

**OPENING REMARKS
SECOND REGULAR SESSION
15TH CONGRESS**

Speaker Feliciano Belmonte, Jr.

Members of this chamber, ladies and gentlemen –

Welcome back, dear colleagues.

We return to this chamber at the midpoint of our term as our people's representatives. We do so secure in our accomplishment so far, aware of the great challenges that lie ahead, and with even more confidence in our dedication and collective strength.

The fruits of our reform efforts are starting to show. A declining trend in self-rated poverty has emerged -- a significant turnabout from years of worsening poverty despite an expanding economy. Our credit ratings have been upgraded, and investor and business confidence have remained steadily optimistic. Just recently, our statistics indicate a marked growth in employment levels, translating to a net gain of more than 1.4M employed persons.

These turnabouts did not happen by miracle or chance. They were the result of deliberate decisions and policies which this chamber and each of its members helped will into reality.

Our decision to shield the conditional cash transfer program from the threat of reduction, and our will to shepherd it despite criticism and widespread pessimism, proved correct. As a result, we have helped salvage countless families from the dehumanization of hunger, and more importantly, generated hope for the better for those who have gotten used to getting so little.

Our swift action in passing the GOCC Governance Act did not only arrest the continued pillage of our public coffers. Along with the other critical industry measures we passed – such as the Data Privacy Act and the lifting of the nightwork prohibition on women – we communicated our firm resolve to instil fiscal discipline and further strengthen our economic fundamentals for sustained growth.

Our actions not only earned public approval but regained for this institution the trust and confidence of our people.

This trust we will not squander.

We start our Second Regular Session today fully aware that the midpoint of the struggle for reform defines its final outcome. It is at this juncture when the euphoria of every beginning gives way to the burden of moving forward, and the temptation of sliding back is greatest. It is at this juncture when we are called all the more to statesmanship, and to do what is required to steer our reform program to its logical end.

It is therefore worthwhile to remind ourselves of the objectives we set at the beginning of our term.

We set to significantly cut poverty, consistent with the new administration's target of reducing poverty incidence from 26.5 percent of the population in 2009 to 16.6 percent or less by 2015; and to end corruption in government.

As legislators, we must continue to craft laws that will enable government to address poverty and hunger, and create opportunities for our countrymen to escape its curse. We must therefore institutionalize the Conditional Cash Transfer Program. For while the inclusion of the 4Ps conditional cash transfer program in our budget has mitigated the short-

term hardship of its recipients, its institutionalization is still required for the program to effectively and permanently break intergenerational poverty linkages.

In addition, we must act with immediacy on the following related measures: the 12-year Basic Education; the National Student Loan Program; Reproductive Health; and Mandatory Health Coverage. These measures will develop our human capital, a vital ingredient in our fight against poverty.

We should also strive to keep the macro-economy stable and maintain a low-inflation regime by addressing key fiscal issues. Towards these ends, we must act on the following: Fiscal Responsibility Act; Amendment of the Tariff and Customs Code, and Reform of the Land Valuation System.

We must drastically improve tax administration and plug leakages in our tax system if we are to increase revenue and adequately finance needed services and infrastructures, while staying true to our promise against the imposition of new taxes. Towards this end, we must prioritize the rationalization of our fiscal incentives and remove unwarranted benefits

which erode our tax base but fail to increase the attractiveness of our country as an investment destination. We must also review existing exemptions, including those on VAT, which result in leakages and render cumbersome tax administration.

It is high time that we restructure our tobacco and alcohol excise taxes. The prevailing multi-tax rate classification of cigarette and alcohol products and the pegging of sin taxes to 1996 price levels have convoluted the tax system and shrunk the tax base, dampening the government's revenue efforts and essentially depriving the public of resources which could have been used to fund the most basic of services. Restructuring sin taxes – in lieu of imposing new ones – will generate additional revenues which can fund the requirements of universal health care.

Job generation must also be intensified. Jobs do not sprout by themselves. They are created by businesses and entrepreneurial activity which, in turn, grow in an environment that observes and respects property and contractual rights, and ensures a fair and level playing field. In this regard, we should direct our attention to critical pieces of legislation, such as:

Competition and Anti-Trust Law, Pocket Open Skies Act, National Land Use Act; the Cybercrime Prevention Act; and Amendments to the BOT Law and EPIRA.

To ensure the sustainability of our growth, we must protect our environment and national resources from further deterioration and insidious exploitation. We must therefore act on the Water Resources Bill and the Hazardous and Radioactive Waste Management Act, as well as the proposed laws Defining our Maritime Zones; Establishing Archipelagic Sea Lanes; Prescribing the Rights of Foreign Ships; Strengthening and Extending the AFP Modernization Program, as well as the National Defense Act.

Ending corruption requires fine-tuning regulations to plug loopholes which the unscrupulous exploit in siphoning public monies into private pockets, engendering a culture of transparency, and marshalling private support in the fight against the corrupt. To this end, we must prioritize: Amendments to the Government Procurement Reform Act and to the Anti-Money Laundering Law; the Freedom of Information Bill; and the Whistleblowers and Witness Protection and Security Acts.

Our remarkable performance in our First Regular Session gave the people a glimpse of our capacity for great achievement. We proved that with hard work we can rise above limitations in time; with ingenuity, we can plug the constraints in resources; with our noble intentions, we can close the divide of narrow partisanship.

We proved against great odds and amidst our differences in opinions, beliefs, and political inclinations that a principled engagement on even the most controversial and difficult questions is not only possible but the most viable option for the reform agenda to push through.

I have been very vocal of my praise for the members and leaders of this chamber – to all chairpersons and committee members, to the majority and minority leaders and their deputies, and the deputy speakers – for their willingness not only to attend to legislative work but to do so well past regular hours and beyond the call of duty. Today, we count the value of our work not merely in terms of glowing commendation but in perceptible gains in the economy and real change in the lives of our people.

These gains embolden us to continue what we have started and do more to hasten the reform process. As we have done in the past, we must act promptly and decisively on next year's national budget and forever veer away from the practice of relying on a re-enacted appropriations act. By doing so, we ensure that our public expenditure program remains relevant and supportive of our social advocacy, and responsive to the problems experienced on the ground.

We must also seriously consider the relaxation of the restrictive ownership provisions of our present Constitution which have thus far limited our growth potential. Reviewing the present restrictions on ownership in land, public utilities and corporate capitalization has become an imperative in a world economy where capital and investment have become very mobile. As representatives of our people, we are entrusted with the immense responsibility of proposing amendments to the constitution through an extraordinary vote of $\frac{3}{4}$ of our members. In the fulfilment of this obligation, we must be attuned to the nuances of the present globalized and highly competitive world economy and carefully strike a balance between the ends of nationalization and the creation of opportunity and jobs for a great majority of our people.

And so we begin our Second Regular Session, with the conviction that we have done right, and with the promise that we shall not only replicate but surpass our previous achievement.

Thank you.