

RECORD OF THE SENATE

TUESDAY, NOVEMBER 24, 1992

OPENING OF THE SESSION

At 4:28 p.m., the Honorable Neptali A. Gonzales, President of the Senate, called the session to order.

The President: Binubuksan ang ikaapatnapung pagpupulong ng Senado.

Inaanyayahan ang lahat na tumindig at manalangin sa pangunguna ni Senador Alberto G. Romulo.

Everybody remained standing for the opening prayer.

PRAYER

Senator Romulo:

I knelt to pray but not too long
I had too much to do
Must hurry off and get to work
for bills would soon be due.

And so I rushed a hurried prayer
jumped up from off my knees
My christian duty now is o'er
my soul likewise at ease.

No time I had all through the day
for things other than clay
No time for things that matter most
No time at all for Christ.

Too much to do, too little time
that forever was my cry
No time to give for things that count
until at last time to retire.

And thus one day at heaven's gate
with pounding heart as I stood
Lo and behold St. Peter's hand
the book of life it held.

The book its pages he then turned
'can't find your name,' he said
'I once was set to jot it down
alas I had no time.'

ROLL CALL

The President: The Secretary will please call the roll.

* Arrived after the roll call

** On official mission

The Secretary:

Senator Heherson T. Alvarez	Present*
Senator Edgardo J. Angara	Present
Senator Agapito A. Aquino	Present*
Senator Rodolfo G. Biazon	Present
Senator Anna Dominique M.L. Coseteng	Present
Senator Teofisto T. Guingona, Jr.	Present
Senator Ernesto F. Herrera	Present*
Senator Jose D. Lina, Jr.	Present
Senator Gloria M. Macapagal	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	**
Senator Raul S. Roco	Present
Senator Alberto G. Romulo	Present
Senator Leticia R. Shahani	**
Senator Vicente C. Sotto III	Present
Senator Wigberto E. Tañada	Present*
Senator Francisco S. Tatad	Present
Senator Arturo M. Tolentino	Present
Senator Freddie N. Webb	Present*
The President	Present

The President: Fourteen Senators 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 *Journals* of Session Nos. 38 and 39 and consider the same as approved.

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

REFERENCE OF BUSINESS

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The Secretary:

October 30, 1992

Mr. President:

I have been directed to inform the Senate that in view of the disagreeing provisions of House Bill No. 2212, entitled

reason for the bill.

The President: Would the Lady Senator rather have that provided for in this separate bill or could that be incorporated in this bill as now proposed by Senator Tañada?

Senator Macapagal-Arroyo: While I am accepting the amendment, Mr. President, of course, my own preference is to have it in a separate bill so that we can have a simpler bill here and a simpler bill also on the other subject matter.

The President: Is Senator Tañada insisting on his amendment?

Senator Tañada: Mr. President, what I can do is go over the bill filed by Senator Macapagal-Arroyo and see if it may be better to have this covered by a separate bill, as she is now suggesting. So if I can be given up to tomorrow, Mr. President, I will go over her bill and I will then decide whether to still propose this amendment or not.

The President: All right. Would it not then be advisable to defer consideration of at least this particular amendment?

Senator Tañada: Yes, Mr. President. I just have one more question with regard to the transfer of patents or formula or other technological rights of processes.

Would this mean transferring this patent or formula or technological rights of processes to the Philippine Company?

Senator Macapagal-Arroyo: Yes, Mr. President, if the investment is a transfer of patent, that would belong to the Philippine Company.

Senator Tañada: I am glad to hear that, Mr. President. Thank you very much.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 356

Senator Romulo: Mr. President, in view of the reservation made by Senator Tañada for a possible individual amendment to this bill, I move that we suspend consideration of Senate Bill No. 356 until tomorrow.

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

CONFERENCE COMMITTEE REPORT ON HOUSE BILL NO. 2139/SENATE BILL NO. 556 (Oil Price Stabilization Fund)

Senator Romulo: Mr. President, I move that we now

consider the Conference Committee Report on the disagreeing provisions of House Bill No. 2139 and Senate Bill No. 556 on the Oil Price Stabilization Fund.

I ask that the distinguished Senate President Pro Tempore, the Author and Sponsor of Senate Bill No. 556, be recognized.

The President: The Senate President Pro Tempore is hereby recognized.

SPONSORSHIP SPEECH OF SENATOR MACEDA

Senator Maceda: Thank you, Mr. President.

The Senate Conference Committee is privileged to report back to the Senate the Conference Committee Report on what may be considered as one of the most important achievements of the Congress during its first six months. This is on the amendment of the OPSF Law or Presidential Decree, allowing the use of the Oil Price Stabilization Fund for the infusion of the capital into the NAPOCOR.

Mr. President, the two bills were substantially the same. The only changes are, between the P2 billion of the House, payable in two tranches, and the P4 billion of the Senate, payable even in one lump sum, we agreed on a compromise amount of P3 billion, which could be paid out in one lump sum. But, of course, since the power of release belongs to the Executive, if the Executive wanted to release the amount in less than the total amount of P3 billion at any one time, then there is no prohibition from doing so.

We adopted part of the House's conditions to the effect that the amount shall be released if the terminal balance that will be left in the OPSF shall be less than P3 billion.

Considering that the total amount now in the OPSF is over P8 billion, with the downtrend in prices and exchange rates, and after the P3 billion is released, there will be over P5 billion left. That should still the fears of some people that they may have to pay higher oil prices in the immediate future or next year if this is approved. So that is in the law.

We also agreed to the House proviso that the National Power Corporation shall utilize the said payments on its capital stock to finance its capital expenditures for energy projects only. It is for capital expenditures for energy projects only.

Mr. President, Section 1 of the proposed law clearly spells out that the P3 billion is going to be for an additional infusion into the NAPOCOR of capital. And this makes it doubly significant because, for the first time in more than 30 years, I

believe, after an initial infusion of a total of P14 billion out of P50 billion, this is the first time that there will be an infusion of a substantial amount, which is P3 billion.

The Conference Committee hopes that with this report, we have aptly and conclusively demonstrated to the Executive our sense of cooperation in solving any major problem that is of priority consideration, especially in terms of the time element.

**APPROVAL OF CONFERENCE COMMITTEE REPORT
ON HOUSE BILL NO. 2139/SENATE BILL NO. 556**

And so, Mr. President, I ask that this Conference Committee Report, which was signed by all the five Members of the Conference Committee, including two Members of the Minority in this Chamber, be approved.

The President: Is there any objection to the approval of the Conference Committee Report on the disagreeing provisions of the consolidated House Bill No. 2139 and Senate Bill No. 556?

Senator Aquino: Mr. President.

The President: Senator Aquino is recognized.

Senator Aquino: Mr. President, just for clarification. On page 3, Mr. President, this Price Stabilization Fund shall be administered by the Office of Energy Affairs, is that correct?

Senator Maceda: That is correct, Mr. President, because, as of now, the bill creating the Department of Energy is not yet formally signed into law. So, eventually, the Office of Energy Affairs will be abolished by the Department of Energy bill. This will automatically then mean the Department of Energy.

Senator Aquino: So that, at present, the people handling the funds...

Senator Maceda: This is the present office handling the fund.

Senator Aquino: Thank you, Mr. President.

The President: All right. Is there any objection to the previous motion? [Silence] There being none, said Conference Committee Report is hereby approved.

The following is the full text of Conference Committee

Report on House Bill No. 2139/Senate Bill No. 556:

CONFERENCE COMMITTEE REPORT

The Conference Committee on the disagreeing provisions of House Bill No. 2139, entitled

AN ACT PROVIDING FOR THE PAYMENT IN PART OF THE SUBSCRIPTION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES TO THE CAPITAL STOCK OF THE NATIONAL POWER CORPORATION OUT OF THE OIL PRICE STABILIZATION FUND, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NUMBERED NINETEEN HUNDRED FIFTY-SIX, AS AMENDED

and Senate Bill No. 556, entitled

AN ACT EXPANDING THE PURPOSES FOR WHICH THE OIL PRICE STABILIZATION FUND (OPSF) MAY BE USED, AMENDING FOR THE PURPOSE SECTION 8 OF PRESIDENTIAL DECREE NO. 1956, AS AMENDED BY EXECUTIVE ORDER NO. 137, SERIES OF 1987, AND FOR OTHER PURPOSES,

having met, after full and free conference, have agreed to recommend and do hereby recommend to their respective Houses, the approval of the consolidated House Bill No. 2139 and Senate Bill No. 556, entitled

AN ACT PROVIDING FOR THE PAYMENT IN PART OF THE SUBSCRIPTION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES TO THE CAPITAL STOCK OF THE NATIONAL POWER CORPORATION OUT OF THE OIL PRICE STABILIZATION FUND, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NUMBERED NINETEEN HUNDRED FIFTY-SIX, AS AMENDED.

Approved,

**CONFEREES ON THE PART OF THE
SENATE**

(Sgd.) HON. ERNESTO M. MACEDA

(Sgd.) HON. ERNESTO F. HERRERA

(Sgd.) HON. VICENTE V. SOTTO III

(Sgd.) HON. JOHN H. OSMEÑA

(Sgd.) HON. TEOFISTO T. GUINGONA, JR.

**CONFEREES ON THE PART OF THE
HOUSE OF REPRESENTATIVES**

(Sgd.) HON. DANTE O. TINGA

(Sgd.) JEROME V. PARAS

(Sgd.) HON. RENATO A. YAP

(Sgd.) HON. RAUL V. DEL MAR

(Sgd.) HON. PACIFICO M. FAJARDO

(Sgd.) HON. AMADO S. BAGATSING

REPUBLIC ACT NO. _____

AN ACT PROVIDING FOR THE PAYMENT IN PART OF THE SUBSCRIPTION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES TO THE CAPITAL STOCK OF THE NATIONAL POWER CORPORATION OUT OF THE OIL PRICE STABILIZATION FUND, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NUMBERED NINETEEN HUNDRED FIFTY-SIX, AS AMENDED

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

SECTION 1. The subscription of the Government of the Republic of the Philippines to the capital stock of the National Power Corporation, as provided for in Republic Act No. 6395, otherwise known as the Revised Charter of the National Power Corporation, as amended by Presidential Decrees No. 758, 1360 and 1443, shall be paid in part out of the Oil Price Stabilization Fund in the amount of Three Billion Pesos (P3,000,000,000.00) in accordance with Section 2 of this Act.

Sec. 2. Section 8 of Presidential Decree No. 1956, as amended by Executive Order No. 137, is hereby further amended to read as follows:

“Sec. 8. There is hereby created a Trust Account in the books of accounts of the (Ministry of Energy) OFFICE OF ENERGY AFFAIRS to be designated as the Oil Price Stabilization Fund (OPSF) for the purpose of minimizing frequent price changes brought about by exchange rate adjustments and/or changes in [W]world market prices of crude oil and imported petroleum products. The Oil Price Stabilization Fund (OPSF) may be sourced from any of the following:

“[(a) Any increase in the tax collection from *ad valorem* tax or customs duty imposed on petroleum products subject to tax under this Decree arising from exchange rate adjustment, as may be determined by the Minister of Finance in consultation with the Board of Energy;]

[(b)](A) Any increase in the tax collection as a result of the lifting of tax exemptions of government corporations, as may be determined by the [Minister] DEPARTMENT of Finance in consultation with the [Board of Energy] ENERGY REGULATORY BOARD;

“[(c)](B) Any additional amount to be imposed on petroleum products to augment the resources of the Fund through an appropriate [O]rder that may be issued by the [Board of Energy] ENERGY REGULATORY BOARD requiring payment of persons or companies engaged in the business of importing, manufacturing and/or marketing petroleum products;

“[(d)](C) Any resulting peso cost[s] differentials in case the actual peso costs paid by oil companies in the importation of crude oil and petroleum products is less than the peso costs computed using the reference foreign exchange rate as fixed by the [Board of Energy] ENERGY REGULATORY BOARD.

“The Fund herein created shall be used for the following:

“(1) To reimburse the oil companies for cost increases in crude oil and imported petroleum products resulting from exchange rate adjustment and/or FROM THE increase in world market prices of crude oil;

“(2) To reimburse the oil companies for possible cost underrecovery incurred as a result of the reduction of domestic prices of petroleum products. The magnitude of the underrecovery, if any, shall be determined by the [Ministry] DEPARTMENT of Finance. Cost underrecovery shall include the following:

“i. Reduction in oil company take as directed by the