

# Committee Daily Bulletin



17<sup>th</sup> Congress  
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BUDGET BRIEFINGS		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	<p>Budget briefing by the members of the Development Budget Coordination Committee (DBCC) on the proposed FY 2019 national budget</p> <ul style="list-style-type: none"> <li>Department of Budget and Management (DBM) – on the proposed FY 2019 national budget</li> </ul>	<p>The Committee, chaired by Rep. Karlo Alexei Nograles (1st District, Davao City), opened its deliberations on the proposed FY 2019 National Expenditure Program (NEP) with a briefing on the features of the national budget for next year, as well as on the monetary, financial and external developments and outlook for 2018 and 2019; overview of the Philippine economic performance; fiscal and revenue collection performance; and how the budget will be financed in 2019.</p> <p>DBCC Chair and DBM Secretary Benjamin Diokno presented the proposed FY 2019 national budget of P3.757 trillion, the first annual cash-based budget of the government. Diokno said that the DBCC adopts the theme “Building a Bright Future for the Philippines and its People,” which is consistent with the President’s goal of transforming the country into a middle income society.</p> <p>By expense class, the 2019 national budget will be distributed as follows: personnel services, P1,184.9 billion (31.5%); capital outlay (CO), P758.4 billion (20.2%); allotment to local government units (LGUs), P640.6 billion (17.1%); maintenance and other operating expenses (MOOE), P557.5 billion (14.8%); debt burden, P414.1 billion (11%); support to government-owned and controlled corporations (GOCCs); P187.1 billion (5%); and tax expenditures P14.5 billion (0.4%).</p> <p>The top 10 departments/government offices to receive the highest budget are as follows:</p> <ul style="list-style-type: none"> <li>Education-related agencies [Department of Education (DepEd), State Universities and Colleges (SUCs), Commission on Higher Education (CHED), and Technical Education and Skills Development Authority (TESDA)] – P659.3 billion;</li> <li>Department of Public Works and Highways (DPWH) – P555.7 billion;</li> <li>Department of the Interior and Local Government (DILG) – P225.6 billion;</li> <li>Department of National Defense (DND) – P183.4 billion;</li> <li>Department of Social Welfare and Development (DSWD) – P173.3 billion;</li> <li>Department of Health (DOH) – P141.4 billion;</li> <li>Department of Transportation (DOTr) – P76.1 billion;</li> <li>Department of Agriculture (DA) – P49.8 billion;</li> <li>Judiciary – P37.3 billion; and</li> <li>Autonomous Region in Muslim Mindanao (ARMM) – P32.3 billion.</li> </ul> <p>Rep. Nograles lamented the P10 billion decrease in the 2019 proposed budget from this year’s P3.767 trillion. He argued that the budget cut is untimely given the various social mitigating measures that the government has to finance in line with the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law.</p>



Continuation... Appropriations	external developments and outlook for 2018 and 2019	<p>rate for the first quarter of 2018, the Philippines is touted to be the fastest growing economy in Southeast Asia today.</p> <p>BSP Deputy Governor Diwa Guinigundo added that the macroeconomic fundamentals remain solid because of the continued growth in the GDP; ample liquidity and credit; robust external payments position; sound and stable banking system; sustained fiscal discipline; and moderate price pressures. He added that the Philippine peso remains flexible and competitive and moves in line with other Asian countries. Guinigundo added that inflation will peak towards the end of 2018 but will revert to the annual average target of 2-4 percent.</p> <p>Espenilla explained that the 4.3% increase in inflation from January to June 2018 is attributable to the rise in global oil prices, imposition of higher excise taxes, and the occurrence of weather-related disruptions – factors which are outside the scope of monetary policy.</p> <p>Stressing that the BSP remains committed to its primary mandate of promoting price stability conducive to sustainable and inclusive growth, Espenilla assured the Committee that the BSP has undertaken appropriate measures to respond to inflation pressures.</p> <p>On the plan to secure financing from China, several House Members were worried that the country might fall into a “debt trap” with the said country. Diokno clarified that as of to date, the government has not yet signed any loan agreement with China.</p> <p>When asked why the Philippine government prefers to borrow from China which has higher interest rates compared to Japan, Diokno replied that the government could not always take out loans from Japan because the latter’s official development assistance (ODA) is also being tapped by other countries.</p> <p>Meanwhile, several lawmakers opined that the agriculture and tourism sectors should have been given higher appropriations in the 2019 proposed budget.</p> <p>The DBCC responded to the other issues and concerns raised by the House Members during the meeting.</p>
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COMMITTEE MEETINGS				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Overseas Workers Affairs	HB 1700	Rep. Villarín	Granting the overseas Filipino workers (OFWs) the right to equal protection on money claims, amending for the purpose Section 10 of RA 8042 or the Migrant Workers and Overseas Filipinos Act of 1995, as amended by RA 10022	The Committee, chaired by ANGKLA Party-List Rep. Jesulito Manalo, approved the Committee Report on HB 1700.
	HB 5499	Rep. Bertiz	Further amending RA 8042, as amended by RA 10022, to strengthen the standard of protection of the welfare of migrant workers by criminalizing the practice of decking	<p>The Committee will deliberate further on HB 5499 in its next meeting.</p> <p>Rep. Orestes Salon (Party-List, AGRI) delivered the sponsorship speech in behalf of Rep. Aniceto "John" Bertiz III (Party-List, ACTS-OFW), author of HB 5499. Rep. Salon said that the bill defines and criminalizes the practice of decking. He added that the bill also</p>

Continuation... Overseas Workers Affairs				<p>provides that those who impose, establish, manage, and participate in the decking practice are committing illegal recruitment and will be meted with appropriate penalties and sanctions.</p> <p>Association of Medical Clinics for Overseas Workers (AMCOW) President Roderick Atienza explained that the practice of decking, which is said to have been perpetrated by the Gulf Approved Medical Centers Association, Inc. (GAMCA), has been in existence for the past 16 years.</p> <p>Decking is a monopolistic practice which requires OFWs bound for Middle Eastern countries, particularly the member-countries of the Gulf Cooperation Council, to register first with a certain office or entity, which then sends the OFWs to GAMCA-member clinics for medical examination and issuance of the required medical certificate.</p> <p>OFW Migrant Workers Group President Jun Aguilar disclosed that 22 medical clinics currently practice decking despite the prohibition under RA 10022 and a Supreme Court decision in 2016. He stressed that these clinics, earning an aggregate amount of about P547 million per year, charge the OFWs exorbitant fees.</p> <p>Representatives of the Departments of Foreign Affairs (DFA), Health (DOH), and Labor and Employment (DOLE), and the Philippine Overseas Employment Administration (POEA) agreed to conduct a joint investigation on the issues raised.</p> <p>Resource persons present during the meeting were requested to submit their respective position papers on the proposed law.</p>
Ways and Means	HBs 7214 & 7458	Reps. Suansing (H.) and Cua	Amending certain sections under Chapters I, II, III, IV, V, and VI of the National Internal Revenue Code of 1997, as amended (by lowering the corporate income tax rate, reforming the corporate income tax system, and broadening the tax base)	<p>The Committee, chaired by Quirino Rep. Dakila Carlo Cua, will deliberate further on the 12 bills in its next meeting.</p> <p>Department of Finance (DOF) Undersecretary Karl Kendrick Chua, taking off from last meeting's discussions, reiterated the importance of a performance-based, targeted, time-bound and transparent system of granting fiscal incentives. He advocated for the amendment of RA 10708 or the Tax Incentives Management and Transparency Act (TIMTA) in order to streamline and harmonize all laws with regard to fiscal incentives.</p> <p>Resource persons from the Local Water Utilities Administration (LWUA), Social Security System (SSS), Pag-IBIG Fund, Philippine Economic Zone Authority (PEZA), Department of Health (DOH), and the Philippine Amusement and Gaming Corporation</p>
	HBs 231, 3359 & 7364	Reps. Singson and Garin	Rationalizing the grant and administration of fiscal incentives	
	HBs 36, 1537, 1658, 2379, 3835 & 5384	Reps. Yap (A.), Herrera-Dy, Angara-Castillo, Quimbo, Zubiri, and Villafuerte	Reducing the corporate income tax rate, amending Sections 27 and 28 of the NIRC, as amended	
	HB 6037	Rep. Benitez	Providing for fiscal incentives for corporations with business enterprises duly established and located in the Island of Mindanao	

Continuation... Ways and Means				<p>(PAGCOR) expressed their concern on the possibility of losing the fiscal incentives being enjoyed or administered by their respective agencies once the proposed law is enacted. Chua assured them that only incentives which are redundant and unnecessary will be affected by the proposed reforms in the grant of fiscal incentives.</p> <p>Several Committee Members raised the issue of impairment of contracts with existing business enterprises that are currently enjoying fiscal incentives. To them, “changing the rules in the middle of the game” will drive away investors.</p> <p>Rep. Joey Sarte Salceda (2<sup>nd</sup> District, Albay) suggested that the DOF should consider the potential displacement of workers in the event that businesses opt to shutdown their operations in the country as a result of the removal of incentives.</p> <p>Chua took note of the suggestions of the body, even as he said that the assessment of fiscal incentives is being done rationally and based on quantifiable data.</p> <p>Department of Social Welfare and Development (DSWD) Undersecretary Luzviminda Illagan, Department of Labor and Employment (DOLE) Assistant Secretary Joji Aragon, and National Power Corporation (NPC) Department Manager Alexander Japon were all supportive of the proposed law.</p>
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TECHNICAL WORKING GROUP MEETINGS				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Justice (Technical Working Group)	HB 6204	Rep. Alvarez (P.)	Instituting the Philippine Code of Crimes to further strengthen the criminal justice system, repealing for the purpose Act 3815, as amended, otherwise known as the Revised Penal Code of the Philippines and other special penal laws	<p>The technical working group (TWG), presided by Camiguin Rep. Xavier Jesus Romualdo, will deliberate further on HB 6204 in its next meeting.</p> <p>The TWG focused its discussion on the draft provision on “Crimes Against the Right to Property: Robbery in General” under Crime Against the Fundamental Laws of the State of the Revised Penal Code (Book II, Title II, Chapter 3), which was submitted by the University of the Philippines (UP) Law Center.</p> <p>Former Ombudsman Special Prosecutor Dennis Villa-Ignacio, now with the UP Law Center, suggested that the title of Section 2 of Chapter 3 be changed from “Robbery by the use of force upon things” to “Robbery by use of force and other means.” He explained that robbery may be committed not only through the use of physical force but also through</p>

Continuation... Justice (Technical Working Group)				<p>“Constructive force.” [Constructive force refers to the use of threats or intimidation for the purpose of gaining control over or preventing resistance from another.(Source: FindLaw Legal Dictionary)]</p> <p>Meanwhile, PSupt. Lyra Stella Valera of the Philippine National Police (PNP) Legal Service said that the PNP will submit to the TWG its recommendation on the inclusion in Article 296 of Chapter 3 of the commission of robbery by “motorcycle riding-in-tandem” criminals.</p> <p>Also present during the meeting were representatives from the Integrated Bar of the Philippines (IBP), Public Attorney’s Office (PAO), and the Department of the Interior and Local Government (DILG).</p>
Science and Technology (Technical Working Group)	Draft Substitute Bill to HBs 7048 & 7132	Reps. Aumentado and Arcillas	Strengthening the National Research Council of the Philippines (NRCP) of the Department of Science and Technology (DOST) for the promotion of research work along scientific lines and appropriating funds therefor	<p>The technical working group (TWG), chaired by Rep. Mariano Michael Velarde Jr. (Party-List, BUHAY), will deliberate further on the draft substitute bill in its next meeting.</p> <p>Both the incumbent and former NRCP presidents, Ramon Razal and Olivia Caoili, respectively, strongly expressed the need to raise the Council’s budget in order for it to be more effective in performing its mandate.</p> <p>Dr. Gerardo Petilla Ph.D., chief of NRCP’s Finance and Administrative Division, explained that the 85-year old NRCP, the oldest national research body in Asia, receives the lowest budget among its counterparts in Asia. Petilla added that the NRCP also gets the lowest share in the annual budget of the DOST.</p> <p>NRCP is primarily mandated to promote and support fundamental or basic research for the continuing improvement of the research capability of Filipino scientists.</p> <p>Asked about NRCP’s success stories in the field of research and development (R&amp;D) that may be showcased, NRCP Vice President Arnel Salvador Ph.D. replied that a good example would be the breakthrough discovery and development of the <i>lagundi</i> cough syrup and capsules.</p> <p>Rep. Velarde requested the NRCP to submit the justification of its request for a 10% increase in the R&amp;D budget within five days.</p> <p>Meanwhile, the Philippine Council for Health Research and Development (PCHRD) expressed support for the bill.</p>