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The President. Is there any objection? *[Silence]*  
There being none, we shall now vote on Senate Bill No. 1438  
on Second Reading, 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  
*nay. [Silence]*

Senate Bill No. 1438, as amended, is approved on Second  
Reading.

#### SUSPENSION OF CONSIDERATION OF S. NO. 1438

Senator Tatad. Mr. President, I move that we suspend  
consideration of S. No. 1438.

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

#### SUSPENSION OF SESSION

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

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

*It was 4:19 p.m..*

#### RESUMPTION OF SESSION

*At 4:21 p.m., the session was resumed.*

The President. The session is resumed.

The Majority Leader is recognized.

BILL ON SECOND READING  
S. No. 1595--Integrated Solid Waste  
Management Act of 1999  
*(Continuation)*

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Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 1595 as reported out under Committee Report No. 52.

The President. Is there any objection? *[Silence]*  
There being none, resumption of consideration of Senate Bill No. 1595 is now in order.

Senator Tatad. Mr. President, we are still in the period of interpellations. May I ask that the distinguished sponsor, Sen. Loren Legarda-Leviste, be recognized; and to interpellate, Sen. Aquilino Q. Pimentel, Jr.

The President. The sponsor, Sen. Loren Legarda-Leviste, is recognized; and to interpellate, Sen. Aquilino Q. Pimentel, Jr.

Senator Pimentel. Mr. President, will the distinguished sponsor respond to some questions on this issue?

Senator Leviste. Gladly, Mr. President, from the Senator from Cagayan de Oro.

Senator Pimentel. Mr. President, under the bill, a National Solid Waste Management Council is intended to be organized. Is that not correct?

Senator Leviste. Yes, Mr. President.

Senator Pimentel. At present, we already have an Environmental Management Bureau. Is that the EMB? Is that what it is called, Mr. President?

Senator Leviste. Yes, Mr. President, a bureau of the DENR.

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Senator Pimentel. The EMB is also responsible for promoting ecological sound management principles, strategies, and techniques to assist the local government units in their waste management programs. How different therefore will this EMB be as regards the National Solid Waste Management Council, Mr. President?

Senator Leviste. Mr. President, the National Solid Waste Management Council will bring to greater focus the need for solid waste management to be implemented up to the barangay level.

Presently, the EMB is mandated to help out in ecological problems, but it is not primarily and solely focused on the management of solid waste. Therefore, we believe, because of the intensity of the problem of solid waste management, that the creation of a council that would create policies and could assist the local government units in their solid waste problems should be created.

Senator Pimentel. Considering the response of the distinguished sponsor, it would therefore probably stand to reason that we have to modify, amend or probably even repeal the Environmental Management Bureau or probably repose its functions on the National Solid Waste Management Council. Would that be our direction, Mr. President?

Senator Leviste. No, Mr. President. The EMB will be a member of the Council. In fact, it will serve as a secretariat for the Council, the head of which will be appointed by the President.

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To my mind, I do not believe that there would be a need to amend or change the constitution or the mandate of the EMB. In fact, it is part of its mandate. The creation of a council will simply enhance the mandate of the EMB and will include other members or other secretaries and directors of other agencies that are also involved in the problem of solid waste for greater and more enhanced coordination.

Senator Pimentel. Mr. President, just to clarify, if the distinguished sponsor would not mind. In what way will the functions of the EMB be enhanced by the creation of the National Solid Waste Management Council?

My impression is, on the contrary, it will constrict for the obvious reason that we now have a National Solid Waste Management Council which at, least, by its very name, theoretically, should have more pervading powers than the EMB.

Senator Leviste. Mr. President, because the members of the Council are supposed to be technical experts in various fields, and because they are all put together in this National Council, then the EMB, which is mandated to provide assistance or to provide a healthy ecology, will be strengthened in terms of having greater access and coordination with other departments which before were just doing things on their own. In short, there will be more cohesion, more integration, more coordination between and among the DENR and the other government agencies.

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Senator Pimentel. Mr. President, in Section 5 of the bill, the National Solid Waste Management Council has directors of the various agencies of the government as members.

Just to refresh our understanding or memory on this point. How many directors are supposed to be members of the National Solid Waste Management Council?

Senator Leviste. There are seven, Mr. President.

Senator Pimentel. Are there seven directors?

Senator Leviste. Yes, Mr. President.

Senator Pimentel. In addition to?

Senator Leviste. In addition to the Chairman, Mr. President.

Senator Pimentel. Therefore, we have only eight?

Senator Leviste. I am sorry, Mr. President. There are seven directors, and we also include here the chairman of the MMDA, the president of the League of Governors and city mayors, and the representatives of the private sector.

Senator Pimentel. Mr. President, will the sponsor accommodate this representation by stating for the record who these directors are?

Senator Leviste. Mr. President, the National Solid Waste Management Council shall be composed of the following: the director of the EMB of the department; a director of the Department of Trade and Industry; a director of the Department of Health; a director of the DILG; a director of the Department of Agriculture; a director of the DECS; a

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director of the DOST; the chairman of the MMDA; the president of the League of Provincial Governors; the president of the League of City Mayors; and four representatives from the private sector, including the recycling and composting industries, and business and consumer advocacy sectors.

Senator Pimentel. Mr. President, I can see the relevance of the other directors being made members of the National Solid Waste Management Council. But I doubt whether it is necessary to include the DILG. The reason is that the DILG is one of those departments in the government whose functions have been devolved. In fact, it is one of the departments that is supposed to be phased out after so many years of its devolution because it is an anachronism. As a matter of fact, it has no specific function except, perhaps, to accommodate Secretary Lim as Secretary of the DILG.

Senator Leviste. Mr. President, it was earlier envisioned that the director for local government supervision of the DILG be made a member of the national council. However, if the distinguished gentleman wishes to propose some changes in the composition of the Council, then, perhaps, at the proper time, this representation would be willing to accommodate such a proposal.

Senator Pimentel. Yes, Mr. President. I would certainly go along with that thrust. Among other things, the reason is that if the League of Provincial Governors, the League of Mayors, and maybe even the League of

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Municipalities and the League of Barangays would be represented, the DILG's role will thus have been filled up by direct representatives of the local government units.

Senator Leviste. That proposal is well-taken, Mr. President, and we are open to addition, deletion or suggestion for inclusion of other groups in this Council.

Senator Pimentel. As to the four representatives from the private sector, Mr. President, why four?

Senator Leviste. Inasmuch as we want more representatives from the private sector, we felt it was suitable to include four, meaning, one from a consumer group, one from the recycling group, one from a composting industry, and one from an advocacy NGO. Inasmuch as we want to have 10 or 12 perhaps, four well-trained experts knowledgeable in this problem, including those sectors I earlier mentioned, would be sufficient to represent them and to have a voice in the Council.

Senator Pimentel. I would like to thank the distinguished sponsor for that, Mr. President. Will the lady Senator kindly clarify for the record, what is meant by the advocacy sector?

Senator Leviste. That is the nongovernment organizations. Those who have been advocating...for lack of a better word, the synonym...

Senator Pimentel. Espousing.



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Senator Leviste. Those who have espoused recycling, composting, environment and health sanitation in the country. That is what is referred to, Mr. President.

Senator Pimentel. Mr. President, may we kindly proceed to Section 6, paragraph (c), where the powers of the National Council are defined, among other things, to coordinate the operations of local councils in the provincial, municipal, city and barangay levels. Will the lady Senator kindly specify what we mean by "coordinate the operations of the local councils"?

Senator Leviste. Yes, Mr. President. Because we believe that the problem of solid waste cannot be solved in a national level and actually can be more effectively contained and solved in the local level, more particularly in the barangay level, the National Council must know, first of all, the problems of those in the barangay level and must be able to coordinate its efforts.

The policies that will be agreed upon in the national level will simmer down and will be implemented down to the barangay level. It would be very difficult to be having directors of various government agencies discussing health and environmental problems without the proper implementation down to the barangay level. Therefore, when it says "coordinate the operation of local councils in the provincial, municipal, city and barangay levels, it means that these policies or whatever were discussed in the

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national level must be communicated and applied in terms of operations to the barangay level.

Senator Pimentel. I suggest, Mr. President, that a more precise definition of the term "coordinate" would be in order. Otherwise, if loosely formulated, it can, in fact, give rise to the problems in the local level.

To begin with, Mr. President, we probably have to define exactly what council we are talking about. Is it the provincial, municipal, city or barangay council? Because the word "council" can, in fact, mean the provincial board, the city council, the municipal council, the barangay council, now the sangguniang barangay, or are we talking here of solid waste councils?

Senator Leviste. Mr. President, yes. If we will refer to the previous pages, the Council would refer to the local Solid Waste Management Council.

Senator Pimentel. Mr. President, in Section 4 (a) of the Environmental Management Bureau Law and then the National Solid Waste Management Council proposed legislation in Section 6 (g), both the EMB and the Solid Waste Management Council exercise powers to set standards and guidelines for the formulation and implementation of National Solid Waste and Management Program. It looks like they are performing the same, not only similar, but the same functions.

Mr. President, perhaps, we can also define the functions of the EMB, or amend that rule or clarify what

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kind of relationship the Waste Management Council will have in relation to the EMB relative to this particular function.

Senator Leviste. Mr. President, that proposal is well-taken. These two agencies, the EMB and the Council, will be coordinating with each other. We must make sure, indeed, that there should no duplication of efforts. Therefore, a simpler or more definite wording can be used.

Yes, that proposal is well-taken.

Senator Pimentel. Mr. President, this representation would also wish to know where the National Ecology Center, that is proposed to be created by this bill, be organizationally linked to? Would the linkage be to the National Waste Management Council or to the EMB?

Senator Leviste. Mr. President, the National Ecology Center would be linked to the National Solid Waste Management Council.

Senator Pimentel. We, therefore, raised this fundamental issue that if the linkage is with the National Solid Waste Management Council, should a council with a policy-making and coordinative function administer a center? Is there not a violation of the salutary rule--that there must be a separation of policy-making and implementation, Mr. President?

Senator Leviste. Mr. President, the Center will be run by the head of the National Ecology Center and will be coordinating with the National Council, which is a policy-making body.

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Actually, the management and operation of the Center will be independent of the National Council. They will be coordinating and linked together, but the members or the directors of the Council will not be manning or operating the National Ecology Center.

Senator Pimentel. We will just let that go for the moment, Mr. President.

We would like to ask what the thrust of Section 8 of the proposed bill is? This particular section states that the Center director shall be appointed from among the officers and members of the National Council for a term of three years.

Now, 10 of the proposed 15 members of the Council are public officials. Without qualification, it is therefore probable that we will wind up with a public official being named as director for the Council, and we will give rise to some constitutional problems regarding this appointment because of the fact that there is a legal prohibition against multiple positions in government and double compensation.

Mr. President, we would like the lady Senator to address that concern, if possible.

Senator Leviste. Mr. President, the officials here will be occupying this position on an ex officio capacity.

Senator Pimentel. Therefore, we should be very clear about that then, Mr. President.

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Senator Leviste. Yes, that will be taken care of, Mr. President.

Senator Pimentel. Also we have to clarify who is the appointing power. Will it be the President of the Republic or the DENR Secretary, Mr. President?

Senator Leviste. The President is the appointing authority for the head of the National Solid Waste Management Council.

Senator Pimentel. I thank the lady Senator for that, Mr. President.

We also have to probably make sure that if we expect the National Ecology Center to function well, there has to be some funding for its operations, Mr. President, and staffing the Center with competent personnel. Have we provided for these things?

Senator Leviste. There is an initial allocation of appropriation of P40 million for the initial operating expenses of the National Council which will already include the Center and the staffing. It is, of course, hoped that a bigger allocation can be included in the GAA in the coming years. But for the meantime, it is P40 million for the initial operating expenses.

Senator Pimentel. I would like to thank the lady Senator for that answer. Earlier, I have already expressed my concern about some portions of this bill which impose or obligate local government units to shoulder certain responsibilities that will entail some funds. Therefore,

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this will be in the nature of an unfunded mandate for local government units, but I am sure the lady Senator will be able to accommodate this concern maybe at the proper time.

Senator Leviste. Yes, Mr. President. We have noted that and TWG is meeting now to further enhance or to fine-tune this proposed measure, and that is being strongly considered.

Senator Pimentel. Section 7, Mr. President, if I might proceed, states that the action plans of the LGUs shall be submitted to the National Council and EMB for review, and that if the EMB and the National Council will find these plans adequate, they shall be recommended for implementation. Theoretically, there should be no problem. But if we require approval of both agencies, it is very well probable that some kind of a conflict can arise in the future. So, probably, we better settle down with a particular reviewing authority rather than with both the EMB and the National Council.

Senator Leviste. Yes, Mr. President. The only reason the local government units must have their action plans approved by the National Council is to make sure that the policies are implemented correctly. The gentleman is correct when he stated that it must be made very clear that there is only one body and that should be the National Council that will approve a certain set of criteria for the approval of the action plan.

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Senator Pimentel. That will be very beneficial for all concerned, because we cannot have a review by competing, we might say, councils.

Senator Leviste. Yes, there cannot be two review committees. That is correct, Mr. President.

Senator Pimentel. Section 7 also provides that the EMB has the power to take over, this is the exact wording, all parts of an LGU plan if the local government unit concerned lacks the capacity or fails to meet or enforce the provisions of its plan. We would like to clarify what is meant by "take over".

Senator Leviste. The meaning of this, Mr. President, is in the possibility that the local government unit would be insufficiently manned, or if there would be inadequacy on the part of the local government unit to implement the action plan, then the Council can take over the implementation. However, we believe that this is far-fetched considering the importance placed by the local government units in the solid waste management issues in their areas. We just had to provide this so that in case there would be a barangay, a city, or a municipality that would relinquish its duty and responsibility to effect the implementation of the solid waste management schemes, then there would be a body that could take over its action plans.

Senator Pimentel. Following from that reply, Mr. President, it looks like, first, there has to be a finding that the local government unit is incapable to run its own

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plan or it is inadequately implementing the plan before the takeover. Is that correct, Mr. President?

Senator Leviste. That is correct, Mr. President. This will not be arbitrarily done and I consider it really a far-fetched eventuality. However, it is provided as such.

Senator Pimentel. In the event that there is such a finding, and the local government unit concerned wishes to contest the findings, where can it go? What is the forum of appeal for the local government unit, Mr. President?

Senator Leviste. That is a subject that can be discussed between and among the members of the council and the heads of the local government units, Mr. President, among themselves.

That may well be true. But probably it will also be helpful if we can already indicate in the law where the aggrieved local government unit could elevate its concerns in the event that its powers are taken over by the Solid Waste Management Council, Mr. President.

Senator Leviste. That proposal is well-taken, Mr. President.

Senator Pimentel. Moreover, probably we will just have to define what is meant by the phrase "take over" for the reason that the phrase is so broad--it can mean anything, Mr. President. Probably, at the proper time we will have to address this issue also.

Senator Leviste. Yes indeed. We can utilize a more specific phraseology for that.



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Senator Pimentel. Mr. President, my understanding is that, as worded, the bill will make it mandatory for local government units to create a council for all ecology centers. Would that be correct?

Senator Leviste. Yes, Mr. President. Based on the intent of this bill, there would need to be implementing bodies called the Local Solid Waste Management Councils and the Local Ecology Centers to implement the policies made in the national level.

Senator Pimentel. There, however, is no organization or structure or a particularization of the function of the Local Ecology Centers, Mr. President.

Senator Leviste. The functions and the structure of the Ecology Centers on the local levels will follow the structures on the national level, Mr. President.

Senator Pimentel. Therefore, probably, we will also have to spell that out, because certainly it has a bearing, Mr. President, on the kind of funding that will have to be expended to carry out this proposed mandate.

Precisely, I would like to repeat my concern, Mr. President, that the local government units to discharge this function shall also be provided somehow by the central government.

Senator Leviste. Yes, Mr. President, that is well-taken.

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Senator Pimentel. Now, Mr. President, Section 11 provides for the promulgation of an integrated national and local solid waste management framework program within three months after the establishment of the National Solid Waste Management Council.

Senator Leviste. Mr. President, the framework would cover first, the existing problems: where are the present disposal sites; what are they classified as--are they open dumps, are they environmentally engineered disposal facilities? So, it is the given situation and what must be done and the varying regional, geologic and other factors vital in implementing the solid waste management strategies which would be mapped out.

Senator Pimentel. At this point, Mr. President, probably we will have to be very clear on what we want to do with this Council. Do we want it to implement the program or do we want it to define a policy? Of course, programs and policies are two different things and, therefore, when we say national solid waste management framework program, we are probably talking here of definite activities rather than policies.

Senator Leviste. Mr. President, the Council will define the policies. But to be able to define the policies, these must be given factual substantiation of the present situation in the various parts of the country. However, the implementation of such policies will be given to the local government units.

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Senator Pimentel. Mr. President, it looks like that the three-month period within which the framework program will be done may be a little unrealistic considering the situation where we have to involve the local government units in the formulation of that program. So, probably we will just have to provide for a more realistic target period.

Senator Leviste. That is correct, Mr. President. We initially put this because of the importance, the urgency and intensity of the situation, especially in some areas where the problem of garbage has become not only an environmental and health issue but also a highly charged political issue. However, the gentleman is correct in saying that maybe three months may not be enough time. Maybe six or nine months can be considered.

Senator Pimentel. Maybe a year even, Mr. President, considering that among other things, I would suppose that the National Solid Waste Management Council will want to gather local data on the quality of surface and ground water from leachate contamination, the quality of surface water from surface run-off contamination and even the so-called ambient air quality. There will be a necessity to aggregate these data into the national solid waste management framework.

Therefore, the three-month period probably would be very inadequate, Mr. President.

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Senator Leviste. Yes, Mr. President. The gentleman is probably correct and there should be a longer time, probably even a year.

Senator Pimentel. Moreover, Mr. President, in Section 12, there is again probably a need to provide for some flexibility so that the inputs of local government councils on issues that pertain to their locality can be addressed or given accommodation.

Will that be all right, Mr. President?

Senator Leviste. Yes, Mr. President.

Senator Pimentel. Finally, Mr. President, Section 25 provides for the establishment of Solid Waste Savings Association.

I am not quite sure I understand what is meant by this, Mr. President.

Senator Leviste. Can the gentleman clarify it? Is it Section 25, Mr. President?

Senator Pimentel. Yes, Mr. President.

Senator Leviste. The local councils will be encouraged to establish Solid Waste Savings Associations where members can deposit segregated waste which will be recorded in a passbook and withdrawal of equivalent cash value will be allowed only at schedules to be specified by the councils. This is already being implemented by some NGOs in some areas of the country and this was modeled after the Sun Valley model, the Blue Ridge model, and even the Bulacan model. We believe that, maybe, by encouraging the Solid Waste Savings

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Association, this could encourage the members to comply with the implementation of the plans.

Senator Pimentel. Yes. All these proposals are certainly designed to enable our country to cleanse the environment and make it more livable. But I would like to add that there would be a need I suppose for a clarification of the kind of powers that these solid waste associations would have, their functions and their relationship with the local government units.

Senator Leviste. Yes.. We will be more specific about their role, Mr. President. This is just like a homeowners association where there is a village and people want more peace and security in their residences; people converge and meet and create associations for their own benefit. Basically, this is the intent of the creation of an association which I said, has already been successful and continues to be successful in certain specific barangays in Parañaque, Quezon City, and Bulacan.

However, the suggestion of the distinguished Senator is correct, that we must show the correlation of these associations with the local solid waste management council, perhaps, to be more specific and definite in its explanation of Section 25.

Senator Pimentel. May I thank the lady Senator for her kind replies.

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Senator Leviste. I thank the distinguished Senator for his very enlightened proposals which will be considered.

Thank you.

Senator Tatad. Mr. President, I ask that Sen. Juan Ponce Enrile be recognized for the next interpellation.

The President. Senator Enrile is recognized.

Senator Enrile. Thank you, Mr. President. I would like to seek the permission of the distinguished lady Senator from Antique to posit some questions with respect to Section 27 of this proposed measure.

Senator Leviste. It will be an honor, Mr. President, to answer the queries of the distinguished Senator.

Senator Enrile. Mr. President, this section provides that incentives shall be provided to "registered investors which reduce their on-stream waste in accordance with standards established by the Department."

My first question is: What is the meaning of this phrase "registered investors"? Does this refer to investors or companies engaged in solid waste management business or does this apply to all kinds of business enterprises?

Senator Leviste. Mr. President, this, I believe, refers to those registered investors who are involved in solid waste management, who are registered with the Department of Trade and Industry.

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Senator Enrile. These are the operating companies, not the capitalists that will put money in a corporation, for instance?

Senator Leviste. Yes.

Senator Enrile. What are these incentives that will be provided? These are not defined, Mr. President.

Senator Leviste. Well, it says, Mr. President, that the following incentives are: income tax holiday; perhaps, reduction of duties and taxes on the importation of capital equipment; and even access to credit for those who would like to invest; and financial support for R and D activities.

Senator Enrile. So, the term "incentives" on line 8 would refer to the items covered from line 14 all the way to line 32. Am I correct?

Senator Leviste. Yes, Mr. President.

Senator Enrile. Maybe at the proper time, we will have to reword this in order not to create a wrong impression or wrong interpretation. I will propose the amendment at the proper time. But just to continue, I am a little bit confused by the phraseology of the sentence beginning on line 8, because it says, "Incentives shall be provided to registered investors which reduce their on-stream waste in accordance with standards established by the Department." Do these people engaged in solid waste management produce their own waste or are they going to gather waste and manage this waste by establishing acceptable dump sites?

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Senator Leviste. Mr. President, this refers to those who manage their own waste and once they have reduced their on-stream waste, then they may avail themselves of these incentives brought about by the department.

Senator Enrile. And let us take the case, for instance, of San Miguel. If San Miguel wants to manage its own waste, must it have to register as a solid waste management company?

Senator Leviste. I believe so, Mr. President.

Senator Enrile. And the registration will be with what entity or agency?

Senator Leviste. Based on the provision of this section, Mr. President, such company would have to register with the Department of Trade and Industry and would then be ....

Senator Enrile. As one engaging in the business of?

Senator Leviste. Of solid waste management.

Senator Enrile. Of solid waste management. But it is not actually engaged in solid waste management because it is performing this function as an adjunct of its primary business.

Senator Leviste. That is correct, Mr. President.

Senator Enrile. So how can we grant an incentive to this company when it is not engaged in the business of solid waste disposal?

Senator Leviste. But if it would want to manage its own waste and have programs and implement its own programs,



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then maybe its signing up as implementor of its own solid waste management programs can allow it to be in the list of registered investors where it can avail itself of the possible incentives.

Senator Enrile. How much tax will be lost in this if we are going to allow an incentive to all the companies operating in the country under this section? How much tax would be lost to the government?

Senator Leviste. That figure, that information, unfortunately, is not available to this representation presently but that can be studied in the TWG's ongoing meeting, Mr. President.

Senator Enrile. Well, Mr. President, we do not have the time. We will have to quantify the tax losses of the government on this. I do not know whether this portion of the bill was referred to the Ways and Means Committee of the Senate.

Senator Leviste. Yes, Mr. President. According to my staff, it was referred to the Ways and Means Committee and signed by the distinguished Senator. However, if he would have a .....

Senator Enrile. I have signed a report on this?

Senator Leviste. I believe so, Mr. President.

Senator Enrile. A report on this particular portion of the bill? I do not remember having exposed this to a public hearing.

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Senator Leviste. I believe so, Mr. President. The Ways and Means Committee was included ... Yes, Mr. President, where the Senator signified his reservations and amendments.

Senator Enrile. Mr. President, just to pursue this. That means that any company in the Philippines can register as a solid waste management investor or management company and it will be entitled to all these tax incentives. I think this is going to be a very big drain in the revenue of government considering the precarious cash position of the government. I doubt whether this is going to be an acceptable proposition.

Senator Leviste. Yes. Mr. President, because of the importance being placed on this problem which, as I said earlier, has become more than just an environmental problem, we will be saving on the possible environmental and health hazards posed by this solid waste problem. That is the reason these incentives were felt needed, necessary, to encourage those who may participate and make it a part of their daily life, their culture.

Senator Enrile. Mr. President, if we are going to grant that incentive, why should we grant an incentive to operating companies doing other businesses to perform the proper disposition of their solid wastes? We should compel them to do so rather than grant them an incentive. That is their responsibility to society. Why should the government spend its own scarce resources to benefit a company like San Miguel, for instance, to perform that function? It is its

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duty to society to dispose of its waste properly, in the same way that a human being has an obligation to society to dispose its own personal waste properly.

Senator Leviste. Well, the gentleman has a point there, Mr. President. If he wants to suggest some....

Senator Enrile. I will probably ask for the deletion of this entire section at the proper time, Mr. President.

Senator Leviste. That can be restudied and revisited, Mr. President. We still have to come up with the possible losses to government in terms of taxes, and that can be discussed at the proper time.

Senator Enrile. First of all, Mr. President, the income tax holiday is an open end. It has no period. This means that they will enjoy tax holidays *ad infinitum*. There is no terminal date for their entitlement of tax holiday. And they are entitled to a loss carryover which suggests to me that this refers to a solid waste management as a business which would then result either in a profit situation or a loss situation, in which case, we grant them a loss carryover provision. But if we include companies operating other businesses with respect to their own solid waste and in addition to the incentives that they already get under the BOI we grant them an additional loss carryover under this provision, they might be enjoying double incentives.

Senator Leviste. The distinguished gentleman is correct, Mr. President. We will have to clarify, specify

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and limit the incentives to be given to only those who have this as their primary business--those who are investing in the solid waste management industry--and maybe exclude those who are managing their own wastes. If the distinguished senator is amenable to that, we can provide incentives only to those whose businesses are in solid waste management.

Senator Enrile. Mr. President, I would like to thank the sponsor for that answer.

“Reduction of duties and taxes on capital equipment.” Who would decide the amount of reduction of duties and taxes?

Senator Leviste. Mr. President, this has not been specified yet. Indeed, it must be specified and it must not be left to the Executive to define this. Therefore, we must fine-tune this portion of the incentives to make sure that we pinpoint the department or the authority that would reduce these duties and taxes.

Senator Enrile. I would like to thank the sponsor for that answer, Mr. President.

This reduction of duties and taxes without establishing standards would render this statute, or at least this portion of the statute, unconstitutional because we are unduly delegating legislative powers to somebody else without proper limitations and standards.

At any rate, going to paragraph (c), “Access to credit as established by law,” what is the meaning of this clause, Mr. President? “Access to credit.” Can we compel the

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banks to lend money to a company that establishes a solid waste management business, or are we suggesting here that government must provide credit facilities through its government financial institutions to companies that will engage in solid waste management business?

Senator Leviste. This refers, Mr. President, to those which are already established by law, meaning the small and medium-scale enterprises which are already allowed access to credit perhaps from the DBP, the Land Bank or other institutions of government.

Senator Enrile. But if this is the meaning, then there is no need for this provision because if it is a small business, medium business, it is covered by the existing law regarding access to credits of this type of businesses. That is why I would like to find out what is the intent of paragraph (c).

And then paragraph (d): "Other facilities as provided by law for pioneering projects." Are we talking here of the incentives for pioneering projects under the Omnibus Investments Act or not?

Senator Leviste. Yes, Mr. President. What is referred to as pioneering projects are, for example, composting and recycling. Those which have been initiated already by certain NGOs and which have been successful are granted incentives when they are institutionalized.

Senator Enrile. But why should we grant the incentives to pioneering projects when they are already tested, they

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are already utilized in the country? They are no longer pioneering projects.

Senator Leviste. Mr. President, presently, they are being tested in small communities, in the barangay level. But once they are institutionalized, we believe it could encourage them if they could be provided incentives.

Senator Enrile. I think, Mr. President, this representation will humbly say that we are going to waste our resources by becoming too loose in granting incentives to business enterprises and....

Senator Leviste. That is why, Mr. President, this representation is more than willing to elicit the suggestions of the gentleman.

Senator Enrile. Paragraph (e), for instance, "Financial support for research," who will extend the financial support for research? Will it be government? And if it is government, what institution of government will perform this function and what will be the source of funding for this purpose?

Senator Leviste. This provision, Mr. President, has to be defined. There was the intent to provide financial support for those who would engage in research and development leading to solid waste technology and facilities, the source of which has to be defined yet.

Senator Enrile. Mr. President, I will revisit this portion of the measure when we come to the period of amendments. May I suggest to the distinguished sponsor that

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we refine the meaning of this particular section and clearly indicate the intent and the purpose to be achieved. Because the way this section is worded, it is too broad and it could mean a lot of problems for the revenue of government in the future.

Senator Leviste. Yes, Mr. President. The proposals and questions of the gentleman are well-taken. I agree to a certain extent that many of these are quite broad and need to be revisited. We would surely welcome the proposals.

Senator Enrile. Maybe we can grant them an exemption from duties and taxes on their capital equipment initially. We can grant them a loss carryover, but not in income tax holiday. They are making money. They ought to be paying taxes. But if they are losing, we will nurture and grant them a carryover of the losses in their initial years. If this is going to be a profitable business and they make money right away, why do we grant them a tax holiday just to encourage them to go into that business? In the first place, if it is going to be a profitable business, then we do not even have to give any incentive to anybody to engage in it.

Senator Leviste. The gentleman is correct, Mr. President. That proposal is well-taken.

Senator Enrile. Thank you, Mr. President. I will come back to this at the proper time.

Senator Leviste. Thank you, Mr. President.

The President. The Majority Leader is recognized.

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Senator Tatad. We would like to thank Senator Enrile for his interpretation.

Mr. President, two other senators have made their reservation to interpellate the sponsor of this measure, but they are not ready to do so right now.

SUSPENSION OF CONSIDERATION OF S. NO. 1595

So, I move that we suspend consideration of Senate Bill No. 1595.

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

BILL ON SECOND READING  
S. No. 2033-- Safeguard Measures Act of 2000  
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 2033 as reported out under Committee Report No. 230.

The President. Is there any objection? *[Silence]*  
There being none, resumption of consideration of Senate Bill No. 2033 is now in order.

Senator Tatad. Mr. President, we are now in the period of interpellations. I ask that the distinguished sponsor, Ramon B. Magsaysay Jr., chairman of the Committee on Trade and Commerce, be recognized, and to interpellate, Sen. Robert S. Jaworski.

The President. Sen. Ramon B. Magsaysay Jr. is recognized, and Sen. Robert S. Jaworski is likewise recognized to interpellate.

Senator Jaworski. Thank you, Mr. President.