverty alleviation and spending. Moreover, he said that during the deliberation of the Sin Tax Law in 2013, the Department of Health also provided information on the potential benefits of the law such as the reduction of smoking prevalence on young people; reduction of the number of cigarettes consumed; reduction of tobacco-related expenditures; and reduction of economic burden of tobacco-related diseases.

Asked on the estimated price elasticity or sensitivity of demand for alcoholic beverages, Senator Cayetano replied that it is -0.2.

Senator Villanueva surmised that with a -0.2 elasticity, a 10% increase in price would lead to a 2% decrease in consumption.

Laying down the basis, Senator Cayetano stated that the prevalence record from 2008 to 2013 was from 26.9% to 48.2%; in 2013, during the enactment of the Sin Tax Law, there was a decline from 48.2% to 44.9% in 2015. However, she said that health advocates have advised that there should be a continual adjustment in price because of the increasing purchasing power and inflation. She averred that at present, the prevalence record was already on an upward trend at 46.62% and it is projected that the prevalence record would go down – 45.39% in 2020; 44.86% in 2021; 44.38% in 2022; 43.94% in 2023, and so on. She noted, however, that after 2015, the trend was already going upward. She explained that by 2020, the starting rate would be high due to the increased purchasing power, and because the rates are not continually increasing for a longer term, the prevalence record would be on an upward trend, until a new law is passed.

As to why the rate keeps going up despite the Sin Tax Law, Senator Cayetano reiterated that the purchasing power of the people increases over time. She pointed out that when there are no adjustments to the tax rates on sin products, it becomes easier to consume. She stated that health advocates have advised Congress to be very conscious of the increase in population and the purchasing power especially of the youth by virtue of the BPO industry alone. She also cited the increased incidence of strong alcohol uptake in such areas of employment.

P 4/11

Asked if it was safe to assume that for every 10% increase in price, there would be a 2% decrease in consumption, Senator Cayetano replied in the affirmative. She clarified that in terms of volume, despite the figures on record, it would easily be offset by the income growth and population growth. She stated that even with a target decrease in consumption per person, the growth of the industry would remain because of the income growth and the population growth. She explained that after the enactment of the Sin Tax Law in 2013, the growth rate of the alcohol industry was not affected.

To Senator Villanueva's observation that the law has not been a deterrent, Senator Cayetano stated that it has become a deterrent on a personal basis. She demonstrated that currently, the suggested retail price (SRP) of a bottle of 320-ml beer is at P42. She said that if a young person has P250 in his/her pocket, he/she would spend P210 for five bottles of beer which leaves him/her P40 for fare or cellphone load; at the proposed rate of P48/bottle at 5 bottles, for the same amount of money in the pocket, there would not be enough left for fare, much less for load. Thus, she pointed out that it becomes a personal deterrent because the drinker would not buy the fifth bottle because the fare or load is equivalent to the price of another bottle; the increase would make a person think twice about the last bottle. As regards health, she stated that binge drinking has the highest health risk among young people – Filipinos have a very high rate of binge drinking. She said that it is an issue that the government has to keep an eye on. She stressed that if the increase would prevent a person from getting the fifth or sixth bottle, then the purpose of the law has been achieved. She added that in terms of overall sales, it would stay the same because of the increase of population and increase of spending power.

Senator Villanueva stated that if it was just a personal matter, the change in consumption should translate to a national level.

Agreeing with Senator Villanueva, Senator Cayetano stated that if there were 100 or 1,000 drinkers at the moment, they would be drinking one bottle less in the future despite the increase in population. However, she lamented that those who were young once would become drinkers as they would get employed and would be able to buy their alcoholic beverages despite the price increase. She argued that there would be a deterrent effect but it

would not kill the industry. She said that the Committee is open to proposals of other Members and hoped that it would find comfort over the fact that both questions and answers are being analyzed.

As regards the youth and poor sectors of society, Senator Villanueva inquired how much of the 0.2% elasticity rate would affect the consumption of such sectors. Senator Cayetano stated that the Committee has concluded that the poor and the youth are more price-sensitive and that it would be good that both sectors are the most affected by price increase and health campaigns.

Asked by Senator Villanueva if the DOF would have data on the elasticity rate, Senator Cayetano stated that there is no survey regarding the elasticity, and that it would help the Committee to have more detailed surveys to guide them in the future. However, she stressed that the principle is clear except that it could not completely conclude its findings without such a survey.

On another matter, Senator Villanueva inquired about alcohol-related diseases and death. Senator Cayetano stated that alcohol accounts for five percent of the Philippines' Years of Life Loss (YLL) due to premature death and Years of Loss due to Disability (YLD). She said that a chart on the information would be provided to the Body.

Senator Villanueva stated that he would want to focus on statistics on the accidents and violent acts associated with drinking and how the problem could be addressed through the proposed measure.

At this juncture, Senator Cayetano disclosed that during the hearing, an emergency doctor testified that daily, and especially during celebratory periods, majority of the accident-related injuries are caused by intoxication. She stated that at the moment there is no data but that what is available does not paint a clear picture, but that the testimony in itself was revealing.

Senator Cayetano said that her father had cirrhosis of the liver but related to hepatitis B but not to alcohol. She clarified that she only mentioned it to share her additional knowledge on the disease. Deaths in terms of liver cirrhosis in 2016, she said, were 4,431. However, she believed that there are many debilitating effects of having liver cirrhosis and that people may have died of other causes but still related to it. She likewise believed that they should not limit themselves

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to the raw figures they were provided with, especially since she is very familiar with liver cirrhosis.

Senator Cayetano disclosed that the issue is personal to her and that it is high time to discuss it as the world celebrated International Violence Against Women's Day especially because a lot of incidents involving domestic violence are accompanied by alcohol abuse by a family member. Although the cases of violence involving the influence of alcohol seemed underreported, she said that a lot of studies show that these are accompanied by abusers who are under the influence of alcohol. She said that it has been a long-standing campaign of hers to fight against violence.

Senator Villanueva said that he is likewise interested in the issue because he believed that there is a need to protect the quality of life of people especially the young. He asserted the need to look into the data as to how similar incidents would be prevented since some countries already have mechanisms to check and measure them.

Senator Cayetano said that she could provide Senator Villanueva a copy of the data. She noted that cases of death and disability causally related to alcohol consumption in 2016 were as follows: tuberculosis, 25,000; diabetes, 33,000; hypertension, 33,000; ischemic heart disease, 74,000; disease of the liver, 8,900; malignant neoplasm of the mouth and gastrointestinal tract, 19,000, among others.

Senator Villanueva presumed that the purpose of passing the measure is to prevent deaths, disabilities, and deaths related to alcohol influence. He then asked if there are simulations as to how many deaths and accidents are expected to be prevented by raising the excise tax as proposed.

Senator Cayetano replied that it would have an effect like in other countries that have been aggressive in terms of their taxation and access for the youth. Aside from having a clear change in the practice from getting drunk to just socially drinking, she hoped to also address social drinking that could interfere with one's obligation when done too often.

Senator Villanueva related that he lost a friend, a Kristiyanong Kabataan sa Bayan (KKB) leader, who was a victim of drunk driving.

Asked again if there is available data or study on the effectiveness of the measure on reducing alcohol-

related dates such as in the other countries, Senator Cayetano replied in the affirmative. In fact, she said that the computed DOH-DOF rates are lower than the rates proposed by the Committee, and that 15,000 deaths could be averted in a year based on the 2017 Global Burden of Disease study.

Senator Villanueva reiterated that the bill is not just a revenue measure but also a policy towards achieving intended health objectives.

Senator Cayetano reported that alcohol accounts for 5% of the Philippine years of human life lost. Moreover, she said that worldwide harmful use of alcohol causes 26% of all mouth cancer cases, 11% of all colorectal cancer cases, 5% of all breast cancer cases, 7% of all hypertensive heart disease cases, 48% of all liver cirrhosis cases, 26% of pancreatitis cases, and 20% of all tuberculosis cases.

Senator Villanueva said that he would like to have a copy of the information for the Philippines.

Senator Cayetano assumed that if the industry is healthy, then there is a correlation with employment. As to the impact of the measure on employment, she noted that her chart showed that from 2013 onward, San Miguel Beer continued to perform very well; Emperador had a very slight decline between 2013 and 2015 but tapered off to straight line which means that there is a constant economic growth revenue collection throughout the remaining years. She added that the same also went with Tanduay which is also a straight line.

As regards employment, Senator Cayetano said that based on the data on fermented products such as beer, the industry did not suffer any decline during the previous increase in the sin tax. She noted that there was actually an increase from 2010 to 2013 in terms of employment. While there is no change between 2013 and 2014, she said that there also was an increase in employment in 2015.

Senator Villanueva stated that aside from direct employment from such industries, they should also look into the impact of the bill on the other local industries that indirectly contribute to alcoholic beverage production, for instance, industries engaged in corn grits, packaging materials, cans, fuels and bottles.

Senator Cayetano said that there is a DOLE position paper that shows that between 2016 and

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2019, there were 196 displaced workers from companies directly related to the production of alcohol products. However, she noted that such termination of employment was not directly related to the implementation of sin tax. She said that the top reasons for the termination or cessation of employment were: 1) reorganization; 2) lack of market; and 3) financial losses.

Senator Villanueva recalled that the same issue was raised in 2012 during the deliberations on tobacco and alcohol taxes and that a transitory provision for retaining and retooling of workers to address the issue was added.

Senator Cayetano believed that Senator Villanueva is the best person to consult when it comes to retraining and retooling. She said that she, in fact, challenged the industries and that San Miguel Beer actually did a good job. She related that Mr. Ramon Ang received the Manager of the Year award a few days before for expanding the business to other industries which, she believed, a prudent CEO and board would do to weather the tides of various factors that affect their business.

Asked if she is open to the idea of having the same kind of transitory provision as has been in the previous sin taxes, Senator Cayetano replied in the affirmative, noting that a total of 5,000 farmers displaced in the farming industry for cigarettes alone were assisted to move on to other industries under R.A. No. 10351. The said farmers, she said, moved to other crops and were also given other livelihood opportunities using the virginia tobacco tax law.

Asked how the passage of the bill would affect the workers, Senator Cayetano replied that the decline in volume due to price elasticity would easily be offset by the income growth and the population growth and that it is not anticipated that there would be individuals who would be displaced. However, she assured that the DOLE, TESDA, and all other related agencies are told to be mindful if it happens. Although the data showed that the measure has no anticipated impact, she believed that in reality, there would still be that which should be looked at not as a deterrent to the passing of the measure but as an opportunity for retooling and for entering into other industries that have even better potential in contributing to the wellness of the society. She averred that there is no harm in retooling and helping them transition into industries that are sustainable such as the wellness and health industry which is booming all over the world.

At this juncture, Senator Villanueva suspended his interpellation.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:59 p.m.

RESUMPTION OF SESSION

At 5:11 p.m., the session was resumed with Senator Villanueva presiding.

INTERPELLATION OF SENATOR GORDON

At the outset, Senator Gordon asked whether the proposed measure is a revenue or a health measure. Senator Cayetano replied that it is a revenue measure because of the need to raise funds; it is also a health measure, because of the need to protect health; and it is also for simplicity, to simplify the taxation process.

Asked whether imbibing alcohol has more severe ill-effects than cigarette smoking, Senator Cayetano disclosed that according to the health experts during the committee hearings on the proposed measure, both alcohol and cigarettes have the same pressing issue as they cause the same ill-effects on health. She pointed out that alcohol and cigarettes are equal and it would be inaccurate and a disservice to say that cigarette is more important to address than alcohol.

Senator Gordon said that he just wanted to be assured about alcohol since he believed that cigarette smoking would have more severe effects on people's health. He then asked if the health department wanted to discourage cigarette smoking and alcohol drinking. Senator Cayetano replied that based on the daily chart of *The Economist*, cigarette smoking and alcohol drinking appears to be roughly equivalent in terms of its "harm to users," although she believed that alcohol still rates higher; but in terms of "harm to community, economic, and environmental costs," the effects of alcohol is much more than tobacco.

Asked how many people drink alcohol. Senator Cayetano replied that the prevalence rate of alcohol consumption is 46% of the population and that distilled products are more toxic because of its high level of alcohol. However, she said that beer drinking has social impact especially in the middle class economy

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because of its accompanying ill-effects both to oneself and to the community.

On whether there are more beer drinkers than distilled spirits drinkers, Senator Cayetano replied that the volume of consumption is 75% for beer drinkers based on the tax collection but it does not reflect the actual number of drinkers.

At this juncture, Senator Villanueva relinquished the Chair to Senator Zubiri.

Senator Gordon believed that it is more accurate to say that hard liquor is indeed more dangerous not only for oneself but also for others because beer drinking does not necessarily create addiction.

Senator Cayetano said that the problem is alcoholism and whether it is consumed by way of beer or by way of distilled products, the practice is still very harmful and addictive. She explained that alcohol is harmful and there is no level of alcohol consumption that is considered acceptable. She said that she was surprised when the health experts read into the record the latest findings that debunked the belief that one glass of wine a day is good for the heart.

Referring to how the term “debunked” was stressed as it was very pronounced, Senator Cayetano explained that it was emphasized because she only drinks or enjoys a glass of wine during occasions. However, she lamented that her excuse of having only consumed only one alcoholic drink three times a year does not apply anymore.

Senator Gordon admitted that he himself does not drink either. However, he said that there were times that he got a little bit inebriated, as in the service of the country, when he was asked as Secretary of Tourism to “kampai” in China; and when he was in Taiwan, the Minister of Finance, the Minister of Trade, and his good friend Jeffrey Co, acknowledging his frequent visit to Taiwan, bought a very poisonous snake and mixed it with liquor and, out of courtesy, he started to drink in moderation. He said that by the time the spirit of friendship was terminated late that night, he was a bit inebriated; and the fact that it was so bad, the Minister of Finance even shared a toilet bowl with him. He said he would shudder when Senator Cayetano would say “harm” when referring to the effects of alcohol to the body.

Asked if there are clear studies to prove that drinking wine once a day or brandy after dinner

could cause liver cancer or could cause cirrhosis of the liver, Senator Cayetano clarified that the studies show that there is no safe amount of drinking; but there studies that show that binge drinking or drinking a huge volume in a very short amount of time, the worst and most harmful.

Senator Gordon wondered whether putting a limit on the people who drink could be possible. He said that it is a macho game in carenderia or bars by showing on the table the number of bottles of beer consumed; while in the provinces, it is a practice for a group having a drinking spree on the side of the street to call any passer-by and offer a glass of liquor. He asked whether the measure is trying to prohibit binge drinking or the imbibing of alcohol in moderate quantities or that the government wanted to protect the people by not allowing them to consume alcohol so that they will not get sick. He believed that the measure was not aimed at controlling or stopping people to drink because there are people who are dependent on the coconut industry that produces *lambanog* while the others are drinking the likes of gin *bilog*. He surmised that the real thing that the government would want to prevent is not necessarily drinking but binge drinking.

Senator Cayetano explained that there is a concept of responsible drinking and as far as the health sector is concerned, there is no safe level of drinking. However, she said that the term “responsible drinking” could mean that there will be no product that would be banned and the most that government can do to promote responsible drinking is to use taxation as a tool.

Senator Gordon stressed that the real purpose of the measure is to generate taxes and revenues because there is really no proof of the direct connection between drinking and health problems. He said that among the 10 killers of major diseases in the country, cigarette smoking plays a part because the top one disease is related to respiratory disease, so the connection of smoking is evident but not in drinking because liver diseases are sometimes caused by consumption of unsanitary food, for instance, raw food.

Senator Cayetano surmised that Senator Gordon might be referring to Hepatitis A, but that only Hepatitis B leads to cirrhosis. She also surmised that Senator Gordon might have meant that the consumption of alcohol of her late father, former Senator Rene Cayetano, led to cirrhosis. Senator Gordon, however, said that he never saw Senator Rene Cayetano drink that much.

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Senator Cayetano said that if health experts can prove that cirrhosis is caused by drinking, then there is ground to put health as the principal reason why government is taxing. She maintained that liver cirrhosis leads to death and figures in 2016 showed that a record 4,431 deaths from liver cirrhosis in the Philippines were caused by alcohol consumption.

Senator Gordon said that as responsible legislators who want to raise money, they should make sure that people are safe, but not at the expense of the employees that would be affected by the beverage industry. He said that Scotland does not ban Scotch drinking and they even tried to ferment it for such a long time. In fact, he recalled that one Scotch bottle, fermented in 1915, was auctioned for several million dollars.

Senator Cayetano reiterated that clearly, the deaths in the Philippines caused by alcohol consumption which led to liver cirrhosis was 4,431.

Asked whether alcohol consumption causes liver cirrhosis, Senator Cayetano replied that doctors have confirmed that it does.

Senator Gordon said that it would be more acceptable to him the statement that alcohol causes traffic accidents or driving under the influence of liquor causes more deaths, other than saying that alcohol causes cirrhosis of the liver, *ipso facto*. If indeed alcohol causes cirrhosis of the liver, he said that the whole world, then including Scotland, Ireland, and Japan who has whiskey, would really put their foot down.

Senator Cayetano admitted that she could not convince Senator Gordon other than reiterating that fact that even the WHO support the matter, and that records further pointed out that death and disability are closely related to alcohol consumption.

Senator Gordon said that he would want to have a firm figure on the matter because he wanted proof that indeed alcohol consumption causes cirrhosis of the liver especially in cold countries.

Asked how many cases of cirrhosis of the liver caused by excessive vodka drinking in cold countries like Russia had been recorded, Senator Cayetano said that she can get the data at a later time. She explained that the only reason why she said such with certainty was because she also found out when she was looking after her father who was confined

at the University of Southern California, that the two main reasons the people were confined there was liver cirrhosis due to hepatitis or liver cirrhosis due to alcohol abuse. Also, she cited a data from WHO which says, "Alcohol liver disease, otherwise known as 'ALD' is the most common cause of cirrhosis in the Western world and is currently one of the 10 most common causes of death." She said that she would furnish Senator Gordon with a copy of the report as requested.

As regards the query on the liver cirrhosis mortality rate in Russia, Senator Cayetano revealed that Russia has the highest rate of alcohol-attributable liver cirrhosis mortality for both genders.

Senator Gordon said that the incidence of drinking in Russia should be looked at because the record of deaths could have been in millions since people there drink because it is cold, because they are poor, and because they take to the bottle to lessen their insecurities and their fears, just as some Filipinos go to *shabu* or sometimes liquor for the same reason.

Asked whether the record of 4,000 deaths of people dying of cirrhosis is a legitimate number, Senator Cayetano replied that liver cirrhosis is not the only problem caused by alcohol consumption as there are also 25,000 people who either died or were disabled because of tuberculosis.

Senator Cayetano stated that she learned a few years ago that a very big contribution to diabetes is alcohol intake because it is said to be pure sugar to which Senator Gordon agreed. She said that the deaths caused by such is high at 33,000.

Asked by Senator Gordon on the impact of the measure to the sugar industry in the country, Senator Zubiri replied that with the passing of the Sugar Tax, the end products have become slightly more expensive resulting in a drop in consumption. Since the Sugar Tax was a health measure, he said that the industry had to absorb all the effects of the law which caused the lowering of the prices of sugar and hitting the sugar farmers hard.

Senator Gordon surmised that if indeed alcohol consumption killed many in Russia, then the proper law to be passed would be to ban alcohol, saying that getting money from something that can kill is hypocritical, thus, alcohol should not only be taxed but must be banned.

Senator Cayetano surmised that most of the countries might have thought that there are repercussions to banning, the reason there are products circulating in the market which are not good to be consumed by the people but continue to be in the market. She surmised that the best way the government can deter or limit consumption is through health promotions and taxation.

Asked whether the measure is not a panacea to quell alcoholism in the country but just a way of distracting the drinker from going into pursuits other than drinking, Senator Cayetano answered in the affirmative.

Senator Gordon assumed that if the product is too expensive, then one can have a choice to have beer instead of alcohol or gin *bilog*.

Asked how many industries would be affected by the tax, and whether the Department of Finance has figures on how it would affect the employment and investments of people, Senator Cayetano said that in the earlier interpellation by Senator Villanueva, data from 2012 when the latest tax measure was passed showed that there was no effect on employment when it comes to the beer industry, while there was some effect for the distilled spirits, but then it kicked up right away. As to the revenues of San Miguel Beer, she said that it continued to increase and no mark of decrease was noticed in the data.

Senator Gordon clarified that he was not talking about beer because it is going to be in the market forever. He said that he was referring to distilled spirits.

For distilled spirits, Senator Cayetano said that the data are the same on the average but there was a slight decrease in one company; however, the others showed a steady rate of revenue throughout the years.

Asked whether there would still be an impact on the assumption that even if the taxes on alcohol and beverages are raised more particularly on distilled spirits which are presumably is more deadly and deleterious to the body, Senator Cayetano replied that because of population growth, purchasing power, and income growth, the DOF believed that the demand will remain and the industry will continue to

thrive because the target consumers moved up into the upper-middle income.

Senator Gordon stated that most of the poor people who drink gin *bilog* are usually the people who have hand-to-mouth existence and their only source is to drink a couple of shots while the middle class would prefer high-end drinks.

Senator Cayetano agreed, but she clarified that the increase in population alone and the growth of income in the average would be enough to offset any possible decline in consumption; for instance, a person who has a budget of P250 would settle for a beer sold at a retail price of P42 per bottle, thus, on the fifth or sixth bottle, the person would end drinking because his budget would already be exhausted.

Senator Gordon said that if one is drinking with his friends and he runs out of money, someone could spend for the next round of drinks. Senator Cayetano admitted that there are such situations but she clarified that what she stated was the general prohibitive effect of taxation. She stated that the measure attempts to make taking alcoholic drinks more painful on the pocket by the fifth or sixth round.

For his part, Senator Gordon recalled how the nationwide ban implemented by the USA against alcohol in the 1920s or 1930s, resulted in a revolt by way of crimes, liquor smuggling from Canada and Scotland. Thus, he believed that imposing taxes on alcohol products would not stop alcohol smuggling.

Senator Gordon also opined that the government must not be a hypocrite when it really intends to get money from taxing alcoholic substances; it must also try to measure the impact of such a law on the economy, upon workers, and also on lawlessness. He noted that one of the effects of such a prohibition would be rampant smuggling and illicit production of alcohol by moonshine distillation, referring to a historical incident in the America. He added that Congress was looking for a balancing system wherein the sale of liquor could be regulated but allowing the government to collect revenues at the same time.

On another matter, Senator Gordon said that a similar situation arises when taxes are imposed on

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cigarettes; however, such products are more pronounced to cause cancer. He said that Senator Cayetano had also been pushing for more illustrative ways to prevent cigarette smoking. He said innovativeness came out with smokeless cigarettes which some studies claim to be 90% safer than regular cigarettes because these do not burn nicotine. However, he said that such studies should be taken with a grain of salt as well because there is also a tendency to overstate their case. Senator Cayetano agreed. She recalled that it was during her trip to London, England, that she asked the proponent of the e-cigarettes how they came out with the term "95% less harmful." However, she said that the proponent was not able to explain it to her. She said that she would readily support a product that would really help people switch to a less harmful alternative to cigarette smoking. However, she said, that the FDA has not allowed e-cigarette companies to say that the consumption of their product is safe or safer and that even U.S. authorities have yet to determine whether e-cigarette companies can be allowed to make such a claim.

Asked if America, Canada, and England have used the statement that smoking e-cigarettes is safer than cigarettes, Senator Cayetano replied in the negative. She pointed out that e-cigarette companies that had previously gone to schools to promote e-cigarettes by claiming that their products were "safer" or "less harmful" than cigarettes had been called to task for doing so. She added that she would be more than happy to support the switch to e-cigarettes only when the right studies can show that these will not cause unexpected harm. However, she believed that the experts are not prepared to make such a statement because it is such a new product.

For his part, Senator Gordon quoted from a research material which states that: "In April 2019, the United States FDA authorized the products for the US market appropriate for the protection of public health because among several key considerations, the products produce pure or lower levels of some toxins than combustible cigarettes."

Senator Cayetano clarified that companies are allowed to sell e-cigarettes but cannot make any health claims and, in fact, are still asking permission to be able to make certain health claims to the effect that these are safer and less harmful than regular cigarettes.

Adverting to the position of the Canadian government that completely replacing cigarette smoking with

vaping will reduce one's exposure to harmful chemicals, Senator Gordon said that Canada, the United States, and England seek to move people from their addiction to tobacco or combustible products to another product that is less harmful. He added that in the realm of the capitalist society, it is an effort to make business thrive while protecting the public at the same time.

Senator Cayetano said that the big difference between the models in Canada, the UK, and the Philippines is that the former have been in the forefront of tobacco regulations; for instance, the use of plain paper packaging and absence of any point of display for cigarette products in the UK have successfully convinced the youth that there is nothing cool about smoking. As such, she said that the UK can now explore what the alternative product can do to those three million smokers that are still addictive. However, she said that the environment in the Philippines is very different because plain packaging is not used on cigarette products even though it could actually be done.

Senator Cayetano said that she would be finalizing some bills that will further regulate tobacco products and welcomed Senator Gordon's expression of support, saying that taxation is only one tool to address health concerns.

Senator Cayetano also noted the need for accompanying legislation on taxation to be put in place, even as she expressed concern that the gates would be left wide open for e-cigarettes without having such control measures in place. Senator Gordon believed that there has to be a holistic effort to discourage children from smoking.

Senator Cayetano explained that the Philippines has a different environment from other countries that have taken a more liberal view in using e-cigarettes as a mode of cessation, and as such, ought to follow the recommendation of the WHO to assess its own situation and determine what works. As an example, she noted that e-cigarettes have not gotten a stronghold in Japan because of the cigarette lobby in that country.

For his part, Senator Gordon believed that imposing taxes ought to be done wisely. He noted that the objective would essentially be to have a revenue measure rather than one that combats all other health issues that come out with it. He said that he was not inclined to make a knee-jerk response of banning it as he suggested the importance of reading the

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literature in other countries so that there would be more room for regulation. He also expressed concern about the open tank system which allows users to manually refill e-cigarettes and as such, there is the danger of putting toxic substances into the mix.

At this juncture, Senator Zubiri relinquished the Chair to Senate President Sotto.

Asked if the open tank system would be a problem and JUUL would be taxed like ordinary cigarettes, Senator Cayetano said that the objective is that until there is declaration that such products are safe – and that even the FDA is not prepared to allow the industry in the US to claim that their products are “less harmful” – the country should be taxing these products like regular cigarettes. She said that if ever they should decide, they should err on the side of safety or caution.

In a scenario where e-cigarettes are overtaxed, Senator Gordon said that instead of protecting the people, the law would drive smokers to using cigarettes and even encourage all kinds of cigarettes to be brought into the country. Thus, he urged the Body to exercise caution and find a balance to avoid such issues like patronizing cheaper cigarettes or consuming other substances like cannabis; otherwise, smuggling, counterfeit products and illegal trade would proliferate. Senator Cayetano agreed that there are issues that come with a high tax rate.

Senator Cayetano clarified that she was open to accepting other combinations for the alcohol products’ tax rate, but there should be only one rate for the tobacco and vapor products. She noted the recommendation of the Committee to have similar tax rates for vape products and e-cigarettes. Until there are definitive studies which will clearly identify the health risk, she said that the best they could do is to recommend a rate that is equivalent to cigarette taxes, and make amendments in the following years. She stated that they are not making it more expensive, but they are not prepared to recommend a lesser rate.

Senator Gordon said that they could introduce the tax and increase it gradually within the next five years. He cautioned that if they impose a high tax, they might provoke a smuggling spree in the country. Senator Cayetano said that she will listen to their proposals. As for the rate for e-cigarettes, she stated her inclination to stick to the rate in the bill because of the undetermined nature of the health issues, the

reports overseas and bans imposed by other countries. She explained that the fact that 30 countries, including USA, Canada, UK, Russia, Japan and India, banned the product shows that consuming it poses a health risk.

But Senator Gordon pointed out that banning as a prohibition would lead to serious repercussions. Senator Cayetano agreed, hence the rate imposed in the proposed measure. She admitted that she is not ready to recommend a rate lower than cigarettes.

Citing Bureau of Customs reports, Senator Gordon mentioned that the top three items smuggled in the Philippines are luxury vehicles, cigarettes, and oil, an indication that if they start overtaxing, there would be more cases of smuggling cigarettes, and it will defeat the purpose of keeping people safe and generating more revenues. Senator Cayetano acknowledged the important role of calibrating the rates so that they could find the balance, but she pointed out that smuggling is an issue addressed by good governance. She said that they cannot shy away from their responsibility to tax because of the possibility of increased smuggling. Senator Gordon maintained that smuggling can be curbed, but it need not be encouraged by overtaxing a particular product. He recalled a period when cigarette smuggling was rampant, and while good governance is key, there are certain individuals who destroy the culture of honesty.

Regarding the devices used, Senator Cayetano confirmed that those would also be taxed. Senator Gordon again cautioned that overtaxing might lead to cheap copies that will expose the people to more danger. He reiterated the need to find the balance because it entails serious repercussions that would endanger the people even more. He hoped that Senator Cayetano would be open to amendments on that aspect. Senator Cayetano said that she is cognizant of those issues and would be open to recommendations.

Senator Cayetano recalled that in the ‘50s or ‘60s, cigarette was advertised as a weight loss product for women. At that time, she said that it was acceptable because there were not enough studies that showed the health problems caused by smoking. She stated that the Committee utilized voluminous data and discussions with international experts which led to the conclusion that there are still many unknown health risks. She reiterated that until there are further studies, they would have to move with caution. She reminded the Body that there are other cessation tools available and that according to behavioural scientists,

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the decline in smoking cannot necessarily be attributed to e-cigarette use because it does not reflect other cessation tools that the smokers used.

But Senator Gordon pointed out that a lot of cessation methods do not work, and cigarette is always used to portray a popular image for both men and women.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1074

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

COMMITTEE REPORT NO. 13 ON SENATE BILL NO. 643

(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 643 (Committee Report No. 13), entitled

AN ACT GRANTING NIGHT SHIFT
DIFFERENTIAL PAY TO THE
GOVERNMENT EMPLOYEES
INCLUDING THOSE IN GOVERN-
MENT-OWNED OR CONTROLLED
CORPORATIONS AND APPROPRIAT-
ING FUNDS THEREFOR.

Senator Zubiri stated that the parliamentary status was the period of interpellations.

Thereupon, the Chair recognized Senator Revilla, sponsor of the measure, and Senator Drilon for his interpellation.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 6:16 p.m.

RESUMPTION OF SESSION

At 6:19 p.m., the session was resumed.

INTERPELLATION OF SENATOR DRILON

At the outset, Senator Drilon stated that he was

in favor of the measure. However, he said that he would like to make sure that there would be no problems that could defeat the purpose of the law.

Citing Section 1 of the bill, Senator Drilon inquired if a Cabinet secretary is entitled to night differential pay since the scope of Section I was so broad that it could include everyone in government. Senator Revilla replied that only employees from salary grade 1 to 24 are entitled to the night differential pay.

Senator Drilon stated that at the proper time, he would propose an amendment to make it clear that the night differential is not applicable to those beyond salary grade 24.

Asked if those beyond salary grade 24 are considered as supervisory employees, Senator Revilla replied in the affirmative.

As to who determines the amount and rate of the night shift differential, Senator Revilla stated that it would depend on the head of the agency, so long as it would not exceed 20%; in the case of the Senate, it would be the Senate President.

On whether Senate employees are given night differential pay, Senate President Sotto replied in the negative.

Senator Revilla stated that once the law is passed, those who work from 6:00 p.m. to 6:00 a.m. would qualify for night differential.

Senator Drilon informed the Body that Budget Circular No. 8, series of 1995 prescribed guidelines and procedures for the grant of night shift differential pay to all government employees.

Senator Revilla explained that there is no law that provides such benefit for government employees, but only a circular which could easily be changed by the issuing authority; thus, the bill seeks to institutionalize the benefit of night differential pay to government employees. He said that the night shift differential pay for the private sector is stipulated in the Labor Code.

In a related matter, Senator Drilon quoted Budget Circular No. 8, Series of 1995, which provides that: "5.1. Night-shift differential pay may be granted to government personnel at a rate not exceeding 20% of the hourly basic rate of the employee." He said

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that his understanding of the circular is that it is not compulsory but directory; it does not establish the right to night differential pay but only authorizes the grant of such benefit.

Senator Revilla asserted that the bill, if passed, would mandate the giving of night differential pay to government employees.

Asked to clarify the committee amendment on page 1, lines 4 and 5, Senator Revilla explained that the hours of work was amended to reflect the phrase "THE HOURS OF 6:00 P.M. to 6:00 A. M., OF THE FOLLOWING DAY."

As regards Section 2 of the bill, Senator Drilon supposed that public health workers were not covered under the proposed measure because of RA No. 7305 or the Magna Carta of Public Health Workers. However, he expressed concern that, if passed, the measure would create a discriminatory provision because public health workers receive a night differential pay equivalent to 10% of their salary but the measure provides for a night differential pay of 20% of the salary of government workers.

Senator Revilla stated that the Committee decided to give a higher rate because other government employees do not receive additional benefits given to public health workers like hazard pay, subsistence allowance, longevity pay, laundry allowance and remote assignment allowance.

Senator Drilon believed that such reasoning was not sufficient for the nurses to accept the treatment that they would be receiving less than the other employees in the government. He stated that the benefits earlier enumerated by Senator Revilla were different in nature. For instance, he said that hazard pay is given because of the hazard that employees are exposed to but this has nothing to do with work hours rendered during the night. He stressed that such benefits are for specific purpose and cannot be used to rationalize the lesser amount of night differential pay that they are entitled to. He pointed out that he only wanted to present the problems so that remedial amendment could be introduced at the proper time.

In response, Senator Revilla informed the Body that the DOH has a P90.6 million allocation for night differential pay for 2020. He said that the 20% proposal meant that the DOH would need a budget of P180 million to cover the night differential.

Senator Drilon stated that this discrimination against the nurses must be confronted; thus, he was in favor of giving the public health workers 20% so that everyone receives the same benefit. He informed the Body that in October 2019, the Supreme Court ruled against the petition of *Ang Nars Partylist* to enforce Section 32 of RA 9173 – increasing the salary grade scale of the nurses. Therefore, he noted that for the past several years, the nurses have been prejudiced through a salary scale that is not authorized under the law. He said that passing Senate Bill No. 643 would worsen the situation because the public health workers are being discriminated against by virtue of RA 7305 which grants them only 10%. He suggested to amend or delete lines 15 and 16 on page 1 so that public health workers would also be covered by the proposed law.

Senator Drilon also read a proposed committee amendment on line 16 of page 1 regarding personnel not covered by this Act, to wit:

- B) GOVERNMENT EMPLOYEES WHOSE SCHEDULE OF OFFICE HOURS FALL BETWEEN 6:00 A.M. TO 6 P.M. SERVICES RENDERED BEYOND THE REGULAR EIGHT-HOUR WORK SCHEDULES ARE PAID OVERTIME IN ACCORDANCE WITH EXISTING RULES AND REGULATIONS.

On whether one is not is entitled to a night shift differential if his regular office hours fall between 6:00 a.m. to 6:00 p.m., Senator Revilla stated that the concerned employee would only get overtime pay if he/she works beyond 6:00 p.m. He pointed out that the purpose of the bill is for those working graveyard shifts.

Citing the work hours of the Senate employees, Senator Drilon stated that employees work a compressed 40-hour, 4-day work week. He said that while the employees work from 8:00 a.m. to 7:00 p.m., a portion of the 10 hours of work fall after 6:00 p.m. Asked what compensation the Senate employee would get for working beyond 6:00 p.m., Senator Revilla replied that the employees are entitled to overtime pay if they work beyond the prescribed 10 hours work. He explained that if the OSAA has three shifts, those working from 6:00 p.m. to 6:00 a.m., are entitled to a night differential under the measure.

At this juncture, Senate President Sotto inquired whether only those working the night shift would benefit from the night differential. Senator Revilla replied in the affirmative.

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Senator Drilon posited that it is not enough justification that employees are not entitled to the night differential because they are being paid overtime. He stated that he would study the proposal further and would leave it to the Body to decide on whether or not it is a good policy.

Likewise, Senator Drilon cited the third exclusion, as follows: "Government employees whose services are required, or are on call, twenty-four (24) hours a day such as uniformed personnel of the Armed Forces of the Philippines (AFP), the Philippines National Police (PNP), the Bureau of Jail Management and Penology (BJMP), and the Bureau of Fire Protection (BFP)."

Asked if the military and uniformed personnel are excluded from the coverage of the law, Senator Revilla replied in the affirmative.

Senator Drilon stated that when the law used the words "such as," it signifies enumeration by example. He then asked if there are other employees who could possibly be excluded as well. Senator Revilla surmised that civilian employees working for 24 hours during calamities may also be included.

But Senator Drilon pointed out that the provision used the phrase "such as," which means that there are possibly other categories of government employees who could be excluded from the coverage of the law. Senator Revilla assured that the Committee would clarify the matter with the DBM and would consider them during the period of amendments.

Senator Drilon said that it needs clarification because he immediately thought of the NBI people whom he believed are exactly the same as the uniformed personnel who are on call.

Asked if the measure would apply to those who work on shifts, whether on temporary or permanent basis, Senator Revilla replied that they are covered as long as the shift at night is from 6:00 p.m. to 6:00 a.m. regardless of their employment status—whether contractual, casual, temporary, or permanent.

On another matter, Senator Drilon noted the present wording on page 2, lines 13 and 14 that the funds shall be taken from the savings generated. He asked if the Committee is proposing to amend it. Senator Revilla replied in the affirmative.

Asked if government employees who are civilians working in the National Disaster Risk Reduction and Management Council are entitled to night shift differential if they perform during the hours prescribed by law which is 6:00 p.m. to 6:00 a.m., Senator Revilla replied in the affirmative.

Senator Revilla disclosed that the agencies that are already receiving night differential pay are as follows: DND, government arsenal, Veterans Medical Center, DOST, PAGASA, PHIVOLCS, DOTr, Philippine Coast Guard, TESDA, and other executive offices.

Senator Drilon said that he would no longer pose questions as he had already raised all his concerns and Senator Revilla had committed to introduce the appropriate amendments. He said that he would just await the committee amendments to be proposed that would answer all his concerns.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

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

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 643

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

COMMITTEE REPORT NO. 5 ON SENATE BILL NO. 1055

(Continuation)

Upon motion of Senator Zubiri, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1055 (Committee Report No. 5), entitled

AN ACT ESTABLISHING A SEPARATE FACILITY FOR PRISONERS CONVICTED OF HEINOUS CRIMES.

Senator Zubiri stated that the parliamentary status was the period of interpellations.

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

**TERMINATION OF THE PERIOD
OF INTERPELLATIONS**

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

**SUSPENSION OF CONSIDERATION
OF SENATE BILL NO. 1055**

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

INQUIRY OF SENATE PRESIDENT SOTTO

At this juncture, Senate President Sotto asked about the schedule of the deliberations on the Anti-Terrorism Law since it is one of the priorities requested by the Department of National Defense. Senator Zubiri replied that Senator Drilon was still studying the measure but that he and Senator Lacson are already in agreement as to when the debates would be.

OVERSIGHT COMMITTEE MEMBERSHIP

Upon nomination by Senator Zubiri, there being no objection, the following senators were elected to the Oversight Committee on Quality Affordable Medicines under Section 45 of Republic Act No. 9502:

Chair : Pimentel
Vice Chair : Go
Members : Binay
Cayetano
Hontiveros

ADJOURNMENT OF SESSION

Upon motion of Senator Zubiri, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Wednesday, November 27, 2019.

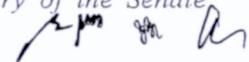
It was 6:52 p.m.

I hereby certify to the correctness of the foregoing.



ATTY. MYRA MARIE D. VILLARICA

Secretary of the Senate



Approved on November 27, 2019