

## RECORD OF THE SENATE

WEDNESDAY, NOVEMBER 11, 1992

### OPENING OF THE SESSION

*At 3:28 p.m., the Honorable Neptali A. Gonzales, President of the Senate, called the session to order.*

**The President:** Binubuksan ang ika-35 pagpupulong ng Senado.

Tayo ay tumindig at pangungunahan tayo sa panalangin ni Senador Blas F. Ople.

*Everybody remained standing for the opening prayer.*

### PRAYER

**Senator Ople:** Manalangin tayo.

Makapangyarihang Diyos, niloob Mo po na rito sa Kapuluang ito malagak ang mga ugat ng Kristiyanismo sa Silangang Asya. Sa pamamagitan ng Kalooban Mo, ang Republika ng Pilipinas ang siyang tanging bansang Kristiyano sa kalawakan ng Asya, na siyang tinatahanan ng pinakamalaking bahagi ng sangkatauhan.

Ito po ang dahilan kung bakit itinuring ng maraming Pilipino na sila ang bayang hinirang -- *God's own chosen people in Asia*. Dito sana dapat nagmumula ang liwanag ng kabihasnan, kaunlaran at pagkamakatao at katapatan sa Iyo. Kung gayon, maaari po bang ipaliwanag Mo kung bakit ang bansang Iyong hinirang ang siya ngayong kulelat sa lahat halos ng pamantayan sa kabuhayan at lipunan, sakbibi ng gulo at krimen, inutil na mga opisyal, at nasa buntot ng prusisyon sa kaunlaran dito sa buong Asya? Kami po ba ay sadyang tinitikis Mo? O marahil ay sinusubok lamang na katulad ng Iyong ginawang pagsubok sa Iyong mahal na anak na si Job?

Ito po ba ay isa ring hudyat na dapat naming tanggapin ang buong pananagutan para sa aming kinasadlakang imbing kapalaran? Bahagi po ba ng paalaalang ito ang di-matapustapos at kawing-kawing na mga sakuna at salot na Iyong pinararaan sa aming bayan, mula sa lindol at baha, *lahar* ng bulkan, tuyot sa Mindanao, kawalan ng ilaw at patuloy na pagkakawatak-watak ng sangkapilipinuhan? Kung gayon po, turuan Ninyo kaming pagsisihan ang aming mga kasalanan at baguhin ang aming mga pag-uugali upang muling maging karapat-dapat sa Iyong paningin.

Higit sa lahat, turuan Mo po ang Senadong ito upang matutuhan ang tamang dapat gawin para sa Iyong kaluwalhatian at para sa muling pagbabangon ng aming lugaming bayan.

Siya nawa.

**The President:** The Secretary will call the roll.

### ROLL CALL

**The Secretary:**

Senator Heherson T. Alvarez .....	Present
Senator Edgardo J. Angara .....	Present
Senator Agapito A. Aquino .....	Present
Senator Gloria Macapagal-Arroyo .....	Present
Senator Rodolfo G. Biazon .....	Present
Senator Anna Dominique Coseteng .....	**
Senator Teofisto T. Guingona, Jr. ....	Present
Senator Ernesto F. Herrera .....	Present
Senator Jose D. Lina, Jr. ....	Present
Senator Ernesto M. Maceda .....	Present
Senator Orlando S. Mercado .....	Present*
Senator Blas F. Ople .....	Present
Senator John H. Osmeña .....	Present
Senator Santanina T. Rasul .....	Present*
Senator Ramon B. Revilla .....	Present
Senator Raul S. Roco .....	Present
Senator Alberto G. Romulo .....	Present
Senator Leticia Ramos Shahani .....	Present*
Senator Vicente C. Sotto III .....	Present
Senator Wigberto E. Tañada .....	Absent
Senator Francisco S. Tatad .....	Present
Senator Arturo M. Tolentino .....	Present
Senator Freddie N. Webb .....	Present
The President .....	Present

**The President:** Nineteen Senators have answered the roll call; the Chair declares the existence of a quorum.

### THE JOURNAL

**Senator Romulo:** Mr. President, I move that we dispense with the reading of the *Journal* of the previous session and consider the same as approved.

**The President:** Is there any objection? [*Silence*] The Chair hears none; the motion is approved.

The Secretary will now proceed with the reading of the Order of Business.

\* Arrived after the roll call

\*\* On official mission

speech of Senator Osmeña to the appropriate committees, Mr. President.

**The President:** May I know the appropriate committees?

**Senator Romulo:** Mr. President, to the Committees on Economic Affairs, Banks, and Ways and Means.

**The President:** Is there any objection? [Silence] The Chair hears none, the motion is approved.

**Senator Romulo:** Mr. President, I move that the privilege hour be extended for tomorrow because there will be a speaker, Senator Tolentino.

**BILL ON SECOND READING**  
**Senate Bill No. 556--OPSF Transfer**  
*(Continuation)*

Mr. President, I move that we resume consideration of Senate Bill No. 556 as reported out under Committee Report No. 6.

**The President:** Resumption of consideration of Senate Bill No. 556 is now in order.

**Senator Romulo:** Mr. President, we are still in the period of interpellations. I ask that the distinguished Senate President Pro Tempore, the sponsor and author, be recognized.

**The President:** Senator Maceda is recognized.

May we know the parliamentary status of this bill?

**Senator Romulo:** Mr. President, we are still in the period of interpellations.

**Senator Maceda:** Mr. President, when we asked for the suspension of this measure, it was to submit a new substitute bill in compliance with the suggestions of Senator Guingona, the Minority Leader, and Senator Osmeña, with the end in view of adopting an approach which would be to just expand the purposes for which the OPSF, according to PD No. 1956 as amended by Executive Order No. 137, could be used for.

So with the permission of the Senate--and we have distributed copies of this substitute bill--may I move, Mr. President, that in lieu of the original Senate Bill No. 556, that the substitute bill be used as a basis for continuing the discussion on this particular subject matter.

**The President:** Is there any objection to that motion?

[Silence] The Chair hears none; the motion is approved.

**Senator Maceda:** Mr. President, thank you.

May I just therefore read briefly the pertinent provisions. The title is now "AN ACT EXPANDING THE PURPOSES FOR WHICH THE OIL PRICE STABILIZATION FUND (OPSF) MAY BE USED, AMENDING FOR THE PURPOSE SECTION 8 OF PD NO. 1956 AS AMENDED BY EXECUTIVE ORDER NO. 137, SERIES OF 1987, AND FOR OTHER PURPOSES."

Section 8 is then amended to read as follows--I will indicate the amended portion, it is in capital letters in the printed copy.

"SECTION 8. THERE IS HEREBY CREATED A SPECIAL ACCOUNT IN THE GENERAL FUND TO BE DESIGNATED AS OIL PRICE STABILIZATION FUND FOR THE PURPOSE OF MINIMIZING FREQUENT PRICE CHANGES BROUGHT ABOUT BY EXCHANGE RATE ADJUSTMENTS AND/OR AN INCREASE IN WORLD MARKET PRICES OF CRUDE OIL AND IMPORTED PETROLEUM PRICES."

And this is the amendatory portion--

AND FOR THE PURPOSES OF FINANCING ENERGY DEVELOPMENT PROJECTS, AND FOR INFUSING ADDITIONAL CAPITAL INTO THE NATIONAL POWER CORPORATION AS MAY BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES. That is the amendatory portion.

Mr. President, in the later part of this section where there is again a specification of what the fund may be used for, the old section says, "the fund herein created shall be used for the following:

1. To reimburse the oil companies for cause, increases, et cetera.
2. To reimburse the oil companies for possible cause under recovery, et cetera.

Then, the amendatory portion under No. 3: TO FINANCE ENERGY DEVELOPMENT PROJECTS AND FOR INFUSING ADDITIONAL CAPITAL INTO THE NATIONAL POWER CORPORATION AS MAY BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES.

That, Mr. President, is now the status of the bill.

**The President:** May the Chair seek some clarification?

**Senator Maceda:** Yes, Mr. President.

**The President:** I have gone over this substitute bill, and I notice that while there is an addition to the purposes for which the special account known as the "Oil Price Stabilization Fund" may be utilized, to include financing energy development projects and/or infusing additional capital into the National Power Corporation, the amount of P5 million which had been stated in the original bill as reported out by the committee has not been stated.

Does it mean, therefore, that under this new formulation, the entire fund may, wholly or partially, be used for the purpose of financing energy development projects and/or infusing additional capital into the National Power Corporation?

**Senator Maceda:** Mr. President, we did think about that particular matter. The Chair is correct that under the present formulation, the entire fund may be used. I hasten to add, however, that if it is so desired by any Member of this Body and concurred in by the Senate, purpose No. 3 on page 2 could carry a limit of not to exceed P5 billion.

**The President:** I see. The Chair is clarified already on this point. Is the Minority Leader seeking recognition?

**Senator Guingona:** Yes, Mr. President.

**The President:** The Minority Leader is recognized.

**Senator Guingona:** Mr. President, some clarificatory questions only.

**Senator Maceda:** Willingly, Mr. President.

**Senator Guingona:** The proposed bill, as amended now, does not state that the purpose for which the special fund was created has been fulfilled or abandoned. Will the distinguished Sponsor agree to either having this place on record or be incorporated in the bill whatsoever may be his desire, just to have something on record along that line so that we obviate any possible objection that may arise in the future.

**Senator Maceda:** Mr. President, we did not overlook that point which was raised by the Minority Leader the other night. However, we felt that it was not possible under the one subject rule to be placing that particular matter in today's new version of the bill which is just to amend PD 1986, as amended. If the Gentleman is willing, I believe it might be sufficient to just spread that into the record.

**Senator Guingona:** Yes, Mr. President.

For the record, may I state that the proceeds of Republic Act 6952 have been substantially fulfilled already, and that there is an existing balance of about P8 billion in the OPSF which have not yet been claimed. I just do not know the exact amount.

**Senator Maceda:** OPSF is P8.2 billion.

**Senator Guingona:** P8.2 billion. And at the proper time, Mr. President, I think the sum of P5 billion can be inserted as suggested by the Chair. Thank you, Mr. President.

**Senator Osmeña:** Mr. President.

**The President:** Senator Osmeña is recognized.

**Senator Osmeña:** Mr. President, will the distinguished Sponsor yield for just one question?

**Senator Maceda:** Willingly, Mr. President, to the Gentleman who originally suggested this and whom I have asked to be a coauthor of this measure.

**Senator Osmeña:** Mr. President, I am concerned with subparagraph iii of paragraph 2, page 2, under the existing executive order.

It reads: "Other factors as may be determined by the Ministry of Finance to result in underrecovery."

This is the same provision that was included in Executive Order No. 137. This is the so-called underrecovery which has now caused a number of complaints filed with the Supreme Court.

Recently, Mr. President, Caltex lost a P3 billion case on this underrecovery because, to my observation, this has been abused by the oil companies.

Has the Gentleman any objection if in the period of amendments, we will ask that this be deleted?

**Senator Maceda:** I will accept the amendment, Mr. President.

**Senator Osmeña:** Thank you, Mr. President. In view of that, there is no need to belabor the point.

**Senator Romulo:** Mr. President, I move that the period of interpellations be closed.

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

**Senator Romulo:** I ask that we now consider the Committee amendments, Mr. President.

#### COMMITTEE AMENDMENTS

**Senator Maceda:** Mr. President, on page 1 and also on the additional number three on page 2, as noticed by the Senate President, there should be a word OR after "and", so that it will read: "and/OR for infusing additional capital", et cetera.

So the amendment is the slash (/)OR.

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

**Senator Maceda:** Mr. President, on page 2, number 3 at the bottom, remove the period after "Philippines" and add the words IN AN AMOUNT NOT TO EXCEED A TOTAL OF FIVE BILLION PESOS.

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

**Senator Mercado:** Now, we are ready for the Osmeña amendment, Mr. President.

**The President:** Senator Osmeña is recognized.

#### OSMEÑA AMENDMENT

**Senator Osmeña:** Mr. President, the amendment is to delete subparagraph iii of paragraph 2 which reads: "iii. Other factors as may be determined by the Ministry of Finance to resolve in underrecovery".

**Senator Maceda:** We accept the deletion, Mr. President.

**Senator Osmeña:** Thank you, Mr. President.

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

As a result of the approval of that amendment, would it not be grammatically correct that in the end of subparagraph ii, the semicolon be deleted and changed to a period?

**Senator Maceda:** That is correct, Mr. President.

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

#### ROMULO AMENDMENT

**Senator Romulo:** Mr. President, I would like to propose an amendment, if it is acceptable to the distinguished Sponsor, to lower the amount to not more than P4 billion.

**Senator Maceda:** Mr. President, we accept the amendment for two reasons: First, because there has been a proposed price increase, and second, because there is P1 billion being proposed in the General Appropriations Act. We will discuss that P1 billion in the GAA.

**The President:** So this will be in the nature of an amendment to the amendment.

**Senator Maceda:** Yes, Mr. President, to reduce the amount from P5 billion to P4 billion.

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

**Senator Romulo:** Mr. President, since there are no more committee and individual amendments, I move that we close the period of amendments.

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

#### APPROVAL OF SENATE BILL NO. 556 ON SECOND READING, AS AMENDED

**Senator Romulo:** Mr. President, I move that we vote on Senate Bill No. 556, as amended, on Second Reading.

**The President:** We shall now vote on the bill, as amended, on Second Reading. As many as are in favor of the bill, as amended, will please say Aye. [*Several Senators: Aye*] As many as are against will please say Nay. [*Silence*] Senate Bill No. 556 is approved on Second Reading.

**Senator Maceda:** Mr. President, may I make it of record that Senators Lina, Herrera and Sotto have joined as coauthors of the bill.

**The President:** Thank you.

#### BILL ON SECOND READING Senate Bill No. 35 - Large Taxpayers Unit

**Senator Romulo:** Mr. President, I move that we consider