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Senate
MANILA

Panfilo M. Lacson
Senator

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THE EDITORS

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Esteemed Editors,

First, let me thank your columnist, former Senator Francisco S. Tatad, for this opportunity to further enlighten our people on the evils of the pork barrel system - particularly the excessive, unconscionable, unreasonable and irregular appropriations in the National Budget - with his request for further details of the institutional amendments that this representation has proposed to the P3.757-trillion National Budget for 2019.

I trust Senator Tatad, as a former distinguished legislator who had served as Majority Leader, and became widely known among his peers for being a stickler for the rules and had even been called by some as "the moral conscience of the Senate", should easily distinguish between an individual insertion and an institutional amendment.

As I have repeatedly pointed out, institutional amendments pertain to programs and projects that have undergone planning and vetting, and are based on requests from the implementing agencies concerned. Such amendments are proposed by lawmakers who find merit in them after vetting with the relevant agencies.

Thus, I take pride that my amendments benefit no one else but the agencies concerned. Ever since, I submit to the Chairman of the Senate Committee on Finance in official written form all my amendments to the annual budget bill for one very simple reason: **I have nothing to hide since they are all institutional.**

In contrast, individual amendments pertain to projects based mainly on lawmakers' intervention and are considered legislators' *pet projects*. In most cases, these do not involve consultations with the implementing agencies concerned, nor are they part of the Local Development Plans of the Local Government Units. Such programs can be considered pork barrel, based on the 2013 ruling of the Supreme Court that deems as unconstitutional projects that are whimsical and

arbitrary. I must emphasize that the Supreme Court ruling declaring pork barrel as unconstitutional covers ***“all informal practices of similar import and effect, which the Court similarly deems to be acts of grave abuse of discretion amounting to lack or excess of jurisdiction.”***

I am therefore confident that Senator Tatad will see in this light the following amendments I proposed, divided into two parts: **(1) Amendments as Chair of the Sub-Committee “E” of the Senate Committee on Finance;** and **(2) Plenary Amendments to the Senate Version of the 2019 Budget.**

AMENDMENTS AS CHAIR OF THE SENATE COMMITTEE ON FINANCE, SUB-COMMITTEE “E”

As Chairman of the Sub-Committee “E” of the Senate Committee on Finance, I presided over the deliberations of the budget of each department and agency under my Committee during the **four (4) budget briefings/hearings** conducted in September and October of 2018.

Sub-Committee “E” covers the budgets of the Department of National Defense (**DND**) and its attached agencies; Commission on Human Rights (**CHR**); Autonomous Region in Muslim Mindanao (**ARMM**); and several agencies under Other Executive Offices, namely: the Dangerous Drugs Board (**DDB**); Mindanao Development Authority (**MinDA**); National Commission on Muslim Filipinos (**NCMF**); Office of the Presidential Adviser on the Peace Process (**OPAPP**); Philippine Drug Enforcement Agency (**PDEA**); Presidential Legislative Liaison Office (**PLLO**); and, the Southern Philippines Development Authority (**SPDA**).

Following the deliberations justifying the departments’ and agencies’ respective estimates of expenditures as well as their budgetary requirements and gaps, the Sub-Committee recommended several budgetary amendments.

To name a few, these include additional budget for the provision of drugs and medicines, medical and surgical supplies and payment for Job Order workers under the DND-Veterans Memorial Medical Center; increase in budget of DDB for the evidence-based and cohesive implementation of the Philippine Anti-Illegal Drugs Strategy; and, budget increase for the training of Drug Enforcement Officers under the PDEA (See **ANNEX A** for the copy of the Sub-Committee Report).

As our legislative work so warrants, I judiciously participated in the plenary budget deliberations to raise matters that concern agency appropriations I deem imperative and pressing. This includes the discovery of anomalous and irregular budget items, which became the subject of my Privilege Speech, ***“Living Without Pork II”***, which I delivered on February 8, 2019. (**ANNEX B**).

Most of my budget amendments, which are conferred with my colleagues in the Senate, are corrective responses to these issues. Briefly, these pressing concerns in the 2019 National Budget pertinent to the budgets of the **DPWH, DILG, DA and CHED-Tulong Dunong**, are discussed as follows:

I. Department of Public Works and Highways (DPWH)

A. The P75 Billion worth of Infrastructure Projects

This representation proposed the removal of P75 billion worth of projects from the budget of the DPWH after it was revealed that the same projects failed to undergo the appropriate planning and vetting prior to their inclusion in the proposed national budget.

Initially, the Development Budget Coordination Committee (DBCC) set a P480-billion budget ceiling for the DPWH, even as the agency asked the Department of Budget and Management (DBM) for consideration of the agency budget of P651 billion. The National Expenditure Program (NEP), meanwhile, proposed a P555-billion budget for the DPWH.

During the budget plenary discussion, DPWH Secretary Mark Villar, through Senate Committee on Finance Chairperson Loren Legarda, admitted that the P75-billion difference between the P480-billion submission of the DPWH and the P555-billion budget reflected in the NEP was not part of their original submission and that the same was the *initiative* of the DBM.

For the above reasons, we asked the DPWH to submit to us the list of projects that are part of their original P480-billion submission, and the same was submitted to the Chairman of the Committee on Finance on January 15, 2019.

In light of the foregoing, I proposed that the Senate adopt the original P480-billion submission of the DPWH as the Senate GAB version. This is to weed out the P75 billion worth of projects, which has become the source of the *insertions* made by certain legislators under the GAB.

B. Road Right-of-Way (RROW) Appropriations

The matter of appropriations for RROW was extensively discussed during the deliberations on the 2018 budget of the DPWH and was the subject of my amendments.

I raised the concern of delay in the implementation of projects involving acquisition of RROW since under the General Appropriations Act and Republic Act No. 10752, otherwise known as "The Right-of-Way Act," RROW should be settled before the implementation of infrastructure projects.

As part of the legislative oversight responsibility, I checked several projects with RROW funding and requested DPWH to submitted relevant reports (**ANNEX C**).

In relation thereto, I again raised the matter of RROW appropriations, including its implementation, during the interpellations on the 2019 DPWH budget. It was during the interpellations that the DPWH disclosed, through Senator Loren Legarda, that there are still funds for RROW from its FY 2018 appropriations that have yet to be utilized. Likewise, the DPWH acknowledged that the agency only needs P20 billion for 2019.

Thus, I submitted as an amendment to reduce the DPWH RROW budget from P28.889 billion to P20 billion.

C. Deletion of all Dredging, Desilting, Deepening Projects

This representation likewise proposed the deletion of dredging, desilting, deepening projects in the proposed 2019 appropriations for the DPWH. The amount initially allocated for such projects shall be reallocated to the new DPWH proposal for the purchase of dredging, desilting and deepening equipment and budgetary requirement for needed manpower.

As also pointed out by my colleagues in the Senate during the budget deliberations, it has long been proposed to purchase dredging machines rather than contracting them out because these have been proven to be a convenient source of corruption.

The motion to delete the dredging, desilting, deepening projects under the 2019 budget was also adopted at the bicameral conference committee level.

II. Department of Interior and Local Government (DILG)

A. Public Markets/Farmers Markets (Bagsakan Centers) and Public Cemeteries Projects

The House version of the budget contentiously included “public cemeteries” and the corresponding appropriations of P970 million under the original DILG submission of “*Public Markets/Farmers Markets (Bagsakan Centers)*”. During the budget interpellations, the DILG asserted that public cemeteries were not among the projects identified for funding based on the collated Local Development Plans of the Municipalities. As such, the DILG has no list of municipalities where public cemeteries will be constructed.

Thus, I proposed that the appropriation of P970 million be allocated only for “Public Markets/Farmers Markets (Bagsakan Centers),” sans “Public Cemeteries”. Further, it should be one of the items in the *Other Financial Assistance to Local Government Units-Local Government Support Fund*, under the Allocations to Local Government Units (ALGU).

B. Other Financial Assistance to Local Government Units (ALGU)

During the budget interpellations, we discovered the exponential increase in the allocation for *Other Financial Assistance to Local Government Units-Local Government Support Fund*, under the Allocations to Local Government Units (ALGU), from P7 billion to P16 billion from NEP to the House version. The DBM, as the agency managing this fund, asserted that they were not consulted on the increase, nor do they have a list of municipalities for whom the amount will be allocated. In the same vein, the DILG expressed that they have no knowledge nor participation in the implementation of the fund.

For these reasons, I moved to revert the allocation for *Other Financial Assistance to Local Government Units* to its NEP-level amount of P7 billion, or a reduction of P9 billion.

III. Department of Agriculture (DA)

A. *Farm-to-Market Road Projects*

A perusal of the DA budget for farm-to-market roads (FMR) projects from the NEP to House version shows how the budget was **bloated beyond recognition**. In fact, there was a net increase from the NEP allocation for FMR projects to GAB of P1.7 billion, and some P6.1 billion worth of reallocated and inserted FMR projects. Simply put, I say that this excessive reallocation and insertions are mere transfer of 'farm-to-pocket roads' from some congressmen's pockets to those of the others. To sum in one phrase: **from farm-to-market, to farm-to-pocket, to pocket-to-pocket**.

Time and again, we observe how the agriculture sector has been the constant victim of corruption through the years, to wit: the Coco Levy Fund, the Fertilizer Fund Scam, Pork Barrel Scam, Rice Smuggling, Irrigation Scandal and the perennial "Farm-to-Pocket Roads" of legislators. In the proposed budget for 2019, our pressing concern relates to the exorbitant increase between the GAB and the NEP.

Hence, among my proposed amendments is the removal of P6.1 billion from the P11.658-billion allocation for repair/rehabilitation and construction of farm-to-market roads in designated key production areas.

IV. Commission on Higher Education- Tulong Dunong

During the interpellations on the proposed 2019 budget, this representation showed photos, and even official communications from universities that prove how certain legislators actively participate in the implementation of the *Tulong Dunong* Program. Suffice to say that this program has been utilized by some lawmakers to further patronage politics. Moreover, the passage of the more comprehensive and inclusive Universal Access to Quality Tertiary Education has rendered the *Tulong Dunong* Program redundant and superfluous.

Hence, I proposed the reallocation of P3.108 billion for *Tulong Dunong Programs* to the Tertiary Education Subsidy under the Universal Access to Quality Tertiary Education, as conferred with and agreed upon during the budget interpellations on General Principles of the 2019 budget.

INSTITUTIONAL AMENDMENTS

You and I would agree that the exorbitant amounts appropriated to these scandalous pork barrel allocations prospectively translate to wasted taxpayers' money and shall hence be appropriated to priority expenditures of government institutions.

Hence, my **institutional amendments** constitute these programs, projects, and activities that are proposed, planned, and vetted by these departments and agencies but are otherwise held in abeyance or received substantial budgetary cuts for other priorities set forth in the NEP or the President's Budget.

Essentially, these institutional amendments are as follows:

I. Department of Education

A. Quick Response Fund

The increase of P2 billion in the Quick Response Fund (QRF) of the DepEd to P4 billion shall cover QRF utilization for fiscal year 2019. As per DepEd, the 2018 QRF was already fully allocated and spent in the wake of Tropical Cyclone Ompong, with remaining unfunded repairs amounting to P381.6 million. If the unfunded P381.6-million Ompong damages would be added to the P277-million damage from Tropical Cyclone Usman and to the P1.4-billion damages from Tropical Cyclone Rosita that came in after Ompong, the aggregate costs would be estimated at P2.058 billion.

Consequently, the QRF set for 2019 would have been fully utilized, leaving nothing to represent pre-disaster or standby funds for DepEd to immediately assist areas stricken by catastrophes and crises that may arise in 2019.

B. School-based Feeding Program

The increase of P3.7125 billion for School-based Feeding Program (SBFP) shall cover 240 days' lunch meals for *severely wasted* and *wasted learners*. The budget increase shall extend the duration of feeding days from the current 120 days to 200 days, or the duration of the entire school year.

For two (2) fiscal years, I proposed this amendment as requested by the DepEd and Social Watch Philippines; unfortunately, it was not adopted in the 2018 Budget.

The amendment is grounded on studies that show the nutritional gains of the SBFP program are not sustained for many severely wasted beneficiaries 12 months or more after the feeding program; thus the need to continue the feeding beyond one 100-120 day feeding cycle.

C. Continuing Education - Teacher Quality and Development Program

The increase of P1.7 billion for the Continuing Education-Teacher Quality and Development Program shall cover the training fees of some 500,000 elementary teachers. Presently, teachers personally shoulder the P3,000 training fee and hence, this budgetary provision will ease their financial burden from trainings purposively covering child rights, inclusion, and positive discipline in everyday teaching.

D. Textbooks and Other Instructional Materials

The increase under this budget item shall be distributed as follows: P100 million for assistive devices and universal design materials for education of children with disabilities; P5 million for development of materials on sexuality education to combat teen and early pregnancy; and, P2 million for advocacy and campaign on Water and Sanitation and Health (WASH).

The proposed appropriations seek to benefit about 3.3 million children with disabilities in the Philippines, or about 8% of the population between ages 0 to 18 (UNICEF, 2016). For children with disabilities, schools are often physically inaccessible or unable to cater to their needs. In fact, only less than 3% of Filipino children with disabilities has access to education. For SY 2015-2016, DepEd has recorded around 250,000 enrollees with certain exceptionalities at the elementary level and around 100,000 at the high school level.

E. Computerization Program

The increase of P2.925 billion for the Computerization Program will provide internet connectivity to around 33,376 classrooms targeted by DepEd for 2019.

II. Department of Environment and Natural Resources (DENR)

The increase of P2.352 million for the Environmental Management Bureau (EMB) shall fund the monitoring and inventory of greenhouse gases of Pollution Laboratories in Visayas and Mindanao. To recall, I also proposed the P2.5-million budget increase to fund the establishment of these pollution laboratories in 2018 in line with the requirements of the EMB.

III. Department of Public Works and Highways (DPWH)

A. Funding of Government Takeover of Hanjin Heavy Industries Construction Shipyard

Following the recommendation of Defense Secretary Delfin Lorenzana that it would be in the "best interest" of the national government to take control of Hanjin Heavy Industries and Construction Philippines (HHIC-Phil), this representation proposed the allocation of P50.957 billion to push through the takeover of the said shipyard.

Taking control of the HHIC-Phil is deemed favorable as this would allow our country to have its own naval base in Subic and to strengthen our capacity to build our own ships.

This matter was discussed and seriously considered during the interpellations on the budget of the DND. I attached herein a copy of the transcript of the interpellations for your reference and convenience (**ANNEX D**).

B. Baguio-La Trinidad-Itogon-Sablan-Tuba-Tublay (BLISTT) Road Project

The Baguio-La Trinidad-Itogon-Sablan-Tuba-Tublay (BLISTT) Road Project is a multi-year project being implemented by the DPWH, which aims to develop physical and economic linkages between and among the BLISTT towns.

However, events of the past tell us of unfortunate incidents that led to loss of life and damage of property, due to lack of appropriate slope protection measures that should have been installed in this hazard-prone area.

I even instructed members of my staff to go around the BLISTT Circumferential Road to take photos and footages of the situation in the area. True enough, they found the glaring lack of such safety features in this multi-billion peso project.

During the DPWH budget hearing, we brought up the incident that involved a 10-wheeler truck traversing Labey-Lacamen provincial road in Sitio Sapuan, Barangay Ambassador, Tublay, Benguet, and which fell off a 100-meter-high cliff when a portion of the riprap suddenly collapsed in May 2018. The accident injured seven (7) people, six (6) of whom were minor passengers of the 10-wheeler truck said to be owned by the project's contractor. In addition, several sections of Labey road, a part of the BLISTT Circumferential Road, had been severely damaged and left thousands of individuals isolated for days in the aftermath of Typhoon Ompong in October 2018. Even before this, there had been a number of landslides that occurred in the area in the past years.

Hence, this representation recommended the reallocation of P590 million for slip, slope, collapse and landslide protection along the BLISTT road project.

IV. Department of Interior and Local Government (DILG) - Philippine National Police

The proposed appropriations for *Maintenance and Other Operating Expenses* (MOOE) of the PNP *per capita cost* is P3,433,120,000, allocated and distributed at P1,390 per month per police personnel in each unit.

The said total MOOE *per capita cost* is based on the 2017 strength of the Uniformed Personnel of the PNP. Having a program of recruitment of 10,000 Uniformed Personnel for last year and another 10,000 for 2019, the PNP will require an additional amount of **P59,838,800**.

My institutional amendments for the PNP, vetted and proposed by the agency, also include additional budget for training expenses (P78 million); augmentation for internal security operations (P140 million); and funding for the creation of seven Provincial Mobile Force Companies (P53.5 million), to name a few.

The institutional amendments also include the maintenance of the newly procured Bell 429 helicopter (P20.938 million) and the police rubber boats and high-speed tactical watercraft (P99.041 million), which are critical in the use of the newly-acquired assets of the PNP.

My amendments also include proposed budget of P1.8696 billion for the procurement of a fixed-wing airplane.

For the complete list of PNP budget amendments amounting to P2.6426 billion and respective justifications, please refer to **ANNEX E**.

V. Department of National Defense (DND)

A. Enhanced Comprehensive Local Integration Program (E-CLIP)

Pursuant to Administrative Order No. 10, Series of 2018 of President Rodrigo Duterte, centralizing all government efforts for the reintegration of former rebels and creating for the purpose an inter-agency task force, I proposed as per request of the DND, the allocation of P48.766 million for the operational requirements of Task Force Balik-Loob and implementation of the Enhanced Comprehensive Local Integration Program (E-CLIP).

As a background, the DBM had not recommended funding for these, despite the President's pronouncement of their implementation. Hence, it is judicious on the part of the legislative branch to pursue this program by appropriating funds therefor.

B. Philippine Veterans Affairs Office

As the Philippine Veterans Affairs Office (PVAO) continues to provide veterans the service and care that they deserve, the agency requested for the inclusion of funding for projects that were deemed necessary in the performance of its duties.

Included in the Sub-Committee report submitted by this representation as Vice Chairman of the Senate Committee of Finance was the inclusion of P32.853 million for the implementation of Joint CSC-COA-DBM Circular No. 1, Series of 2018, which provides that government contract-of-service (COS) employees "shall be paid salary/wage equivalent to the daily salary/wage of comparable positions in government and a premium of up to 20% of such salary/wage effective January 1, 2019".

In addition, an amount of P40 million has been proposed for the construction of a Non-Current Records Center. Even as PVAO continues to digitize all veterans' records, i.e. service records, birth, marriage, death certificates, financial records, there is still an urgent need to consolidate all non-current but permanent records in a central depository.

This representation also recommended the inclusion of P42-million funding for the construction of a Multi-Purpose Hall, which will serve as a venue where veterans can meet and organize, and at the same time provide office space to veterans' organizations and other related concerns.

Finally, a total of P134 million has been introduced for the implementation of critical projects of Phase II of the Comprehensive Master Development of the Libingan ng Mga Bayani.

The request for the funding of the above-stated projects are contained in the official letter signed by Undersecretary Ernesto G. Carolina dated 11 January 2019 (**ANNEX F**).

C. Philippine Army

The 11th Infantry "Alakdan" Division, provisionally activated by the Philippine Army last 01 December 2018 in Jolo, Sulu, aims to strengthen the Armed Forces of the Philippines' efforts to address the threat by the Abu Sayyaf in the Basilan-Sulu-Tawi-Tawi (BaSuITa) area.

However, it had no funding as it was formed long after the NEP or the President's Budget had been submitted to Congress. Considering the urgency to address the threat of terrorism, I found the request by the DND for funding meritorious. Hence, this representation proposed the allocation of P4.7819 billion for the activation and mobilization of the 11th Infantry Division.

D. Armed Forces of the Philippines and AFP Wide Service Support Units

My proposal is to allocate P1 billion as operation fund for the AFP campaign to end the insurgency problems, enhance maritime security of the eastern and western seaboard, and support the newly activated AFP units and P700 million for the activation of 44 Citizens Armed Forces Geographical Unit (CAFGU) Active Auxiliary (CAA) companies.

VI. Department of Transportation (DOTr)

The Philippine Coast Guard (PCG) is the third uniformed service of the country and the government agency tasked to promote the security and safety in the maritime domain and to conserve the country's precious marine environment.

In order to effectively perform its duties, the agency has requested a total amount of P870 million for the acquisition of three (3) light helicopters amounting to P120 million each and three (3) multipurpose fixed-wing aircraft amounting to P750 million each through an official letter dated 16 October 2018 (**ANNEX G**).

The allocation of this amount under the DOTR budget is beneficial to equip the PCG with air assets, which shall be used to deter and abate prevailing incidents of piracy and armed robbery; and to aid in search and rescue operations at the coastal waters of the Philippine archipelago.

VII. Presidential Legislative Liaison Office (PLLO)

In addition to PLLO appropriations, this representation recommended a total amount of P5 million to cover the Office's additional operating expenses and for the implementation of the agency's Electronic Legislative Liaison (eLSS) Project. The details of this request are contained in (**ANNEX H**).

VIII. Judiciary

A. Supreme Court of the Philippines and the Lower Courts

During the deliberations of the budget of the Judiciary, this representation raised issues on the fiscal autonomy of the Supreme Court. This includes the source of funding to cover the requirement of the Supreme Court of P488.648 for the salary differential for the 1st level courts.

Accordingly, pursuant to Section 16 of RA No. 8557, which provides for the provision of funding for the operation, maintenance and improvement of the Philippine Judicial Academy (PJA) under the GAA, I proposed an additional P111.985 million to fill the funding gap of PJA as provided by the Supreme Court.

Moreover, my amendments include P20 million to augment the operations of the Mandatory Continuing Legal Education; and P300 million for construction and/or repair and rehabilitation of the Halls of Justice nationwide.

All of my institutional amendments are anchored on Section 3, Article VIII of the Constitution, which states that "***The Judiciary shall enjoy fiscal autonomy.*** Appropriations for the Judiciary may not be reduced by the legislature below the amount appropriated for the previous year and, after approval, shall be automatically and regularly released."

For reference, I have attached the transcript of the interpellations on the 2019 budget of the Judiciary (**ANNEX I**).

IX. Commission on Higher Education (CHED)

A. Legal Education Board (LEB)

In addition, I proposed an amount of P6 million for the LEB's professional services and rental for additional office space following the agency's request, citing that their initial amount allocated under the NEP is *grossly insufficient* for the agency to meet their operational requirements and planned programs (**ANNEX J**).

B. Technical Education and Skills Development Authority (TESDA)

Republic Act 7796, or the *TESDA Act of 1994*, mandated the agency to provide relevant, accessible, high-quality and efficient technical and vocational education and skills development to support the development of high-quality Filipino middle-level manpower responsive to market demands and in accordance with the Philippine development goals and priorities.

Under the Senate Finance Committee Report, the appropriations for TESDA appeared to have been reduced by P4.861 billion.

Following the request of Director-General Isidro Lapeña for the restoration of the deducted amount as this funding is critical to the implementation of the TESDA's technical vocational education and training programs, this representation proposed the reinstatement of P4.861 billion under the agency's budget.

X. Special Purpose Fund

I also proposed an increase of P876.42 million in the item "Pension and Gratuity Fund" in adherence to the provisions of R.A. 11154, the Act Increasing the Monthly Old-Age Pension of Senior Veterans, signed into law just last Dec. 20, 2018. This shall fund the additional P15,000 increase in the old-age pension of 4,869 senior veterans.

Other details of the amendments I proposed have been posted on my website, pinglacson.net, in the spirit of transparency. I have also issued a challenge to other lawmakers who proposed amendments to the proposed national budget to do the same. With this, I also hope to set the record straight on the issue.

As for Mr. Joel Locsin, he is a co-terminus staff in my office as Media Relations Officer; he is the current head of my Media Team and it is part of his job description to correct inaccurate information.

Indeed, the fight against pork has proven to be a lonely and uphill one. As early as 2003 when I delivered my first privilege speech calling for the abolition of the pork barrel system, I mentioned that I was bound to lose some friends and create more enemies. Sadly, recent events have proven me right. How I wish Senator Tatad would have been a staunch ally against this evil, had he won in 2004 or 2010.



PANFILO M. LACSON
Senator