

RECORD OF THE SENATE

TUESDAY, SEPTEMBER 1, 1998

OPENING OF THE SESSION

At 3:11 p.m., the Senate President, Hon. Marcelo B. Fernan, called the session to order.

The President. The 17th session of the First Regular Session of the Eleventh Congress is hereby called to order.

We shall be led in prayer by Sen. Sergio R. Osmeña III.

Everybody rose for the opening prayer.

Senator Osmeña III.

Almighty Father, be our rock of safety, the stronghold that saves us. For as the prophet Jeremiah said, "Blessed is the man who trusts in the Lord and puts all his confidence in Him. He is like a tree planted by the water's edge: that sends out its roots to the stream and does not fear when summer's heat comes, for its foliage remains green; nor has it any anxiety in the year of drought, for it does not cease to bear fruit."

Father, as we stand on the threshold of a new millennium, guide our footsteps, give us the courage to lead our people through treacherous waters. Bless us with humility of a servant's heart that we may serve the interests of the lowliest of our citizens, rather than bow to powers on earth. Allow us in humble servanthood to become instruments of Your divine justice. Give us the wisdom to discern the truth, so that we might stand steadfast in support of what is right, even if, at times, it may not be popular.

Look with favor upon our people, especially those suffering from deprivation and want: our farmers who this day suffer hunger in the form of the El Niño; the millions unemployed in the backlash of the economic crisis; those who suffer injustice from the crimes and evil that threaten to undo the moral fabric of our society. Heal us of the many divisions among us, that we may build a strong nation, united in loving You and loving one another, and ready to face the future like a new day awakening.

Amen.

ROLL CALL

The President. 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 .. Absent
Senator Franklin M. Drilon Present
Senator Juan Ponce Enrile Present
Senator Juan M. Flavies 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 Blas F. Ople *
Senator John Henry R. Osmeña Present
Senator Sergio R. Osmeña III Present
Senator Aquilino Q. Pimentel Jr. Present
Senator Ramon B. Revilla Present
Senator Raul S. Roco Present
Senator Miriam Defensor Santiago Present
Senator Vicente C. Sotto III Present
Senator Francisco S. Tatad Absent
The President Present

The President. With 20 senators present, the Chair declares the presence of a quorum.

Senator Drilon. Mr. President.

The President. The Majority Leader is recognized.

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. Is there any objection? [Silence] There being none, the reading of the Journal of the previous session is dispensed with and the same is considered approved.

Senator Tatad. I move that we proceed to the Reference of Business.

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

The Secretary will please read the Reference of Business.

* On official mission

Agreement on Tariff and Trade? *[Silence]* There being none, the amendment is hereby approved.

Senator Santiago. I go now to page 24a, line 30 of this revised version.

Senator Enrile. Yes, Mr. President.

Senator Santiago. "The remainder shall be returned to the importer immediately." I propose to insert the sentence: THE REMAINDER WHICH IS TO BE RETURNED TO THE IMPORTER SHALL NOT EARN ANY INTEREST.

Senator Enrile. It is accepted, Mr. President.

Senator Santiago. That is all, Mr. President.

Senator Enrile. Thank you, Mr. President.

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

Senator Drilon. Since there are no further amendments, Mr. President, I move that we close the period of individual amendments.

The President. Is there any objection to the closure of the period of individual amendments?

Senator Pimentel. Mr. President.

The President. Senator Pimentel is recognized.

Senator Pimentel. I really do not have any specific objection to any particular section in the proposed amendments by Senator Enrile. What I would like to suggest, however, is that the English should be a little more understandable. It is not the gentleman's fault, Mr. President, I know that. But the way the sentences are constructed, they are so kilometric that we have to try to remember which is the beginning and which is the end.

Mr. President, in all honesty, I hope that we can make the laws coming out of the Senate a little more understandable even to the ordinary man on the street.

Senator Enrile. Mr. President, I am no English major but I tried my best to make it as clear as possible. Unfortunately, it is very difficult to express economic concepts in short sentences.

Senator Pimentel. Mr. President, just a suggestion. We probably should have a style committee.

Senator Enrile. I have no objection, Mr. President.

Senator Pimentel. The "styling" of the bills should now be done by the Secretariat. Because as I said, otherwise it will be a law that probably nobody will understand.

Senator Enrile. I have no objection, Mr. President.

Senator Pimentel. Subject to style, Mr. President.

Senator Enrile. Subject to style.

The President. There are no more individual amendments. What is the pleasure of the Majority Leader?

Senator Drilon. I have a pending motion for the closure of the period of individual amendments, Mr. President.

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

APPROVAL OF S. NO. 763 ON SECOND READING

Senator Drilon. Mr. President, I move that we vote on Second Reading on Senate Bill No. 763, as amended.

The President. Is there any objection? *[Silence]* There being none, we shall now vote on Second Reading on Senate Bill No. 763, as amended.

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

Several Members. *Aye*.

The President. As many as are against the bill, say *no*. *[Silence]*

Senate Bill No. 763, as amended, is approved on Second Reading.

Senator Drilon. Mr. President, we would like to express our gratitude and congratulations to the sponsor of the measure for having guided through the legislative mill this bill, the first legislative measure that this Chamber has approved under the presidency of Sen. Marcelo Fernan.

The President. The Chair wishes to congratulate the sponsor for steering the approval of this bill in record time.

BILL ON SECOND READING

S. No. 1136 - Amending Certain Sections of RA. No. 7916, the Special Ecozone Act of 1995
(Continuation)

Senator Drilon. Mr. President, I move that we resume consideration of Senate Bill No. 1136, as reported out under Committee Report No. 2.

The President. Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 1136 is now in order.

Senator Drilon. The parliamentary status, Mr. President, is that the period of interpellations is already closed. We are now in the period of committee amendments.

For this purpose, may I ask the Chair to recognize the sponsor, Sen. Sergio Osmeña III.

The President. The sponsor, Sen. Sergio Osmeña III is recognized for the committee amendments.

Senator Osmeña III. Mr. President, because this is a substitute bill, we are not allowed under the *Rules* to present committee amendments. Therefore, may I request that we move to the period of individual amendments.

Senator Drilon. Mr. President, we move to close the period of committee amendments and proceed with the period of individual amendments.

The President. The Chair will now declare that we move to the consideration of individual amendments, having closed the period of committee amendments.

Senator Roco. Mr. President.

The President. Senator Roco is recognized.

SUSPENSION OF SESSION

Senator Roco. Mr. President, may I request for a one-minute suspension of the session.

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

It was 3:37 p.m.

RESUMPTION OF SESSION

At 3:48 p.m., the session was resumed.

The President. The session is resumed. The Majority Leader is recognized.

MOTION OF SENATOR DRILON
(Reopening the Period of Committee Amendments)

Senator Drilon. Mr. President, after conferring with our

colleagues, I move that we reconsider our earlier decision to close the period of committee amendments and reopen the same.

The President. Is there any objection? *[Silence]* There being none, the motion is approved and the period of committee amendments is hereby reopened.

Senator Drilon. With the consent of the Chamber, may I ask the Chair to recognize Sen. Sergio Osmeña III for the committee amendments.

The President. Senator Osmeña III is recognized for his committee amendments.

Senator Osmeña III. Thank you, Mr. President. The first proposed committee amendment will fall on page 1, line 13, after the word "zones".

SUSPENSION OF SESSION

May I ask for a one-minute suspension of the session, Mr. President.

The President. Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

It was 3:50 p.m.

RESUMPTION OF SESSION

At 3:51 p.m., the session was resumed.

The President. The session is resumed. Senator Osmeña III is recognized.

Senator Osmeña III. Mr. President, may I repeat that the first committee amendment on page 1, line 13, after the word "zones", the comma (,) is deleted and before the word "support", the phrase AS A PRINCIPAL COMPONENT WITH is added. So the entire line will now read: free trade zones AS A PRINCIPAL COMPONENT WITH SUPPORT FACILITIES.

The President. Is there any comment, Senator Roco?

Senator Roco. Yes, Mr. President. Just for clarity, the ecozone here, as I understand, applies both to the public and the private.

Senator Osmeña III. That is correct, Mr. President.

Senator Roco. Yes, Mr. President. Maybe, since the committee graciously agreed to the concept that the privately-

run ecozone will be treated differently, here there should be clarity in the distinction between the public and the 101 special economic zones that are private in character.

Senator Osmeña III. There is no problem, Mr. President. What is the pleasure of the gentleman?

Senator Roco. Subject to style, Mr. President, I hate to do this, but the idea being that an ecozone may contain the following things, but to show a distinction between the ecozone that is public and the special economic zones that are privately run, then the committee will also have no more problem about the industry standards, because the industry standards will refer now to the private special economic zones. I do not have words specifically in mind.

The President. In other words, the committee is qualified to refer to both public and private ecozones?

SUSPENSION OF SESSION

Senator Roco. May I ask for a one-minute suspension of the session, Mr. President.

The President. Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

It was 3:53 p.m.

RESUMPTION OF SESSION

At 3:56 p.m., the session was resumed.

The President. The session is resumed. The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF S. NO. 1136

Senator Drilon. Mr. President, may we move to suspend consideration of Senate Bill No. 1136, under Committee Report No. 2.

The President. Is there any objection? *[Silence]* There being none, the motion is approved. Consideration of Senate Bill No. 1136 is hereby suspended.

SPECIAL ORDERS

Senator Drilon. Mr. President, may we move to transfer from the Calendar for Ordinary Business to the Calendar for Special Orders Committee Report No. 3 on Senate Bill No. 1137, entitled

AN ACT REQUIRING THE MANDATORY COMPLIANCE BY MOTORISTS OF PRIVATE AND PUBLIC VEHICLES TO USE SEAT BELT DEVICES AND REQUIRING VEHICLE MANUFACTURERS TO INSTALL SEAT BELT DEVICES IN ALL THEIR MANUFACTURED VEHICLES.

The President. Is there any objection? *[Silence]* There being none, Senate Bill No. 1137 is hereby transferred to the Calendar for Special Orders.

BILL ON SECOND READING S. No. 1137--Use of Seat Belts Act

Senator Drilon. Mr. President, I move that we consider on Second Reading, Senate Bill No. 1137, as reported out under Committee Report No. 3.

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

Consideration of Senate Bill No. 1137 is now in order. With the permission of the Body, the Secretary will read only the title of the bill, without prejudice to inserting in the *Record* the whole text thereof.

The Acting Secretary [Atty. Tolentino]. Senate Bill No. 1137, entitled

AN ACT REQUIRING THE MANDATORY COMPLIANCE BY MOTORISTS OF PRIVATE AND PUBLIC VEHICLES TO USE SEAT BELT DEVICES AND REQUIRING VEHICLE MANUFACTURERS TO INSTALL SEAT BELT DEVICES IN ALL THEIR MANUFACTURED VEHICLES

The following is the whole text of the bill:

Senate Bill No. 1137

AN ACT REQUIRING THE MANDATORY COMPLIANCE BY MOTORISTS OF PRIVATE AND PUBLIC VEHICLES TO USE SEAT BELT DEVICES, AND REQUIRING VEHICLE MANUFACTURERS TO INSTALL SEAT BELT DEVICES IN ALL THEIR MANUFACTURED VEHICLES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Senator Sotto. Mr. President, as I said earlier, the reason we did not incorporate Section 10 of Senator Santiago's version and we used Section 10 of Senator Flavio's and Senator Osmeña III's version was that we thought that there will be a very big fluctuation as far as the amount is concerned. Definitely, we do not foresee a very stable peso. It has been the problem in the last so many years and we do not expect it to stabilize in the future also. That is the reason we did not include it here.

But if the gentleman feels, as the Minority Leader does, that we should place a maximum fine in this bill, then, as I said, I do not think the committee will object to this when the period of amendments comes, Mr. President.

Senator Cayetano. Thank you, Mr. President. As far as the imposition of fine, it is only being imposed on the driver. Why not on the passenger who refuses upon being notified or advised by the driver? Why not impose a penalty or fine on the passenger too?

Senator Sotto. Mr. President, it is the driver who controls the car. Just like a ship, he is the captain of the ship. I think it would be quite difficult to impose fines on the passengers.

This was brought out during the public hearings. There was somebody who asked, "What if the employer sits in front and does not want to buckle up? His driver tells him to, 'Boss, please buckle up because I will be fined'." And the employer says that he does not want to.

They asked me whether we should fine the employer. As I said, the general sentiment was, since the driver was the one in control, he should be fined. The passenger, whether he is the employer or not, if he does not want to wear a seat belt, in case he is not caught and he is not fined, or the driver is not fined, and he meets an accident, then the possibility of his death is greater or he might suffer serious injury.

Senator Cayetano. Finally, Mr. President, would failure to wear a seat belt be considered an evidence of reckless imprudence or simple negligence in the case where death or injury is suffered by a passenger as far as the Penal Code is concerned, if the gentleman knows?

Senator Sotto. The distinguished gentleman is an expert on law, Mr. President. I can only guess. I think it could probably be considered contributory negligence. I am not sure. I would rather leave that to the legal practitioners in the House.

Senator Cayetano. As I said, this is a very important legislation whose time has come. Indeed, I am sure that as the cosponsor has said, this would save a lot of lives, broken ribs and limbs.

Thank you, Mr. President. Once again, I congratulate the cosponsor of this bill.

Senator Sotto. Thank you very much, Mr. President.

SUSPENSION OF CONSIDERATION OF S. NO. 1137

Senator Drilon. Mr. President, I move for the suspension of consideration of Senate Bill No. 1137, as reported out under Committee Report No. 3.

The President. Is there any objection? [*Silence*] There being none, consideration of Senate Bill No. 1137 is hereby suspended.

SUSPENSION OF CONSIDERATION OF S. NO. 763

Senator Drilon. Also, may we indicate on the *Record* that consideration of Senate Bill No. 763, as reported out under Committee Report No. 1, has been suspended. I failed to manifest that earlier, Mr. President.

The President. Is there any objection? [*Silence*] There being none, consideration of Senate Bill No. 763 is likewise suspended.

BILL ON SECOND READING

S. No. 1136--Establishment of Ecozones (Continuation)

Senator Drilon. Mr. President, with the permission of the Chamber, may we resume consideration of Senate Bill No. 1136 as reported out under Committee Report No. 2.

The President. Is there any objection? [*Silence*] There being none, resumption of consideration of Senate Bill No. 1136 under Committee Report No. 2 is hereby resumed.

Senator Drilon. We are now in the period of committee amendments. May I ask the Chair to recognize Sen. Sergio Osmeña III for the committee amendments.

COMMITTEE AMENDMENTS

The President. Sen. Sergio Osmeña III is recognized for the committee amendments.

Senator Osmeña III. Thank you, Mr. President. Our first amendment to the bill is on page 1, line 11. After the word "ecozone", we move to insert the phrase MAY BE PUBLICLY OR PRIVATELY OWNED AND.

Senator Drilon. I move to approve the amendment of the committee.

The President. Is there any objection? [*Silence*] There being none...

Senator Roco. Mr. President.

The President. Senator Roco is recognized.

Senator Roco. Just for clarity, Mr. President.

The ECOZONE may be publicly or privately owned. Do we want both public and private to contain this support? Is that the intention? Or do we want that the public ECOZONE may contain the following as principal support facilities?

I thought, Mr. President, if we may suggest: AN ECOZONE MAY BE PRIVATELY OR PUBLICLY OWNED. THE PUBLICLY OWNED ECOZONE MAY CONTAIN INDUSTRIAL ESTATES, et cetera, AND EXPORT PROCESSING ZONE, A FREE TRADE ZONE, as, I think, the committee would want as a principal support facilities.

Senator Osmeña III. Thank you, Mr. President. Actually, the main bill itself, which is amending Republic Act No. 7916 already provides that there shall be four types of ecozones, and they may be publicly or privately owned.

As of today, the government has not started any industrial estate. The government owns four export processing zones, one free trade zone, but there are lands within free trade zones that are privately owned.

Senator Roco. I think we will wait for all the committee amendments, Mr. President, and then we will suggest. Thank you.

Senator Osmeña III. Thank you, Mr. President. Our second amendment, Mr. President, is on page 1, line 13.

Senator Drilon. Mr. President.

The President. The Majority Leader is recognized.

Senator Drilon. Before we go to the second amendment, the first committee amendment has not yet been approved by the Body.

The President. Is there any objection to the approval of the first committee amendment? [*Silence*] There being none, the amendment is approved.

We now proceed to the second amendment.

Senator Osmeña III. Our next amendment is on page 1, line 13. We move to delete the comma (,) right after the close

parenthesis in EPZ—which is actually the first word of the line—and in lieu thereof, insert the word AND, and the period (.) after the words “free trade zones”.

Senator Guingona. Mr. President.

The President. The Minority Leader is recognized.

Senator Guingona. Just for clarification, if the gentleman would not mind.

What is the meaning of “principal component”? Does this mean that the components will all have to be situated within the zone?

Senator Osmeña III. Mr. President, that phrase was suggested during an earlier period of amendment. We have since decided to change that. So the word “principal component” does not now appear.

If the gentleman will be so kind as to wait until the next amendment, he will see how we have dealt with the matter.

Senator Guingona. Thank you, Mr. President.

The President. Please proceed, Senator Osmeña III.

Has the sponsor completely stated his second committee amendment?

Senator Osmeña III. That is the second committee amendment, Mr. President. Delete the comma (,) and put the word AND, and then the comma (,) after the words “free trade zones” is changed to a period (.).

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

Senator Osmeña III. Our third committee amendment, Mr. President, is in line 16 of the same page. After the word “zone” but before the period (.), insert the phrase MAY BE ESTABLISHED WITHIN THE ZONE.

The President. Is there any objection to the committee amendment?

Senator Guingona. Mr. President.

The President. The Minority Leader is recognized.

Senator Guingona. Mr. President, may we ask the distinguished gentleman if the intention is to have the support facilities established within the zone?

Senator Osmeña III. That is correct, Mr. President.

Senator Guingona. Would the gentleman accept an amendment to his amendment?

Senator Osmeña III. May we listen to the amendment to the amendment, Mr. President?

GUINGONA AMENDMENT

Senator Guingona. Delete the words "may be"—MAY BE ESTABLISHED WITHIN THE ZONE.

The President. What does the sponsor say?

Senator Osmeña III. It is accepted, Mr. President.

The President. Is there any objection to the amendment, as amended by the Minority Leader? *[Silence]* There being none, the amendment is hereby approved.

Senator Osmeña III. Mr. President, just a matter of style.

If we reread the amendment now—although I have no real objection to the amendment—the entire paragraph will now read as follows:

AN ECOZONE MAY BE PUBLICLY OR PRIVATELY OWNED AND MAY CONTAIN ANY OR ALL OF THE FOLLOWING: INDUSTRIAL ESTATES, EXPORT PROCESSING ZONES, AND FREE TRADE ZONES. SUPPORT FACILITIES, SUCH AS RESIDENTIAL AND COMMERCIAL ESTABLISHMENTS THAT CATER TO THE NEEDS OF THE EMPLOYEES WORKING INSIDE THE ZONE...

Established within the zone? Grammatically,...

The President. Subject to style, or would the gentleman want to effect the change now?

Senator Drilon. Mr. President, may I make a suggestion to our colleagues.

It is their right to propose amendments to the committee amendments. But for an orderly presentation, may we suggest that the committee be allowed to propose first all the committee amendments and thereafter we will prepare a new draft to be distributed to all our colleagues tomorrow, so that by tomorrow afternoon we can come up with the individual amendments by looking at the bill as amended by the committee. Because it would be difficult for the sponsor to be able to respond to the individual amendments.

So may I make that suggestion, Mr. President, although I recognize the right of our colleagues to propose amendments to the committee amendments at this stage.

The President. Does the Minority Leader agree for an orderly presentation?

Senator Guingona. Yes, Mr. President.

The President. Let us then proceed.

Senator Osmeña III. Mr. President, may I then request to reinsert the word MAY BE just to establish some kind of flow.

The President. So how will it read now?

Senator Osmeña III. It will now read: AN ECOZONE MAY BE PUBLICLY OR PRIVATELY OWNED AND MAY CONTAIN ANY OR ALL OF THE FOLLOWING: INDUSTRIAL ESTATES, EXPORT PROCESSING ZONES, AND FREE TRADE ZONES, SUPPORT FACILITIES, SUCH AS RESIDENTIAL AND COMMERCIAL ESTABLISHMENTS THAT CATER TO THE NEEDS OF THE EMPLOYEES WORKING INSIDE THE ZONE MAY BE ESTABLISHED WITHIN THE ZONE.

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

Senator Osmeña III. The next committee amendment is on page 3, line 3. After the word "Ecozone", we insert a COMMA (.). That is the amendment.

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

Senator Osmeña III. The next amendment is on page 3, line 10, the word "may" deleted and the word SHALL is substituted instead.

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

Senator Osmeña III. Mr. President, in line 11, before the word "representative", the word PERMANENT is inserted.

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

Senator Osmeña III. On page 3, line 13, delete the words "Assistant Secretary" and in its place, insert the word UNDERSECRETARY.

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

Senator Osmeña III. My next amendment is on page 4, between lines 20 and 21, insert the following phrase: PROVIDED, HOWEVER, THAT THE PEZA SHALL NOT EXERCISE THE POWER OF EMINENT DOMAIN ON BEHALF OF PRIVATELY OWNED ECOZONES.

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

Senator Osmeña III. And the last amendment, Mr. President, is on page 4, line 23, where the committee moves to delete the entire Section 51, otherwise known as the *Ipsa Facto* Clause.

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

Senator Osmeña III. That completes the committee amendments, Mr. President.

The President. The Majority Leader is recognized.

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

The President. Is there any objection? *[Silence]* There being none, the period of committee amendments is closed.

SUSPENSION OF CONSIDERATION OF S. NO. 1136

Senator Drilon. Mr. President, I move that we suspend consideration of Senate Bill No. 1136.

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

SUSPENSION OF SESSION

Senator Drilon. May we ask for a one-minute suspension of the session, Mr. President?

The President. Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

It was 4:53 p.m.

RESUMPTION OF SESSION

At 4:54 p.m., the session was resumed.

The President. The session is resumed.

BILL ON SECOND READING
S. No. 1137--Use of Seat Belts Act
(Continuation)

Senator Drilon. Mr. President, I move that we resume consideration of Senate Bill No. 1137, as reported out under Committee Report No. 3.

The President. Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 1137 is now in order.

Senator Drilon. May we ask the Chair to recognize Senator Sotto for the continuation of the period of interpellations.

May we also ask the Chair to recognize Sen. Rodolfo Biazon.

The President. Sen. Rodolfo Biazon is recognized. He is the second one to interpellate.

Senator Sotto. The third, Mr. President.

Senator Biazon. Thank you, Mr. President. May I first congratulate the principal sponsor of this bill.

Senator Sotto. Thank you, Mr. President.

Senator Blazon. Mr. President, in lines 23 to 24, page 2, it says that any passenger who refuses to wear seat belts shall not be allowed to board the public vehicle.

In California, there is a law that fines not the driver but the passenger who refuses to wear the safety belt. As pointed out probably in the hearings, it will be very difficult for a driver to require his employer to wear the seat belt, and probably, instead of the employer getting off the vehicle, it will be the driver who will be asked to get off the vehicle.

What is the special objection to subjecting a passenger who refuses to wear the seat belts against any penalty?

Senator Sotto. Mr. President, there are a number of reasons. Actually, one of the reasons is that it is very difficult to fine the passenger. The easiest way of doing it is again through the driver.

Let me ask the distinguished gentleman from Ilocos Norte, Pasay and Mindanao to imagine a vehicle wherein the policeman or the traffic enforcer is going to fine or initiate a fine on a vehicle because the passenger is not wearing a seat belt. Still, it will be

In the provinces, several accidents in highways involve tricycles and motorcycles. I have witnessed several accidents in my own province where almost always the passengers of the tricycles are thrown out and got killed in the process. Even in motorcycles, almost always the driver or the one riding in tandem are thrown out and are killed.

May I know the rationale behind this definition? Because if my memory will serve me right, the LTO has classified the motorcycles and even tricycles as motor vehicles.

Senator Sotto. Mr. President, this is a perfect scenario wherein we are caught between the devil and the deep blue sea.

As far as the motorcycles and tricycles are concerned, it is safer for them to jump out of the vehicle in case of an accident. We can ask the motorcycle riders. For safety, they would rather not be restrained. On the other hand, in the case of vehicles, the issue of entrapment, which has been raised by some skeptics, is completely a fallacy.

It is a million-to-one that there are cars that explode. It is only found in television shows and the movies. It really seldom happens in an accident, no matter how hard, how big or how tragic the accident is. Therefore, belted drivers have a very good escape record than those who do not wear seat belts.

On that same line, if a driver is thrown out of his vehicle, there is a greater possibility of injury or death. Unlike in a motorcycle or tricycle where the driver or the passenger is better off jumping away from the vehicle if he is going to meet an accident or a collision.

That is the problem. That is why I said that this is a perfect scenario of the statement "caught between the devil and the deep blue sea." It is really very difficult to impose this on motorcycles and tricycles.

Senator Barbers. Does the gentleman have statistics to that effect, Mr. President?

Senator Sotto. We have statistics, as far as the Department of Public Safety of—I have to say this—the United States is concerned. Unfortunately, we do not have statistics as far as the Philippines is concerned.

Senator Barbers. This is all for now, Mr. President. I wish to extend my gratitude to my idol, my favorite actor, my favorite TV host and my favorite golfer at the same time.

Thank you very much, Mr. President.

MANIFESTATION OF SENATOR SOTTO
(Senators Cayetano and Barbers as
Coauthors of S. No. 1137)

Senator Sotto. Mr. President, may I also manifest that Senator Cayetano and Senator Barbers are made coauthors of this bill with the concurrence of the principal authors headed by Senator Flavier.

The President. It is duly recorded.

SUSPENSION OF CONSIDERATION OF S. NO. 1137

Senator Drilon. Mr. President, I move to suspend consideration of Senate Bill No. 1137.

The President. Is there any objection? [*Silence*] There being none, consideration of Senate Bill No. 1137 is hereby suspended.

BILL ON SECOND READING
S. No. 1136 - Amending Certain Sections of
RA No. 7916 or Special Economic Zone of 1995
(Continuation)

Senator Drilon. Mr. President, I move that we resume consideration of Senate Bill No. 1136, as reported out under Committee Report No. 2.

The President. Is there any objection? [*Silence*] There being none, resumption of consideration of Senate Bill No. 1136 is now in order.

Senator Drilon. We are now in the period of individual amendments, Mr. President. We have just distributed to our colleagues copies of the revised bill which now incorporates the committee amendments approved by the Chamber earlier.

Therefore, we go through this page by page with the consent of the Chamber.

Senator Osmeña III. Mr. President.

The President. Sen. Sergio Osmeña III is recognized for individual amendments.

Senator Drilon. On page 1...

Senator Flavier. Mr. President, line 13.

Senator Drilon. Line 13, Senator Flavier has an anterior amendment.

The President. Senator Flavier is recognized.

Senator Flavier. Mr. President, may I suggest an amendment on page 1, line 13, so that the enumeration will include TOURISTS/RECREATIONAL CENTERS which will be inserted after the phrase "free-trade zones", and then at the end of that phrase, place a comma (,) and delete the word "and".

Senator Roco. Anterior amendment, Mr. President, in line 11.

The President. Senator Roco is recognized for his anterior amendment.

Senator Roco. Line 11. It says: AN ECOZONE MAY BE PUBLICLY OR PRIVATELY OWNED. May we suggest, if this is acceptable—because this is how I understood it. It ends there. There is a period—to add the phrase A PUBLICLY OWNED ECOZONE MAY CONTAIN ANY OR ALL OF THE FOLLOWING. The reason being, it is privately owned, then they can put anything there as they see fit.

The other reason is procedural. Later on, Mr. President, the privately owned should not enjoy eminent domain, and the privately owned now becomes the standard for determining the industry standards for salaries.

So it is at that point, Mr. President, that I said, maybe we will just wait for the committee amendments to get in.

In line 11, we put a period (.) after the word "owned", so that it reads, AN ECOZONE MAY BE PUBLICLY OR PRIVATELY OWNED.

Then we add the phrase A PUBLICLY OWNED ECOZONE and delete the word "and". Then continue: "...MAY CONTAIN ANY OR ALL OF THE FOLLOWING:" All the rest remains.

Senator Osmeña III. Mr. President.

The President. What is the pleasure of Senator S. Osmeña III?

Senator Osmeña III. Mr. President, the concern of the proponent of this amendment to the amendment, I think, will be satisfied with the way it is worded. The reason I am unable to accept that amendment is what we are amending here falls within the context of Republic Act No. 7916.

Unless the gentleman is able to read the entire first page of that Act, he will find that it will throw out of kilter the definition of industrial estates, export processing zones, free trade zones, tourism and recreational centers.

The way it is worded here is the way it is worded in the law. The only amendment that the original bill had was to attach the additional phrase SUPPORT FACILITIES, SUCH AS RESIDENTIAL AND COMMERCIAL ESTABLISHMENTS.

Therefore, if we divide into public and private, industrial estates, export processing zones, and free trade zone, I am getting the meaning, Mr. President, that only publicly owned ecozones may contain industrial estates, export processing zones and free trade zones, which is not the intent of the law, RA No. 7916.

By way of further information to the members of the Chamber, as of today, all industrial estates are privately owned.

SUSPENSION OF SESSION

Senator Drilon. May we ask for a one-minute suspension of the session, Mr. President.

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

It was 5:39 p.m.

RESUMPTION OF SESSION

At 5:45 p.m., the session was resumed.

The President. The session is resumed. Senator Roco is recognized.

Senator Roco. Mr. President, let me just put this on record because I have to leave. I beg the Chair's indulgence, but I have a seven o'clock appointment that takes hours. Just before I beg leave.

The reason for distinction between public and private will probably be better demonstrated later on by Senator Enrile. But the reason the ecozones must be public is that they involve industrial estates, export processing zones and free trade zones. Free trade zones have tremendous powers. Later on, the same question will be raised by Senator Enrile.

Mr. President, I thought it would solve the problem by precisely making a distinction between the public and the private. The problem of the sponsor is, what happens to the private? Well, the private will do exactly what they want to do—that is why they are private—to the extent allowed by law. If they are not allowed by law, if it is not granted in their charter, they cannot do it. The privately owned like Fil-Invest, Ayala and all these should not be a free trade zone. Why do we want them? That is the reason, Mr. President.

So I will really request the sponsor, as I ask to be excused for now, to consider that because we may be granting powers that we did not intend to grant. This is precisely the concern.

It is all right if there was a tremendous study made and we really wanted to grant more powers to the PEZA—powers of government, powers of sovereignty. But to grant power because it slips in between the cracks of the law, that is not advisable.

So I will reserve that for tomorrow, with the permission of the Majority Leader and the Chair.

Thank you, Mr. President.

Senator Osmeña III. Mr. President, if the distinguished gentleman from Bicol would just stay a little bit longer.

The present law reads as such: "*Definition of Terms.* - For purposes of this Act, special economic zones..." et cetera. Then it goes on to say that "AN ECOZONE MAY CONTAIN ANY OF THE FOLLOWING: INDUSTRIAL ESTATES, EXPORT PROCESSING ZONES, FREE TRADE ZONES AND TOURIST RECREATIONAL CENTERS."

So far, 101 export processing zones owned by the private sector have been established. If we put the word "public" before the word ECOZONE, the private sector will now come back, after having been granted the status of an export processing zone, to ask: "What are we now?"

That would be like changing the rules in the middle of the game, although I know that it is not the intention of the proponent from Bicol to destabilize the definitive situation here. I think that precisely is what will happen. But I would have no objection if in a subsequent sentence, he says: "Provided, that free trade zones shall always be publicly owned", or something to that effect.

Senator Roco. Mr. President, maybe it is just a matter of interpretation. I submit that we should not be too concerned.

What the private can do depends on their own charter, it depends upon their own management. It is private money. What Ayala wants to do, it can do to the extent as allowed by law. This definition does not preclude the private from doing whatever it is that they are chartered to do. If they qualify for incentives, for instance, this definition is irrelevant to them. If they qualify to have gambling, this definition is irrelevant to them. What we are only clarifying...

Senator Enrile. Mr. President.

Senator Roco. Let me just finish. What we are only clarifying is that it is only the public that should enjoy free trade

zones, and all these others. That will be the definition of public. It does not deprive any of the private of any rights. It remains. Whatever the private ecozones have will remain. Fil-Invest will continue enjoying whatever it is enjoying because this is only a definition to clarify. It is not a source of right.

Senator Enrile. Mr. President.

The President. Sen. Juan Ponce Enrile is recognized.

Senator Enrile. Mr. President, to this representation, the names that we are going to attach to any of these enclaves are really immaterial. What is material is, what are the entitlements of these enclaves once they are granted the status given to them by law?

The reason I am raising this point is somehow, this was hotly debated by the Lower House when this bill was presented there because I was the one who initially presented the bill that was used as a pattern for this PEZA Law. The bill that I presented at that time was the law now that granted a special charter to the Cagayan Economic Zone Authority. Then Congressman Tong Payumo and Congressman Recto, who were in charge of the Economics Committee of the House, thought that they should have a general law under which special economic zones could be established throughout the country. They copied the bill that I presented including the entitlements granted under that bill—5 percent of gross, et cetera and so forth—and they converted the Bataan Export Economic Zone into the PEZA.

Mr. President, the PEZA and its predecessor or the Bataan Export Processing Zone was a government institution, government area. Therefore, being a government area, the government could establish incentives to be enjoyed by industrial enclaves that will be set up in these areas. But with the amendments now that we are adopting, we are changing the concept of these economic enclaves to include even privately owned economic enclaves.

I think that this is somewhat risky for us because with the second sentence found in line 13 of page 1 of this law, will this now justify the establishment of commercial establishments and other economic units within this geographical area called "ecozones" with the right to import goods tax free, duty free under the pretext that they would be used only or cater only to the needs of the employees working inside the zones?

This is the precise problem of our industries today because of the proliferation of duty-free shops in places like Clark Field and even Subic now. Every product—whether raw or finished—entered into Subic would be duty free and tax free because that is a free port.

I am a little afraid that we are, by this law, granting through the backdoor a free port status to areas that were not envisioned or intended by the original legislation passed by Congress.

Now, what is a free trade zone? How does it differ from a free port?

SUSPENSION OF SESSION

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

It was 5:55 p.m.

RESUMPTION OF SESSION

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

The President. The session is resumed.

SUSPENSION OF CONSIDERATION OF S. NO. 1136

Senator Drilon. Mr. President, I move that we suspend consideration of Senate Bill No. 1136 under Committee Report No. 2.

The President. 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 tomorrow, September 2, 1998 at three o'clock in the afternoon.

The President. The session is adjourned until tomorrow, September 2, 1998, at three o'clock in the afternoon, if there is no objection. *[There was none.]*

It was 6:06 p.m.