

A P100-billion Federal Equalization Fund will be created under the proposed federal system of government to assist "poor" or less-developed component states and enable them to catch up with economically-advanced states.

Senate Minority Leader Aquilino "Nene" Q. Pimentel, Jr. (PDP-Laban) said the creation of the equalization fund provides the answer to the frequent question on whether less-developed regions like Muslim Mindanao and Bicol region can cope with the financial burden of highly-autonomous federal states.

Joint Congressional Resolution No. 10, introduced by Mr. Pimentel and backed by 15 senators, states that the fund shall be administered by a Federal Equalization Council, in which the 11 federal states will have one member each while the federal government will have four members.

"The council shall annually allocate the equalization fund among the federal states, autonomous region or administrative regions which are qualified for equalization fund assistance to enable them to provide basic government services," Senator Pimentel said.

The equalization fund shall be derived from one-half of the proceeds of duties on imports, federal revenues from taxation on the sale and distribution of soda beverages of all kinds, tobacco, cigarettes and other tobacco products, beer, wine, alcoholic beverages or intoxicating liquor and one-tenth of the revenue of the Philippine Charity Sweepstakes Office.

Senator Pimentel said the equalization fund is an essential feature of the federal system in many countries.

He said that while 16 senators are now supporting Joint Resolution 10, he expects more senators to back-up the resolution. In the House of Representatives, he said several prominent members have manifested their support for the resolution. They include Speaker Prospero Nograles (Davao City), former Speaker Jose de Venecia, Jr. (Pangasinan), and Representatives Edelmiro Amante (Agusan del Sur), Monico Puentebella (Negros Occidental), Antonio Cuenco (Cebu City), Raul del Mar (Cebu City), Rufus Rodriguez (Cagayan de Oro

City) and Jose Solis (Sorsogon).

“The manifestation of support from congressional leaders, representing various regions or ethno-linguistic groups of the country, bodes well for the federalism proposal,” the senator from Mindanao said.

And considering that more than a majority of senators are backing the resolution, Pimentel said “it has a good chance of passing with modifications.” He said that although many senators signed the resolution with reservations, he is not bothered by this because he did not expect them to agree with him on all the features of a federal system that are embodied in the resolution.

The senator from Mindanao debunked the allegations that he has a hidden agenda behind his Charter Change initiative.

“There was even one congressman who said that I am pushing for the adoption of a federal system because I want to become a Senate President. Since when has the Senate presidency been won on the basis of anybody’s stand that this is what we should do?” he said.

“We should make it clear that term limits apply to all concerned because the revision of the Constitution is not intended to promote the political ambition of anyone, from the President and her allies to her critics, including me. There is no hidden agenda here,” he said.

Senator Pimentel said that even if Congress approves the adoption of a federal system before the 2010 elections, its implementation is likely to be delayed.

“If we can do it by 2010 so much the better. But beyond 2010, that is alright.”

Pimentel said it is of utmost importance that the shift from the highly-centralized unitary system to the decentralized federal system be debated now within and outside Congress to prepare

P100-Billion Equalization Fund to Be Created Under Proposed Federal System - MabuhayRadio

Written by Senator Pimentel's Press Office

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the people for an alternative system of government that is responsive to the needs of the Filipino nation. # # #

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