

RECORD OF THE SENATE

WEDNESDAY, OCTOBER 6, 1999

RESUMPTION OF THE SESSION

At 10:40 a.m., the session was resumed with the President Pro Tempore, Hon. John H. Osmeña, presiding.

The President Pro Tempore. The session is resumed.

The Majority Leader is recognized.

BILL ON SECOND READING
S. No. 468--Public Employment Service Office
(Continuation)

Senator Drilon. Mr. President, I move that we resume consideration of Senate Bill No. 468 as reported out under Committee Report No. 66.

The President Pro Tempore. Is there any objection? [Silence] There being none, resumption of consideration of Senate Bill No. 468 is now in order.

Senator Drilon. Mr. President, we are in the period of interpellations. May I ask the Chair to recognize the principal sponsor, Sen. Francisco S. Tatad.

The President Pro Tempore. Sen. Francisco S. Tatad is recognized.

Senator Drilon. Mr. President, the Minority Leader, Sen. Teofisto T. Guingona Jr., will interpellate.

The President Pro Tempore. Sen. Teofisto T. Guingona Jr. is recognized.

Senator Guingona. Thank you, Mr. President.

Will the distinguished gentleman yield for some questions?

Senator Tatad. With pleasure, Mr. President, since I am assured the questions will be very few.

Senator Guingona. The Public Employment Service Office or PESO was established in 1992 by the DOLE. May we safely say that this was a success in its implementation?

Senator Tatad. In fact, that is a nearly unanimous opinion coming from the DOLE, employers, and job seekers who have been helped by PESO. As we all very well know, PESO operates as a unit that puts in contact employers and prospective employees. Since 1992, 1,827 PESOs have been established,

1,419 of which are said to be operational, and 10 of which have been institutionalized.

We have the following statistics: From 1993 to 1999, the number of job vacancies listed has reached 2,392,837. Out of applicants who have registered, totaling 2,962,626, a total of 1,848,214 applicants have been placed. So it is quite a good record, Mr. President.

Senator Guingona. Are there any geographical distribution of these 1,848,000 jobs that have been filled?

Senator Tatad. Mr. President, this is nearly all over the country.

Senator Guingona. Yes, Mr. President. We just like to compare whether there is a Mindanao, or the Visayas, or the Luzon distribution.

Senator Tatad. This should be shortly available from the technical staff. Of the 10 PESOs that have been institutionalized—for instance, we have the city PESOs in Pasig, Valenzuela, Angeles, Metro Naga, Cebu, Cagayan de Oro, Cotabato, and Iligan; the provincial PESOs that have been institutionalized are found only in Pangasinan and Bataan—of the city PESOs that are operational and institutionalized, we have, at least, three in Mindanao.

Senator Guingona. And in Cagayan de Oro.

Senator Tatad. I now have the location per region in one year. In the National Capital Region, 44,800—I am sorry, I was supplied the wrong data. That answer is sufficient.

Senator Guingona. Are there no data?

Senator Tatad. The specific distribution. We have it here now. Total LGU-Based PESOs by region:

Table with 2 columns: Region, Number of PESOs. Includes National Capital Region (17), C A R (83), Region I (129), Region II (130), Region III (116), Region IV (226), Region V (112), Region VI (133), Region VII (134), Region VIII (149), Region IX (81), Region X (75), Region XI (77).

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These are the LGU-based PESOs or a total of 1,690.

**Senator Guingona.** May we have the three cities in Mindanao again where the PESO is established.

**Senator Tatad.** Cagayan de Oro, Cotabato, and Iligan.

**Senator Guingona.** I see. Are the expenses for establishing these institutions taken from the DOLE funds?

**Senator Tatad.** No, these are taken from the local government funds.

**Senator Guingona.** Are these on a voluntary basis?

**Senator Tatad.** Yes, Mr. President. What happens is, the local government unit enters into a Memorandum of Agreement with DOLE which provides the training and technical supervision and the local government unit provides the manpower. Usually, the appropriate sanggunian creates the items and the budget for this.

**Senator Guingona.** Is there also in the statistics a percentage of skilled and nonskilled workers that have been harnessed by virtue of the PESO?

**Senator Tatad.** We will look for the appropriate data on this. But normally, what happens is that we have employers looking for certain skills and the applicants, once inventoried, are classified according to their skills. So, the PESO tries to match the needs of the employers and the skills available.

**Senator Guingona.** And the PESO trains the jobless who are not qualified to avail themselves of the services of the program so that they will become skilled. Is that correct, Mr. President?

**Senator Tatad.** Right now, the PESO does not have the capability to train the unskilled. What it does is to refer the unskilled applicants who are interested in landing jobs to appropriate training outfits, notably TESDA.

**Senator Guingona.** And the bill under consideration seeks to require all the key provinces and cities to establish PESO centers. Is that correct, Mr. President?

**Senator Tatad.** Actually, Mr. President, it is possible that all the key cities, provinces and many strategic areas referred to are already covered. They already have existing PESOs except that they have not been institutionalized. Which means that they

do not yet have the manpower occupying plantilla items with the appropriate funds.

Once we institutionalize, we create the PESO as an integral part of an LGU with people who are holding specific items and who are paid specific salaries.

**Senator Guingona.** I thank the gentleman for that, Mr. President.

How much would it cost to set up these centers?

**Senator Tatad.** A particular PESO or the entire thing?

**Senator Guingona.** No, just the center in one capital or city.

**Senator Tatad.** The statistics passed on to me by our technical people from DOLE says that in a first and second-class province, a PESO would require a budget of P1,387,294 a year. A similar PESO in a third to sixth-class province would require a slightly smaller budget of P1,359,106. I suppose these are the current prices.

For a city PESO, in a first and second-class city, we will need P1,267,294. In a third to fourth-class city, we will need P1,026,691. For the municipal PESO, in a first to third-class municipality, we will need P654,432. In a fourth to sixth-class municipality, we will need P544,508.

**Senator Guingona.** I thank the gentleman for that.

I understand that the Local Government Code prescribes certain officials for their own respective divisions or units, and one of these is the social development officer. Would that be correct?

**Senator Tatad.** I believe that is an accurate information.

**Senator Guingona.** Could the social development officer in the local government unit—especially those which are not as affluent in some cities and capitals—not absorb the functions of the PESO and thereby save this amount of P1 million plus? After all, this is in coordination with the national government which will undertake the training. I suppose that is to be at the expense of the national government, the DOLE funds?

**Senator Tatad.** I suppose we cannot have a hard-and-fast rule on this. But the main consideration is that, the PESO has to handle quite a number of programs. If these programs are added on to a full work load of anyone in any local government unit, we may render the operation nonproductive.

For instance, we have the following programs being undertaken now by the PESO. We have the *Kabataan 2000*. This is a special program for the employment of students during summer, Christmas and long holidays. We have the Work Appreciation Program. We have the Youth Weekend Brigade. We have *Tulay 2000*. This is the program that tries to help disabled persons, persons with disability. This is quite a job. We have the conduct of regular jobs fairs. It is in these fairs where quite a lot of on-the-spot employment takes place, because here we bring in together employers and prospective employees. And similarly, we have the livelihood and self-employment fairs where we address the needs of those who would like to be self-employed—entrepreneurs, micro-entrepreneurs—or those interested not in landing jobs but in having their own livelihood. We have the Philippine Job Net. We have the AIR campaign, and we have also the POS program for overseas employment.

So there is a wide array of programs and responsibilities that have to be addressed. I do not believe that someone who is fully employed, discharging a full work load would be able to do the best possible job of all this. But in situations where a social development officer is not being worked to the full, perhaps, this could be considered.

**Senator Guingona.** The intent of this bill, which is a very noble aim, is to institutionalize it to all the capitals of provinces and major cities. Will it be mandatory, therefore, or is the voluntary arrangement a better course of action—which is proven, according to the statistics of the distinguished sponsor, as successful—because things voluntarily done may be better discharged rather than being forced upon? If they feel that they can, perhaps, the efforts would be more fruitful.

**Senator Tatad.** What has happened here is that there is a recognition of the need for intervention in order to help people who are employable, or those who have a possibility of getting employed, but who usually do not have all the information needed to land a job. Or they do not have all the breaks to land a job to be able to do so. And also for employers to be able to look at an inventory of skills so that their needs could be met.

On the basis of this recognition, it became the wise decision of DOLE to initiate the program. And the response from the ground was automatic.

Even if we put in the law that says, "We are going to institutionalize you," that does not wipe out the desire of the LGUs to be able to do something about this.

Therefore, by institutionalizing the system, we insulate the staff from political pressures. In short, we are able to create a body that will be dedicated to the same purpose of trying to help as many

jobless people as possible through all sorts of political changes.

**Senator Guingona.** Will it not be mandatory in that sense? The local government units do not have to willingly or grudgingly appropriate and create the necessary personnel from their local initiatives.

**Senator Tatad.** No. In fact, what happens here, Mr. President, is that the funding, if we are talking of the funding now, shall come initially from the existing appropriations of DOLE and its other operating agencies. Thereafter, the amounts needed to operate the PESOs shall be included in the annual appropriations for DOLE.

**Senator Guingona.** So it is only in the initial?

**Senator Tatad.** The initial shall come from the existing appropriations of DOLE. Subsequently, the appropriations will be loaded on to the annual appropriations for DOLE.

If right now the local government units are absorbing the burden, subsequently, DOLE would be able to help. This is with respect to the technical supervision.

**Senator Guingona.** I suppose during the hearings, the local government units expressed their conformity with this.

**Senator Tatad.** They are unanimous. They are really very enthusiastic about it simply because this is one of the programs that had really helped local government units.

**Senator Guingona.** Are there statistics to show that those who were given jobs have held on to their jobs? In other words, they are still there and the jobs given were, more or less, on a permanent basis and not just casual or temporary.

**Senator Tatad.** We do not have any statistics that will capture that. The point, however, is that if someone loses a job after having been placed through the PESO, that someone would have gone back to the PESO.

**Senator Guingona.** How does the PESO reach or make aware the possibility of employment? How does it reach the unemployed person? Is it through advertisement, radio, or media?

**Senator Tatad.** Through its limited means. It advertises its services. For instance, the jobs fairs are rather well-advertised. That is why according to the principal sponsor of this measure, the Senate President, in one jobs fair that he attended, there were several thousands of on-the-spot recruitment just because employers were attracted to the fair and prospective employees

were similarly attracted. There was a meeting of skills needs. There is a good matching there. So, this took place.

Additionally, there is a kind of barangay registration where the inventory is initially culled from. There is also a manpower registry in every LGU and this is most helpful.

**Senator Guingona.** I would like to thank the sponsor for that answer. Is there any statistics showing how much employment is generated from the unemployed through the private sector recruitment, and how much it is in comparison to the PESO?

**Senator Tatad.** We do not have this particular statistics, Mr. President. But what is happening is that even the private recruitment agencies are going to the PESO. They are sourcing their requirements from the PESO. That is both for local and overseas employment.

**Senator Guingona.** Do we have a national placement bureau?

**Senator Tatad.** We have the Bureau of Local Employment.

**Senator Guingona.** That is the equivalent?

**Senator Tatad.** Yes, Mr. President.

**Senator Guingona.** Are there any specific moves to improve the recruitment by the private sector to generate employment?

**Senator Tatad.** I suppose that is a continuing process. The employment of the state-of-the-art technology computerization is one such measure in an attempt to improve recruitment. This is principally the job of the Philippine Job Net which is an automated job-and-applicant-matching system that aims to fast-track the jobseekers' search for jobs and the employers' search for manpower. So, the information from the market is being made available through the fastest means of communication, that is, through the computer system.

**Senator Guingona.** I thank the gentleman for that.

May we have the latest statistics on unemployed persons for 1998 or the latest, if the gentleman has the latest figure.

**Senator Tatad.** We have unemployment figure of 8.4%. In real terms, this is about 2.7 million people.

**Senator Guingona.** I understood it to be ...

**Senator Tatad.** That is as of July 1999.

**Senator Guingona.** Is it 8.9% only?

**Senator Tatad.** It is 8.4%.

**Senator Guingona.** It is 8.4%. I understood it to be more than 12%.

**Senator Tatad.** That was last year's figure. The latest revision as of July this year is 8.4%.

**Senator Guingona.** Last year's figure was 13%. I do not know what...

**Senator Tatad.** We are probably quoting the Lakas figures.

**Senator Guingona.** No, we are quoting the official figures.

**Senator Tatad.** That means some improvement this year.

**Senator Guingona.** But 8.4%. May we have the source of that?

**Senator Tatad.** This is coming from the National Statistics Office.

**Senator Guingona.** So, this will be how much in point of numbers?

**Senator Tatad.** About 2.7 million people.

**Senator Guingona.** It is about 2.7 million people. Are the overseas contract workers included in this 2.7 million?

**Senator Tatad.** The overseas contract workers are employed, not unemployed.

**Senator Guingona.** No, no, no. Are they included in the employed figures?

**Senator Tatad.** We are simply referring to the local labor force.

**Senator Guingona.** So, this does not include the overseas Filipino workers.

**Senator Tatad.** No, Mr. President.

**Senator Guingona.** If they, for one reason or another,

come home, they would be included in the unemployed.

**Senator Tatad.** That is the time they enter the domestic labor force.

**Senator Guingona.** May we know the reason in the statistics this is not so? Why are the Filipino contract workers not considered in the employment figures? After all, in the overall scheme, we compute their foreign exchange remittances here but we did not include them in the employment picture.

**Senator Tatad.** I will probably raise the same question with the Minority Leader, but the answer to that right now is that for some reason or another, they are not included in the labor survey. According to DOLE sources, there is extreme difficulty for the National Statistics Office in capturing the right figures abroad.

**Senator Guingona.** I would like to end up here. But since we are already in employment and services, may I know the position of the government as far as "services" is concerned regarding the World Trade Organization or the GATT? We are going to have a November conference, I understand, on services. Is it not pertinent to ask, since we are considering this bill, what would be our position, or the government's position?

**Senator Tatad.** With respect to the forthcoming negotiations on GATT and the Millennium Round which is going to involve all the members of WTO, we would like to be given an opportunity to study this more thoroughly in another forum. Before the negotiations start, the Committee on Labor, Employment and Human Resources Development and the Congressional Commission on Labor would like to be able to distill a position on this.

**Senator Guingona.** Yes, Mr. President. Since the distinguished gentleman is the chairman of the Committee on Labor, Employment and Human Resources Development, would he consider if we propose a resolution, to have a more crystallized stand before the conference in November?

**Senator Tatad.** Yes, definitely. This would be a requirement. We cannot go to that conference without a clear position on the very vital issues that will be discussed. We would be most appreciative of any inputs coming from the Minority since we believe that the country's position on this should be a bipartisan or a multipartisan one.

**Senator Guingona.** Yes. Because I understand that we have already conceded or given commitments to accept services from other nations in some areas. We would like to know what areas these are and what areas we should not negotiate with. Because the other countries will probably ask for open season to as many areas as possible.

**Senator Tatad.** I would like to get the latest information on this from our people in Geneva.

To the best of our knowledge, we have agreed to open up on financial services and tourism; but this is on a standstill basis, which means that the present laws will prevail.

**Senator Guingona.** Does the gentleman mean that as far as banking and finance is concerned, the laws on the expatriates will still have to dominate?

**Senator Tatad.** Yes, this is our understanding—that there is no modification of existing legal regime.

**Senator Guingona.** How about transportation and tourism?

**Senator Tatad.** Tourism, yes, also on the same basis.

**Senator Guingona.** How about transportation?

**Senator Tatad.** Air transport, yes, also on the same basis.

**Senator Guingona.** Also transport.

**Senator Tatad.** Yes, Mr. President.

**Senator Guingona.** Air transport only or all.

**Senator Tatad.** Air and maritime.

**Senator Guingona.** Air and maritime. Land transport.

**Senator Tatad.** No, because it is not covered and for obvious reasons.

**Senator Guingona.** But we have already committed. Is that the understanding?

**Senator Tatad.** Yes, Mr. President. We have certain commitments. But as I pointed out, this is on a standstill basis. The laws are not to change.

**Senator Guingona.** So may we know when this will not be on a standstill anymore?

**Senator Tatad.** Whatever happens, we have just said that we would like to have the opportunity to come out with a clear position that takes into account the stand of all parties. And ultimately, this agreement will still have to come to the Senate for concurrence.

**Senator Guingona.** We would like to thank the distinguished sponsor for the answers he has given.

**Senator Tatad.** Thank you very much, Mr. President. I would also like to thank the distinguished Minority Leader.

**The President Pro Tempore.** The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF  
S. NO. 468

**Senator Drilon.** Mr. President, I move that we suspend consideration of Senate Bill No. 468 under Committee Report No. 66.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the motion is approved.

CONFERENCE COMMITTEE REPORT ON H. NO. 6679  
(Charter of Malolos City)

**Senator Drilon.** Mr. President, the Chamber is in receipt of the Joint Explanation of the Bicameral Conference Committee on the disagreeing provisions on House Bill No. 6679. This is the proposed charter of the city of Malolos.

I move that we consider the conference committee report.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the motion is approved.

**Senator Drilon.** May I now ask the Chair to recognize the chairman of the Committee on Local Government, Sen. Aquilino Q. Pimentel Jr., to formally submit the report of the Bicameral Conference Committee to this Chamber for approval.

**The President Pro Tempore.** Sen. Aquilino Pimentel Jr., the chairman of the Committee on Local Government, is recognized.

**Senator Pimentel.** Mr. President, thank you very much. I notice that the Chair changed his chair.

**The President Pro Tempore.** I have a back problem.

**Senator Pimentel.** I thought the Chair was influenced by superstitions. [Laughter]

REPORT OF SENATOR PIMENTEL

**Senator Pimentel.** Nonetheless, Mr. President, I take this

opportunity to submit to the Chamber the Joint Explanation of the Conference Committee which met last night on the disagreeing provisions on House Bill No. 6679, the bill that converts the municipality of Malolos, province of Bulacan, into a component city.

After having met and fully discussed the subject matter in a conference on October 5, 1999, the Bicameral Conference Committee hereby reports the following:

1. Sections 1 to 49 of the Senate version were adopted by the conferees;

2. Section 50 of the Senate version was amended to read as follows:

SEC. 50. CITY PROSECUTION SERVICE. -

(a) There shall be established in the city a prosecution service to be headed by a city prosecutor and such number of assistant prosecutors as may be necessary, who shall be organizationally part of the Department of Justice, and under the supervision and control of the Secretary of Justice and whose qualifications, manner of appointment, rank, salary and benefits shall be governed by existing laws covering prosecutors in the Department of Justice.

(b) The city prosecutors shall handle the criminal prosecution in the municipal trial courts in the city as well as in the regional trial courts for criminal cases originating in the territory of the city, and shall render to or for the city such other services as are required by law or regulation of the Department of Justice.

(c) The Secretary of Justice shall always assure adequacy and quality of the prosecution service in the city and for this purpose, shall, in the absence or lack or insufficiency in number of city assistant prosecutors as provided hereinabove, designate from among the assistant provincial prosecutors a sufficient number to perform and discharge the functions of the city prosecution service as provided hereinabove.;

3. Section 50 of the House version and Section 51 of the Senate version are identical and was adopted as Section 51 of the reconciled version; and

4. Section 51 of the House version was adopted as Section 52 of the reconciled version.

In case of conflict between the statements/amendments stated in this Joint Explanation and that of the provisions of the

time of the approval of this Act shall continue to be in force within Tuguegarao City until the sangguniang panlungsod ordinance shall provide otherwise.

SEC. 52. *Plebiscite.* - Tuguegarao City shall acquire corporate existence upon the ratification of its creation by a majority of the votes cast by the qualified voters in a plebiscite to be conducted in the present Municipality of Tuguegarao within sixty (60) days from the approval of this Act. The expenses for such plebiscite shall be borne by the Municipality of Tuguegarao. The Commission of Elections shall conduct and supervise such plebiscite.

SEC. 53. *Officials of Tuguegarao City.* - The present elective officials of the Municipality of Tuguegarao shall continue to exercise their powers and functions until such time that a new election is held and the duly-elected officials shall have already qualified and assumed their offices. The appointive officials and employees of the Municipality shall likewise continue exercising their functions and duties and they shall be automatically absorbed by the City Government of Tuguegarao.

SEC. 54. *Election of Provincial Governor and Sangguniang Panlalawigan Members of the Province of Cagayan.* - The qualified votes of Tuguegarao City shall qualify to vote and run for any elective position in the elections for provincial governor, provincial vice-governor, sangguniang panlalawigan members and other elective offices for the Province of Cagayan.

SEC. 55. *Jurisdiction of the Province of Cagayan.* - Tuguegarao City shall, unless otherwise provided by law, continue to be under the jurisdiction of Cagayan Province.

SEC. 56. *Suspension of Increase in Rates of Local Taxes.* - No increase in the rates of local taxes shall be imposed by the City within the period of fifteen (15) years from its acquisition of corporate existence. Notwithstanding any existing law or ordinance to the contrary, real property tax in the locality shall not be increased within five (5) years upon its conversion into a City.

SEC. 57. *Legislative District.* - Until otherwise provided by law, Tuguegarao City shall continue to be a part of the Third Congressional District of Cagayan Province.

SEC. 58. *Applicability of Laws.* - The provisions of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and other laws pertaining to Province of Cagayan and such laws as are applicable to cities shall govern Tuguegarao City insofar as they are not inconsistent with the provisions of this Act.

SEC. 59. *Separability Clause.* - If any part of this Act is declared invalid or unconstitutional, the other parts or provisions thereof shall remain valid and effective.

SEC. 60. *Effectivity.* - This Act shall take effect upon its publication in at least two (2) newspapers of general and local circulation.

Approved

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#### SUSPENSION OF SESSION

The session is suspended for one minute, if there is no objection. *[There was none.]*

*It was 11:36 a.m.*

#### RESUMPTION OF SESSION

*At 11:37 a.m., the session was resumed.*

**The President Pro Tempore.** The session is resumed.

The Majority Leader is recognized.

#### BILL ON SECOND READING

**S. No. 468--Public Employment Services Office**  
*(Continuation)*

**Senator Drilon.** Mr. President, I move that we resume consideration of Senate Bill No. 468 as reported out under Committee Report No. 66.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 468 is now in order.

**Senator Drilon.** Mr. President, we are still in the period of interpellations. May I ask the Chair to recognize Sen. Francisco S. Tatad, the principal sponsor.

**The President Pro Tempore.** Sen. Francisco S. Tatad, chairman of the Committee on Labor, is recognized.

**Senator Drilon.** Sen. Aquilino Q. Pimentel Jr. wishes to take the Floor to interpellate.

**The President Pro Tempore.** Sen. Aquilino Q. Pimentel Jr. is recognized.

**Senator Pimentel.** Thank you, Mr. President. I hope the gentleman is not yet indisposed.

**Senator Tatad.** The principal author is indisposed; the sponsor is not.

**Senator Pimentel.** Mr. President, I simply would wish to ask a very few questions, if the gentleman will allow me.

**Senator Tatad.** With pleasure, Mr. President.

**Senator Pimentel.** Mr. President, my main concern regarding this bill is its impact on local government units. The Local Government Code, as the gentleman very well knows, was enacted precisely to give a measure of autonomy to the local government units. Meaning to say, when offices are being created and funds are being required of those offices, especially if they are meant to be shouldered by the local government, I am very sorry to say on record that I will have problems with that. Because this will be in the nature of an unfunded mandate emanating from the central government imposing on local governments—"You do this, you do that"—despite the fact that we have already approved a Local Government Code.

If PESOs were to be created as offices to be installed at the local level, the central government can very well do that. But I would suggest that it should also fund the operations of that body and not require local governments to open up offices, put people there, especially if suggested by or recommended or appointed by the central government—the Department of Labor or whoever—and make the local governments bear the financial obligations to keep these offices running, Mr. President.

**Senator Tatad.** Mr. President, I genuinely share the philosophical position of our distinguished colleague on the autonomy of local governments. But perhaps it is useful to revisit the mandate of the local government units under the Local Government Code. In Section 16, Book I, of Republic Act No. 7160, we find the following: "That within the respective territorial jurisdiction, Local Government Units shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific technological capabilities, improve public morals, enhance economic prosperity and social justice"—and here we come to the applicable phrase—"promote

full employment among their residents, maintain peace and order, and preserve the comfort and convenience of their inhabitants."

Section 17, paragraph (2), No. 5, says: "Information services which include investments and job placements, information systems, tax and marketing information systems, and the maintenance of a public library shall, likewise, be one of the responsibilities of the Local Government Unit."

Even before the PESO bill was contemplated, as we tried to point out in our earlier remarks, Memorandum of Agreements had already been entered into between DOLE and the local government units, many of which were on the basis of the express desire of the local government units, although, as we stated, the program was initiated by DOLE. That is why cognizant of the fact that many of the LGUs depend almost entirely for their operational expenses on the IRA, DOLE thought it wise that it should answer for all the expenses to be incurred for the technical supervision and training.

**Senator Pimentel.** We have no quarrel, with the sponsor on the mandate of the local government units as enunciated in the Local Government Code. Our problem is that despite such a mandate, which in effect says, "You take care of these concerns," the central government would still want to step in and say, "All right, we create this office, put it in your respective jurisdictions, and you pay for it." That is the problem that we finally tell "how awkward", to say the least, Mr. President.

I was just hoping that if DOLE wants it, fine, let them put it there but they should pay for it. That is what I am saying. Get it out of their budget. To insist that P 1 million or something out of the funds of local government be spent for the maintenance of an office for one year, that is a big drain on the resources of local government. That I know, having been a mayor myself. That is why, I would like very honestly to caution DOLE regarding this issue because I know for a fact that it will create a lot more hardships which, probably, the people in DOLE sitting in their airconditioned offices do not realize that such a thing will happen. Apparently, they feel that "*O, sige*, you have a share in the internal revenue, *pakialaman namin* how you are going to use those funds," which is contrary to the very philosophy behind the adoption of the Local Government Code.

Let me just repeat this point, Mr. President, with the gentleman's permission. I am not objecting to the creation of PESO. We can create a thousand PESOs for all I care, provided the DOLE will pay for it. Do not create it and tell the local government, "*O, bayaran ninyo iyan* because that will be in the nature of an unfunded mandate" which is looked upon with disfavor not only by advocates of local government but even by experts on the



devolution of power because it contradicts the very essence of that devolution.

**Senator Tatad.** I thank the gentleman for that, Mr. President. What I see here is really a meeting of minds between the local government unit and DOLE. But our distinguished colleague has expressed a very real concern which, I think, is recognized in the bill and by DOLE itself.

So, probably, at the proper time, despite the fact that this bill has been competently drafted by the Senate President, we may be able to accommodate certain amendments that would minimize the burden of the LGUs.

**Senator Pimentel.** I thank the gentleman very much, Mr. President. With that assurance, I will take my seat.

**Senator Tatad.** I thank the gentleman, Mr. President.

**Senator Drilon.** Mr. President, Senator Magsaysay wishes to take the Floor to interpellate.

**The President Pro Tempore.** Sen. Ramon B. Magsaysay Jr. is recognized.

**Senator Magsaysay.** Thank you, Mr. Senate President.

I know we are all in a hurry due to the lateness of the hour—we have less than 15 minutes left—but there are just a couple of questions I would like to ask the distinguished senator from Catanduanes.

On page 2, Section 5, line 18 (a), it says: "Facilitate the exchange of labor market information between job seekers and employers..." I wonder if DOLE and the proponents of PESO are already aware and familiar with the IT, information technology, through E-commerce, on how they can reduce government spending and lessen unnecessary personnel by establishing web sites. We saw earlier this morning how the web site of Senator Pimentel shows a global reach.

So, I wonder what is the resource and the interest of the DOLE in making use of the Internet to attain the objectives that are very laudable among those mentioned in the said bill.

**Senator Tatad.** I think our good friend will be pleased to be assured that DOLE is on-line and Philjobnet impact is an on-line automated service using the Internet.

**Senator Magsaysay.** Is this an interactive approach or is it just a web page?

**Senator Tatad.** It is a web site, Mr. President.

**Senator Magsaysay.** How often is it refreshed, Mr. President?

**Senator Tatad.** It is being serviced 24 hours a day, 7 days a week. So, it should be refreshed on a continuing basis.

**Senator Magsaysay.** The distinguished sponsor will note also that instead of having lots of people around, that existing DOLE representatives or employees in municipal and city levels may just get young and fresh ones out of college or vocational school and make him or her handle the computer. Then he or she will have everything in his or her fingertips.

What I am saying is that we should start looking at our sourcing all of these services. Because we know that the government—being the bureaucracy that we are—does not attain certain efficiencies and cost effectiveness.

**Senator Tatad.** Mr. President, we can assure our distinguished colleague that the PESOs will not over-employ people. They will not employ more people than are necessary. Although we still have to deal with a labor surplus economy, we have to make use of state-of-the-art technology in order to reduce the number of people that do certain types of jobs. I do not believe there is going to be any of the problems of PESO.

**Senator Magsaysay.** Thank you, Mr. President.

Finally, on page 2, line 22, it says: "(b) Develop and administer testing and evaluation." Just what are these that are being done now by DOLE? Are there any existing programs or are these already in the local government level or regional level?

**Senator Tatad.** I am assured that there is already an existing program and this program would include psychological testing and counseling.

**Senator Magsaysay.** May we know whether the PESO proponents may consider and accept outsourcing this? Because there are a lot of good civilian offices and schools, like the Ateneo, and even the overseas group that do testing and evaluation. Rather than setting up and replicating or duplicating all these functions—we are trying to save the taxpayers' money—we might as well go whole hog and network with other government agencies and nongovernment agencies—civil society for that matter.

**Senator Tatad.** That is a very good point, Mr. President. In fact, it is already being done. The program makes use of the resources of academic institutions and others where this competence is available.

**Senator Magsaysay.** According to the proponent, Mr. President, there will be an annual budget outlay of P6 million? Is that the figure? Section 9, page 5 of the bill does not mention any specific figure.

**Senator Tatad.** The present budget, I believe, for technical supervision is what has just been quoted. The bill itself proposes that the amount necessary—I mean, that will be left to the appropriate authorities to establish—for the initial implementation of this Act shall be charged against the existing appropriation of DOLE and its other operating agencies.

**Senator Magsaysay.** Earlier on, when the gentleman from Cagayan de Oro was interpellating, we made mention of the budget per city, that is, P1.6 million, going down to a fourth-class city, which is about P500,000 a year.

**Senator Tatad.** When the Minority Leader was interpellating.

**Senator Magsaysay.** Yes, Mr. President. And I wonder what part of this is for the IT, for the computer part, including the personnel.

**Senator Tatad.** We have a breakdown of personal services and MOOE, but we have not isolated the IT requirement.

**Senator Magsaysay.** The bill proposes that the local government set aside appropriation for equipment, but I think, owing to the objections of Senator Pimentel earlier on mandating the local government, that maybe the PESO proponent will set aside part of the budget for IT as part of capital outlay. Would the good sponsor accept this?

**Senator Tatad.** This is something that, at the proper time, we can deliberate on.

**Senator Magsaysay.** Then I will accept that, Mr. President. We will do so at the proper time.

Thank you very much, Mr. President.

**Senator Tatad.** I would also like to thank Senator Magsaysay.

**Senator Drilon.** Mr. President.

**The President Pro Tempore.** Senator Drilon is recognized.

**Senator Drilon.** Mr. President, will the gentleman yield for a few clarificatory questions?

**Senator Tatad.** With pleasure, Mr. President.

**Senator Drilon.** Mr. President, on page 3, Section 6, paragraph (c), there is a provision here that one of the services that will be performed by PESO will be special credit assistance for placed overseas workers. May I know what will be the source of this special credit assistance?

**Senator Tatad.** I understand from our technical people that some NGOs, which are at the same time operating as PESOs, do have certain funds for this purpose. The funds already exist, Mr. President.

**Senator Drilon.** So, this is not sourced from any local government or national government funds.

**Senator Tatad.** That is our information, Mr. President. It is not.

**Senator Drilon.** Would that answer mean that PESO cannot access the funds of the Overseas Workers Welfare Administration that may be providing also special credit assistance for placed overseas workers?

**Senator Tatad.** I believe, Mr. President, what is important is that the mandate allows the PESO to perform the service so that there should be no limitation as to the possible sources of funds, provided these sources do not create an additional burden upon the government.

**Senator Drilon.** Mr. President, in reply to the questions raised by Senator Pimentel, the sponsor has placed on record his amenability to a proposed amendment later on as far as the fund support for the PESOs is concerned.

I would just like to add that the situation right now in the LGUs is that the maximum limit set by law for personal services and MOOE has been reached in many of these LGUs, so that they hardly have any room anymore for additional personnel to be hired under the local government payroll. That strengthens the view of Senator Pimentel that, indeed, we should source this from the national budget.

But having said that, Mr. President, my impression is that many of these functions of the PESO enumerated under Section 5 of the bill are now being performed by the regional offices and the bureaus under the Department of Labor and Employment. Is that a correct impression?

**Senator Tatad.** In fact, it is the 12 regional offices and some community employment centers that have been performing these functions prior to the establishment of the PESO. But the PESO

now will try to fully operationalize these functions in a much wider field. This is well-recognized.

Also, with respect to the previous point raised by the Majority Leader about the limitation on the funds that could be used for personal services, that was one of the more critical inputs made during the hearing, and the committee is cognizant of that. So, at the proper time, we should be able to address that.

**Senator Drilon.** Since the funds now will be coming from the General Appropriations Act, I guess a concern is the possible increase again in our bureaucracy.

The good sponsor has indicated that many of these functions of the PESO under Section 5 of the bill are, in fact, now being performed. So we assume from that answer that there will be no additional bureaucracy created as a result of the PESO being organized.

**Senator Tatad.** We do not expect any additional bureaucracy to issue from this legislation, Mr. President.

**Senator Drilon.** With that assurance, I wish to thank the good sponsor for being patient in answering my questions.

I move that we close the period of interpellations on Senate Bill No. 468 as reported out under Committee Report No. 66.

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the motion is approved.

**Senator Drilon.** We are now in the period of committee amendments. There are committee amendments which are contained in the committee report. May we ask that Sen. Francisco S. Tatad be recognized once more.

**The President Pro Tempore.** Sen. Francisco S. Tatad is recognized.

#### COMMITTEE AMENDMENTS

**Senator Tatad.** May we now propose the following committee amendments:

On page 1, line 2, Section 1, change the year "1998" to 1999;

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 1, line 16, Section 3, after the word "organizations", insert the phrase OR COMMUNITY-BASED

ORGANIZATIONS AND STATE COLLEGES AND UNIVERSITIES.

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 2, line 18, Section 5 (a), before the word "Facilitate", insert the phrase ENCOURAGE EMPLOYERS TO SUBMIT TO THE PESO ON A REGULAR BASIS A LIST OF JOB VACANCIES IN THEIR RESPECTIVE ESTABLISHMENTS IN ORDER TO.

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 2, line 20, Section 5 (a), between the words "local" and "overseas", insert the word AND.

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 3, line 2, Section 5 (d), after the word "levels", add the phrase BY UNDERTAKING REFERRALS FOR SUCH PROGRAMS.

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 4, line 3, Section 6 (e), delete the word "and" at the end thereof.

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 4, line 9, Section 6 (f), change the period (.) to semicolon (;) and add the word AND.

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 4, between lines 9 and 10, add the following subparagraph:

(G) OTHER PROGRAMS/ACTIVITIES DEVELOPED BY DOLE TO ENHANCE PROVISION OF EMPLOYMENT ASSISTANCE TO PESO CLIENTS, PARTICULARLY FOR SPECIAL GROUPS OF DISADVANTAGED WORKERS SUCH AS PERSONS WITH DISABILITIES AND DISPLACED WORKERS.

**The President Pro Tempore.** Is there any objection?  
[Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 4, lines 21 and 22, Section 7, change the phrase "personnel complement to manage, operate and maintain the PESO" to FUNDS FOR THE OPERATION AND MAINTENANCE OF THE PESO.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 4, between lines 22 and 23, add a new subparagraph (b) to read as follows:

(B) DESIGNATE A QUALIFIED PROJECT MANAGER AND/OR KEY PERSONNEL WHO SHALL BE RESPONSIBLE FOR THE OPERATION AND MANAGEMENT OF THE PESO.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** As a result of that amendment, we change the letters of the subsequent paragraphs accordingly.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 4, line 32, Section 7 (b), delete the word "and" at the end thereof.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 5, line 4, Section 7 (c), change the period (.) to semicolon (;) and add the word AND.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 5, between lines 4 and 5, add a new subparagraph which reads:

(D) UNDERTAKING, MONITORING, ASSESSMENT AND EVALUATION OF THE PESO PROGRAM IMPLEMENTATION.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** On page 5, line 13, Section 8, after the acronym "DOLE", add a comma (,) and the phrase IN COORDINATION WITH THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (,).

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** Finally, the title of the bill should be amended to read as follows:

AN ACT INSTITUTIONALIZING A NATIONAL FACILITATION SERVICE NETWORK THROUGH THE ESTABLISHMENT OF A PUBLIC EMPLOYMENT SERVICE OFFICE IN EVERY PROVINCE, KEY CITY AND OTHER STRATEGIC AREAS THROUGHOUT THE COUNTRY.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

Are there individual amendments?

SUSPENSION OF SESSION

**Senator Tatad.** Thank you very much, Mr. President. I move for a minute suspension of the session.

**The President Pro Tempore.** The session is suspended, if there is no objection. [There was none.]

*It was 12:05 p.m.*

RESUMPTION OF SESSION

*At 12:25 p.m., the session was resumed.*

**The President Pro Tempore.** The session is resumed.

**Senator Drilon.** Mr. President, the Chamber earlier approved a proposed committee amendment on page 4, Section 7, lines 21 and 22, which changed the phrase "personnel complement to manage, operate and maintain the PESO" to FUNDS FOR THE OPERATION AND MAINTENANCE OF THE PESO.

Mr. President, that pertinent provision pertains to the responsibilities of the LGUs as far as the establishment of the PESO offices is concerned. The records will show that during the interpellation of Senator Pimentel, the sponsor has agreed that the local government units should not be burdened by the funding of these PESO offices. This amendment, however, does not reflect that view expressed by the sponsor during the interpellations.

MOTION OF SENATOR DRILON  
(Reconsideration of Approval of  
Previous Amendment)

In view of that, Mr. President, may I move for a reconsideration of the Chamber's approval of the insertion on page 4, lines

21 and 22 which incorporated the phrase "FOR THE OPERATION AND MAINTENANCE OF THE PESO."

**The President Pro Tempore.** What does the sponsor say?

**Senator Tatad.** I have no objection, Mr. President.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the motion is approved.

**Senator Guingona.** Mr. President.

**The President Pro Tempore.** The Minority Leader is recognized.

MOTION OF SENATORS GUINGONA AND DRILON  
(To Prepare Clean Copies of S. No. 468  
Containing the Committee Amendments)

**Senator Guingona.** Mr. President, in view of the importance of this bill, and considering that there are many amendments, may I ask for a clean copy of the bill and make a reservation? We are just making a reservation to make the appropriate motion for reconsideration at the proper time, and considering that we may adjourn the session today, that reservation be duly made.

**The President Pro Tempore.** What does the Majority Leader say?

**Senator Drilon.** We have no problem with that, Mr. President. We, therefore, direct the Secretariat to prepare a revised version of Senate Bill No. 468 now containing the committee amendments as approved by the Chamber to be circulated immediately to the members of the Chamber so that we may approve the same.

**The President Pro Tempore.** Is it the understanding of the Chair that the amendment on paragraph (a) in that section on the role of the local government units, which effectively would place the burden of maintaining the operations of PESO in the national government through the GAA, is going to be the subject of an individual amendment when this bill is brought back to the floor?

**Senator Drilon.** That is correct, Mr. President. As of this time, lines 19, 20, 21 and 22 of page 4 would still stand as the subject mentioned by the Chair and would indeed be the subject of an individual amendment.

**The President Pro Tempore.** Is there a motion to suspend consideration of this bill?

**Senator Drilon.** I am about to do that, Mr. President.

SUSPENSION OF CONSIDERATION OF S. NO. 468

**Senator Drilon.** Mr. President, I move that we suspend consideration of Senate Bill No. 468 as reported out under Committee Report No. 66.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the motion is approved.

ADJOURNMENT OF SESSION

**Senator Drilon.** Mr. President, I move that we adjourn the session until two o'clock this afternoon.

**The President Pro Tempore.** The session is adjourned until two o'clock this afternoon, if there is no objection. [There was none.]

*It was 12:29 p.m.*

RECORD OF THE SENATE

WEDNESDAY, OCTOBER 6, 1999

OPENING OF THE SESSION

At 3:48 p.m., the Senate President Pro Tempore, Hon. John H. Osmeña, called the session to order.

The President Pro Tempore. The 32nd session of the Second Regular Session of the Eleventh Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Francisco S. Tatad.

Everybody rose for the prayer.

PRAYER

Senator Tatad. Let us pray.

Heavenly Father, so often have we offered You polemic and platitude in place of prayer. Open our hearts and minds and still our lips so that we may listen and learn from You the true meaning of prayer.

Amen.

ROLL CALL

The President Pro Tempore. The Secretary will please call the roll.

The Secretary, reading:

- Senator Teresa Aquino-Oreta Present
Senator Robert Z. Barbers Present
Senator Rodolfo G. Biazon Present
Senator Renato L. Compañero Cayetano Present
Senator Anna Dominique M.L. Coseteng Present
Senator Franklin M. Drilon Present
Senator Juan Ponce Enrile Present
Senator Juan M. Flavir Present
Senator Teofisto T. Guingona Jr. Present
Senator Gregorio B. Honasan Present
Senator Robert S. Jaworski Present
Senator Loren B. Legarda-Leviste Present
Senator Ramon B. Magsaysay Jr. Present
Senator John Henry R. Osmeña Present
Senator Sergio R. Osmeña III Present
Senator Aquilino Q. Pimentel Jr. \*

\* On official mission

- Senator Ramon B. Revilla Present
Senator Raul S. Roco \*
Senator Miriam Defensor Santiago Present
Senator Vicente C. Sotto III \*
Senator Francisco S. Tatad Present
The President Absent \*\*

The President Pro Tempore. With 18 senators present, there is a quorum.

THE JOURNAL

Senator Drilon. Mr. President, I move that we dispense with the reading of the Journal of the previous session and consider it approved.

The President Pro Tempore. Is there any objection? [Silence] There being none, the motion is approved.

Senator Drilon. Mr. President, I move that we proceed to the Reference of Business.

The President Pro Tempore. Is there any objection? [Silence] There being none, the motion is approved.

The Secretary will now read the Reference of Business.

REFERENCE OF BUSINESS

BILLS ON FIRST READING

The Secretary. Senate Bill No. 1747, entitled

AN ACT PROTECTING THE FILIPINO CHILDREN FROM MALNUTRITION INSTITUTIONALIZING FOR THIS PURPOSE "THE MILK FEEDING PROGRAM"; APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Magsaysay Jr.

The President Pro Tempore. Referred to the Committees on Health and Demography; Youth, Women and Family Relations; Ways and Means; and Finance

The Secretary. Senate Bill No. 1748, entitled

AN ACT PROVIDING FOR THE PAYMENT THROUGH VETERANS BONDS OF ARREARS

\*\* On account of illness

It was 3:59 p.m.

RESUMPTION OF SESSION

At 4:02 p.m., the session was resumed.

**The President Pro Tempore.** The session is resumed.

BILL ON SECOND READING  
S. No. 468--Public Employment  
Service Office Act of 1998  
(Continuation)

**Senator Drilon.** Mr. President, I move that we resume consideration of Senate Bill No. 468 as reported out under Committee Report No. 66.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, resumption of consideration of Senate Bill No. 468 is now in order.

**Senator Drilon.** We are now in the period of individual amendments. May I ask the Chair to recognize the principal sponsor, Sen. Francisco S. Tatad.

**The President Pro Tempore.** The senator from Bicol, Sen. Francisco S. Tatad, chairman of the Committee on Labor and Employment, is recognized.

**Senator Tatad.** Thank you very much, Mr. President.

PIMENTEL-GUINGONA-TATAD AMENDMENTS

There is one proposed individual amendment coming from the Minority Leader and Senator Pimentel which we worked on together. This is on page 4 of the clean copy which has been distributed to the members. The copy I am referring to bears the words "with approved committee amendments as of October 6, 1999."

On page 4, Section 7, line 10, the proposal is to insert between the words "of" and "Local" the words DOLE AND and to delete the words appearing on line 10 and line 11, after the word "Units" and ending in the period (.) after the word "Organizations".

So, the title is simply "Role of DOLE AND Local Government Units."

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** In line 11, before the word "The", we insert

the phrase UPON THE REQUEST OF THE LOCAL GOVERNMENT UNITS CONCERNED.

Then, just to complete the sentence from line 12 to line 14, we delete the phrase "local government units or LGUs, subject to the technical supervision and coordination by". So that the entire sentence, as amended, will now read: UPON THE REQUEST OF THE LOCAL GOVERNMENT UNITS CONCERNED THE ESTABLISHMENT, OPERATION AND MAINTENANCE OF PESOs SHALL BE UNDERTAKEN BY THE DOLE.

The committee accepts this amendment.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** In line 14, we delete the phrase, "For this purpose," and in line 15, we change the small letter "t" of the word "the" to capital letter "T". So that the sentence will begin there.

The committee accepts this amendment.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** On the same page, line 19, the proposal is to delete the words "LGU concerned" between the words "the" and "to" and replace these words with the word DOLE.

The committee accepts this amendment.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Tatad.** In line 22(a), the same page, after the word "DESIGNATE" insert a comma (,) and the words: IN CONSULTATION WITH THE LGU CONCERNED, and then put a comma (,) after the word "CONCERNED". It now reads: "DESIGNATE, IN CONSULTATION WITH THE LGU CONCERNED, A QUALIFIED PROJECT MANAGER."

The committee accepts this amendment.

**The President Pro Tempore.** The Chair would like to clarify: Since in line 19 we have made all of these paragraphs as the responsibility of DOLE, therefore, the designation of a qualified project manager is now the responsibility of DOLE and that manager is going to be paid with national government funds. Is that a proper understanding?

**Senator Tatad.** That is the understanding, Mr. President. But just to give the LGUs some participation...

**The President Pro Tempore.** In consultation—not with the concurrence.

**Senator Tatad.** No. In consultation.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, the amendment is approved.

We are on page 4A.

**Senator Tatad.** After line 22c, page 4, we proceed to page 4A. We propose that the provisions appearing on page 4A, lines 29 to 32, up to line 8 on page 5 be made part of the responsibilities of DOLE with the appropriate correct lettering and minor adjustments.

Line 29 will now read as letter (C) and the word “Providing” will now be changed to PROVIDE.

The committee accepts the amendment.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, the amendment is approved.

In line 28, does the Chair hear an amendment to delete this line?

**Senator Tatad.** Later, Mr. President. We will go back to that.

In line 31, letter “(b)” will now be letter (D) and the word “Training” will now read as TRAIN.

The committee accepts this amendment.

**The President Pro Tempore.** Are there objections to this amendment? *[Silence]* There being none, the same is approved.

**Senator Tatad.** On the same page, line 32, the word “[and]” has been deleted. I have nothing further in line 32.

On page 5, line 1, letter “(c)” will now become letter (E). The word “Extending” will now read as EXTEND, and the word “facilitating” will read as FACILITATE.

The committee accepts this amendment, Mr. President.

**The President Pro Tempore.** Are there objections to this amendment? *[Silence]* There being none, the same is approved.

**Senator Tatad.** On page 5, line 4a, letter “(D)” will now read as letter (F). Change the word “UNDERTAKING” to

UNDERTAKE; the word “MONITORING” to MONITOR; the word “ASSESSMENT” to ASSESS; and the word “EVALUATION” to EVALUATE.

The committee accepts the amendments.

**The President Pro Tempore.** Are there objections? *[Silence]* There being none, the amendments are approved.

**Senator Tatad.** We go back to page 4A. Line 28 will now read: “For its part, the LGUs shall be responsible for”. And under this we go back to line 25. This will now be letter (A), if we have more than one letter, but I will propose the deletion of the lines before this.

“For its part, the LGUs shall be responsible for EXTENDING such assistance and services as may be necessary in the promotion of employment within the area of jurisdiction.”

So, this entails a transposition and slight modification of what appears in lines 25, 26 and 27.

The committee accepts this amendment.

**The President Pro Tempore.** Are there objections to these amendments? *[Silence]* There being none, the amendments are approved.

**Senator Tatad.** On the same page, lines 23 and 24, the proposal is to delete the words appearing in these lines.

**The President Pro Tempore.** Page 4A?

**Senator Tatad.** Page 4A—“Furnish the DOLE with periodic accomplishment report; and”.

**The President Pro Tempore.** Are there any objections? *[Silence]* There being none, the amendment is approved.

**Senator Tatad.** That is about all, Mr. President.

**Senator Drilon.** Mr. President.

**The President Pro Tempore.** The Majority Leader is recognized.

**Senator Drilon.** Mr. President, for purposes of clarity, may we request the sponsor to read Section 7 after all those amendments, if the sponsor will please accommodate the request?

**Senator Tatad.** With pleasure, Mr. President.

Section 7, as amended, will now read as follows:



**SEC. 7. The Role of DOLE AND Local Government Units.** — UPON THE REQUEST OF THE LOCAL GOVERNMENT UNITS CONCERNED, the establishment, operation and maintenance OF PESOs shall be undertaken by THE DOLE. The DOLE shall enter into memoranda of agreements with governors and city/municipal mayors for the setting up and operation of PESOs in the respective areas of jurisdiction of said LGUs.

It shall be the responsibility of the DOLE to:

(A) Provide office space, equipment and/or supplies, as well as the necessary personnel complement to manage, operate and maintain the PESO.

(B) DESIGNATE, IN CONSULTATION WITH THE LGU CONCERNED, A QUALIFIED PROJECT MANAGER AND/OR KEY PERSONNEL WHO SHALL BE RESPONSIBLE FOR THE OPERATION AND MANAGEMENT OF THE PESO.

(C) PROVIDE technical assistance and allied support services to the PESO.

(D) TRAIN PESO personnel in the various aspects of employment facilitation functions.

(E) EXTEND/FACILITATE such other package of employment services to the provision of employment assistance to clients of the LGU concerned, including the conduct of job fairs and other activities; AND

(F) UNDERTAKE, MONITOR, ASSESS AND EVALUATE THE PESO PROGRAM IMPLEMENTATION.

The DOLE shall also encourage and promote the establishment and operation by non-governmental organizations under similar arrangements established by DOLE with LGUs.

**Senator Drilon.** Do we delete the words "of PESOs" in line 6 of page 5 just read by the sponsor? Did he skip deliberately the words "of PESOs"?

**Senator Tatad.** I thought I read it.

**Senator Drilon.** I thought I misheard him.

**Senator Tatad.** It is there.

**Senator Drilon.** I withdraw the question, Mr. President.

**Senator Tatad.** And then continue: FOR ITS PART, THE LGUs SHALL BE RESPONSIBLE FOR EXTENDING SUCH ASSISTANCE AND SERVICES AS MAY BE NECESSARY IN THE PROMOTION OF EMPLOYMENT WITHIN THE AREA OF JURISDICTION.

This is the entire Section 7.

#### DRILON AMENDMENTS

**Senator Drilon.** Just some amendments as a matter of style, if the good sponsor will accept. First, in line 22a, page 4, the LGUs (local government units) should be spelled out as there is no prior reference to the letters "LGUs".

**Senator Tatad.** That is a very good observation. The Committee is very pleased to accept it.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

**Senator Drilon.** On page 4A, what is still appearing as line 28, just for purposes of reference, we delete the words "responsible for" so that it will just be one continuous sentence. For its part, the LGUs SHALL EXTEND SUCH ASSISTANCE, et cetera.

**Senator Tatad.** That is a very good amendment and we are pleased to accept it.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the amendment is approved.

We are still on page 5, are we not? Page 5A. Page 6. Are there no other amendments?

**Senator Drilon.** Mr. President, I move that we close the period of individual amendments.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, the motion is approved.

#### APPROVAL OF S. NO. 468 ON SECOND READING

**Senator Drilon.** Mr. President, I move that we vote on Second Reading on Senate Bill No. 468, as amended.

**The President Pro Tempore.** Is there any objection? [Silence] There being none, we shall now vote on Second Reading on Senate Bill No. 468, as amended.

As many as are in favor of the bill, say *aye*.

Several Members. *Aye.*

**The President Pro Tempore.** As many as are against the bill, say *nay*. [*Silence*]

**The President Pro Tempore.** Senate Bill No. 468, as amended, is approved on Second Reading.

SUSPENSION OF SESSION

**Senator Drilon.** Mr. President, I move that we suspend the session for one minute.

**The President Pro Tempore.** The session is suspended for one minute, if there is no objection. [*There was none.*]

*It was 4:18 p.m.*

RESUMPTION OF SESSION

*At 4:24 p.m., the session was resumed.*

**The President Pro Tempore.** The session is resumed.

BILL ON SECOND READING  
S. No. 153--Retail Trade Liberalization Act of 1998  
(Continuation)

**Senator Drilon.** Mr. President, I move that we resume consideration of Senate Bill No. 153 as reported out under Committee Report No. 41.

**The President Pro Tempore.** Is there any objection? [*Silence*] There being none, resumption of consideration of Senate Bill No. 153 is now in order.

**Senator Drilon.** This is an "Act Liberalizing the Retail Trade Business Repealing for the Purpose Republic Act No. 1180, as Amended."

May I ask the Chair to recognize Sen. Sergio R. Osmeña III, the principal sponsor, and to continue his interpellation, Sen. Teofisto T. Guingona Jr.

**The President Pro Tempore.** Sen. Sergio R. Osmeña III, the principal sponsor, is recognized, and the Minority Leader, Sen. Teofisto T. Guingona Jr., is also recognized to continue his interpellation.

**Senator Guingona.** Thank you, Mr. President.

Will the distinguished sponsor continue to yield for some questions?

**Senator S. Osmeña III.** With pleasure, Mr. President, to the distinguished gentleman from Mindanao and the Minority Leader.

**Senator Guingona.** Mr. President, we have already covered the petroleum products, the pharmaceuticals, and the cement. So may I go now to some food items and other commodities that are basic to the Filipino consumer.

Since sardines is in the news, may I go to sardines. I think the brand names are 555 and Master. The prevailing price is around P8.25 or P8.50.

I understand that the foreign retailers, in principle, will buy from the cheapest source and sell to all consumers and buyers regardless of Class A, B, C, D, E. In other words, the main purpose of the retailer is to service the consumer by purchasing from the cheaper source—whether from abroad or from here—and selling to the customer.

Under that principle because of the high cost of local production due to a number of factors, such as power cost, lack of facilities and other factors which the distinguished sponsor is very well aware of, the imported commodities as a rule would be very much cheaper because of the lower tariff.

In the case of sardines, for example, the imported sardines would be very much cheaper than the locally manufactured ones. I understand that the manufacturers import the sardine fish and just package the sardine finished product here. Would that be a correct statement?

**Senator S. Osmeña III.** May I just correct the distinguished Minority Leader's assumption a little bit?

Our country hardly has any sardines. If my memory serves me right, a big bulk of sardines are caught off the coast of Peru and Chile. This follows the cold current during certain times of the year. The Philippines is not known for any large schools of sardines in whatever season. We are more known for our tuna and other fish of that family. Therefore, the locally manufactured sardines that we see are really imported; the raw material is imported and canned and packaged in this country.

Mr. President, the Filipino manufacturer has an advantage despite high interest costs, high wage rates, high power costs because there are tariffs. First, we have to deal with the costs of packaging and transportation which are cargo insurance and freight. Then when they enter the country, they have to pay tariffs. So this is able to protect the local manufacturer adequately.

For example, I am more familiar with the corned beef indus-