

Committee Daily Bulletin

17th Congress
Third Regular Session

A publication of the Committee Affairs Department

Vol. III No. 9
August 7, 2018

BUDGET BRIEFINGS		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	<p>Briefing on the proposed FY 2019 budget, plans and programs, and major accomplishments of the following government offices:</p> <ul style="list-style-type: none"> Department of Energy (DOE) 	<p>The Committee, chaired by Rep. Karlo Alexei Nograles (1st District, Davao City), listened to the presentation on the proposed FY 2019 budget, plans and programs, and major accomplishments of the DOE, ERC, and DENR.</p> <p>Committee Vice Chair, Rep. Celso Lobregat (1st District, Zamboanga City), sat as the presiding officer during the budget briefings of the DOE and ERC.</p> <p>Energy Secretary Alfonso Cusi was present during the budget briefing but it was DOE's Energy Policy and Planning Bureau (EPPB) Director Patrick Aquino who presented the DOE's 2019 proposed budget, as well as its major accomplishments from 2017 up to the first half of 2018, energy demand and supply outlook for 2017- 2040, and thrusts for 2019.</p> <p>Aquino said that under the FY 2019 National Expenditure Program (NEP), the DOE is set to receive P2.04 billion, which is 23% lower than its current budget of P2.65 billion. By expense class, DOE's 2019 proposed budget will be distributed as follows: personnel services (PS), P559.61 million; maintenance and other operating expenses (MOOE), P781.17 million; capital outlay (CO), P646.76 million; and retirement and life insurance premium (RLIP), P50.02 million.</p> <p>Former House Member and currently the Administrator of the National Electrification Administration (NEA) Edgardo Masongsong likewise presented NEA's proposed FY 2019 budget of P4.6 billion. NEA is an attached agency of the DOE.</p> <p>Rep. Nograles said he will push for the increase in the budget of NEA to provide funds for its Sitio Electrification Program, in compliance with the President's directive for a total electrification nationwide before his term ends in 2022. He said that there are still 19,740 sitios in the country that do not have access to electricity and most of these or around 8,535 sitios are located in Mindanao.</p> <p>On the query of Rep. Gary Alejano (Party-List, MAGDALO) with regard to the status of the proposed joint oil exploration between the Philippines and China in the West Philippine Sea, Cusi said there was a prior consultation made with the DOE on the matter, but so far there is no draft agreement made between the parties involved.</p> <p>Rep. Rosanna "Ria" Vergara (3rd District, Nueva Ecija) inquired on the status of the oil exploration project in Alegria, Cebu. DOE Undersecretary Donato Marcos said that the DOE has partnered with China International Mining Petroleum (CIMP) Co. Ltd. in the exploration project. The oil field in Alegria was discovered to have commercial quantities of natural gas and oil resources. Marcos said this project will definitely boost the country's energy security and generate more jobs.</p> <p>The DOE was requested to provide the Committee with a copy of the memorandum of agreement (MOA) entered into by the Philippines and the CIMP relative to the oil exploration project in Cebu.</p>

Continuation... Appropriations

- Energy Regulatory Commission (ERC)

- Department of Environment and Natural Resources (DENR)

ERC Chairperson and Chief Executive Officer (CEO) Agnes Devanadera presented the ERC's proposed FY 2019 budget of P470.47 million.

In reply to the query raised by BAYAN MUNA Party-List Rep. Carlos Isagani Zarate, Devanadera said that the issues relative to the alleged questionable approval last year by ERC of the seven applications for power supply agreements (PSA) by Manila Electric Company (MERALCO)-affiliated power generation companies have not been resolved yet by the ERC Board due to lack of quorum. Devanadera said that two of ERC's Commissioners have already retired, while the other two were under suspension.

Committee Vice Chair, Rep. Corazon Nuñez-Malanyaon (1st District, Davao Oriental), sat as the presiding officer during the budget briefing of the DENR.

DENR Secretary Roy Cimatu said that protecting the environment and promoting the sustainable use of the country's natural resources are challenges that he and the DENR will have to address this year and in the coming years.

Presenting the DENR's proposed budget, Assistant Secretary Corazon Davis said that under the FY 2019 NEP, the DENR and its attached agencies are set to receive P24.17 billion, which is 2.97% lower than its current budget of P24.92 billion.

The DENR's proposed budget will be distributed as follows:

- Office of the Secretary (OSEC) – P18.70 billion;
- Environmental Management Bureau (EMB) – P2.54 billion;
- Mines and Geosciences Bureau (MGB) – P1.3 billion;
- National Mapping and Resource Information Authority (NAMRIA) – P1.38 billion;
- National Water Resources Board (NWRB) – P146 million; and
- Palawan Council for Sustainable Development Staff (PCSDS) – P111 million.

Replying to the query of Rep. Gary Alejano (Party-List, MAGDALO), Cimatu said that the task force on the rehabilitation of Boracay Island has already restored 90% of the water quality of the island and widened 80% of targeted roads. The rehabilitation of the sewerage system is already complete, Cimatu added, except for the installation of wastewater treatment facilities required of hotels and resorts with 50 rooms and above.

Asked about the fate of the displaced families in Boracay, DENR Undersecretary Sherwin Rigor claimed that the DENR has identified only 11 families displaced from their homes due to the implementation of the rehabilitation and development projects in the Island. However, he said some 5,000 to 10,000 people who used to work in the business establishments in the Island were only dormers. The displaced families and the workers will be relocated to the mainland of Malay, Aklan where the National Housing Authority (NHA) will construct housing units.

In the meantime, Rigor said the DENR is coordinating with concerned barangay officials to help provide temporary dormitories for the affected individuals.

Rep. Antonio Tinio (Party-List, ACT TEACHERS) asked about the reason for the decrease in DENR's budget for MOOE and CO in 2019.

DENR Undersecretary Ernesto Adobo Jr. explained that the decrease in MOOE was due to the completion of some of NAMRIA's projects such as the inventory of small islands in the country. On the other hand, the decrease in CO was because of the stoppage of the implementation of

Continuation... Appropriations		<p>the Integrated Natural Resource Management Plan (INRMP) in Lake Lanao due to security reasons.</p> <p>Rep. Estrellita Suansing (1st District, Nueva Ecija) asked about the action taken by DENR to comply with the writ of mandamus issued by the Supreme Court in 2008 directing the Department and 12 other government agencies to clean up, rehabilitate, and eventually preserve Manila Bay in a span of 10 years.</p> <p>Cimatu admitted that the clean-up of Manila Bay remains a huge challenge because of the unabated disposal of garbage and human waste into the waters mainly by about 500,000 informal settlers living along its shorelines.</p>
--------------------------------	--	---

COMMITTEE MEETINGS				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Energy	HB 2190	Rep. Romualdo	Penalizing the illegal use of electricity, the theft and destruction of electric power lines, equipment, and materials, rationalizing system loss, repealing for the purpose RA 7832, otherwise known as the Anti-Electricity and Electric Transmission Lines/Materials Pilferage Act of 1994	<p>The Committee, chaired by Marinduque Rep. Lord Allan Jay Velasco, agreed to create a technical working group (TWG) to study the bill further.</p> <p>Rep. Carlos Roman Uybarreta (Party-List, 1-CARE) was designated as the TWG Chair.</p> <p>Camiguin Rep. Xavier Jesus Romualdo, author of HB 2190, explained that by imposing stricter penalties on the theft, pilferage, and illegal use of electricity and the destruction of electric power lines, equipment and materials, further loss of income on the part of power industry players will be avoided. This will eventually translate to better services to the Filipino consumers, he added.</p> <p>The resource persons from the following government agencies expressed support for the bill: National Power Corporation (NPC), National Transmission Corporation (TransCo), and the National Grid Corporation of the Philippines (NGCP). Meralco and other organizations such as the Philippine Electric Plant Owners Association (PEPOA) and the Association of Mindanao Rural Electric Cooperatives, Inc. (AMRECO Inc.) also expressed their support for the bill.</p> <p>Instead of repealing RA 7832 as proposed in the bill, Rep. Uybarreta recommended that the law be reviewed for the purpose of strengthening it and addressing the problem on electric pilferages.</p> <p>PEPOA President Ranulfo Ocampo recommended that a provision be included in the bill specifically mandating the Philippine National Police (PNP) to extend ready assistance in apprehending violators of the anti-electric pilferage law.</p>

Continuation... Energy				The resource persons were requested to submit their respective position papers for the TWG's reference in its deliberations on the bill.
	HR 1385	Rep. Romualdo	Inquiry into the financial condition and viability of the Camiguin Electric Cooperative, Inc. (CAMELCO), the performance of the National Electrification Administration (NEA) of its mandate to supervise electric cooperatives, and the performance of the Energy Regulatory Commission (ERC) of its duty to protect and promote the interests of consumers	<p>The Committee will continue its inquiry relative to HR 1385 in another meeting.</p> <p>Rep. Romualdo, author of HR 1385, explained that the purpose of the inquiry is to come up with a legislation that would improve the performance of CAMELCO and address the issues confronting the electric cooperative such as having the highest electric rates in the country and its failure to refund the meter deposits of its member-consumers.</p> <p>In addition, Rep. Romualdo said that despite CAMELCO's very bad financial condition, incurring significant losses for the past three years, it still received an "AAA rating" from the NEA.</p> <p>The AAA rating is the highest score that NEA gives to electric cooperatives (ECs) which indicates full compliance with the financial, institutional, technical and reportorial requirements.</p> <p>CAMELCO General Manager Adriano Ebcas argued that while it is true that the cooperative suffered losses in its operations, it was able to comply with the NEA requirements thus it got an AAA rating.</p> <p>Replying to the query of Rep. Romualdo on why CAMELCO entered into power supply contracts beyond the electricity requirement of the province, Engr. Felipe Abanil, technical consultant of CAMELCO, said that the purpose is to have a buffer or emergency supply available in case of a power crisis or increased demand.</p> <p>NEA's Legal Department Manager Vic Alvaro and ERC's Standards and Compliance Monitoring Division head Legario Galang disclosed that their respective offices have an ongoing investigation on the matter. Both promised to report their findings and recommendations once the investigation is completed.</p> <p>Local government officials of Camiguin led by Governor Jesus Jurdin Romualdo and other government agencies expressed their support for the measure. The same holds true for some private organizations in Camiguin such as the Camiguin Chamber of Commerce, Camiguin Tourism Association (CTA), Agricultural Farmers' Cooperative, and the Kalipunan ng Liping Pilipina (KALIPILI).</p> <p>The resource persons were requested to submit their respective position papers within the week.</p>

Continuation... Energy				NEA was requested to provide a report on the cash subsidies given to CAMELCO by the government.
Human Rights	HJR 24	Rep. Zarate	Extending the validity and availability of the fund for the Marcos human rights violation victims with Land Bank of the Philippines (LBP) and authorizing the Commission on Human Rights (CHR) to administer the effective distribution of the funds to qualified victims or their heirs or representatives until December 2019, amending for the purpose RA 10368 (Human Rights Victims Reparation and Recognition Act of 2013) and RA 10766 or the law extending the life of the Human Rights Victims Claims Board (HRVCB)	<p>The Committee, chaired by Rep. Cheryl Deloso-Montalla (2nd District, Zambales), adopted HJR 24 subject to style and amendment.</p> <p>Rep. Carlos Isagani Zarate (Party-List, BAYAN MUNA), author of HJR 24, said the resolution seeks to extend the validity and availability of funds for the Marcos human rights violation victims and to authorize the CHR to continue the distribution of funds to qualified victims or their heirs or representatives until December 2019.</p> <p>The resource persons from the CHR, LBP, and the Bureau of the Treasury (BTr) expressed their support for the measure.</p> <p>HRVCB Board Member Aurora Corazon Parong informed the Committee that since the expiration of the HRVCB's mandate last May 12, there are still 291 unreleased checks in the possession of the CHR transition team. According to Parong, the problem in the distribution of funds lies in the difficulty of contacting the beneficiaries.</p> <p>Rights groups such as the Samahan ng Ex-Detainees Laban sa Detensyon at Aresto (SELDA) and the DESAPARECIDO (victims of enforced disappearances), expressed their sentiments on the rigorous procedure set by the LBP prior to check encashment.</p> <p>LBP Senior Vice President Leila Martin clarified that claimants representing deceased beneficiaries only need to comply with certain bank requirements such as the submission of duly notarized Deed of Extrajudicial Settlement and valid IDs of the heirs.</p> <p>BTr Asset Management Service Director Marcela Salazar assured the Committee that once an extension is approved, the fund will be released to the LBP. Until then, it shall be kept under the BTr trust receipts account.</p>
Revision of Laws	HBs 6028 & 7529	Speaker Macapagal- Arroyo and Rep. Silverio	Allowing women to revert to their maiden surname, establishing a procedure for reversion and appropriating funds therefor	<p>The Committee, chaired by Rep. Marlyn Primicias-Agabas (6th District, Pangasinan), deferred consideration of HBs 6028 and 7529 pending submission of the Department of Justice's (DOJ) comments on the bills.</p> <p>Rep. Lorna Silverio (3rd District, Bulacan), author of HB 7529, said that her bill aims to simplify the reacquisition or reversion of the maiden surname of a woman without undergoing the tedious, costly and unnecessary court processes.</p>

Continuation... Revision of Laws				<p>Department of Foreign Affairs (DFA) Law Division Director Anthony Achilles Mandap expressed support for the proposed law, explaining that it will provide a uniform rule in determining the correct name of an individual that may be reflected in one's passport.</p> <p>Mandap suggested, among others, to include in the grounds upon which reversion to the maiden name may be allowed a judicial recognition by a Philippine court of a foreign divorce obtained by either the Filipino spouse or the foreign spouse in a mixed marriage, pursuant to Article 26 of the Family Code and relevant Supreme Court decisions.</p> <p>DOJ State Counsel Yvette Samper said that the Department's position paper on the proposed law is still being drafted, and will subsequently be submitted to DOJ Secretary Menardo Guevarra for his approval.</p>
	HB 6761	Rep. Marcoleta	Providing for a prescriptive period from which the Commission on Audit (COA) may conduct audits and issue a decision on cases, amending for the purpose PD 1445 or the State Audit Code of the Philippines	<p>The Committee will resume deliberation on the bill after the submission of COA's position paper.</p> <p>Rep. Rodante Marcoleta (Party-List, SAGIP), author of HB 6761, said that his bill sets a prescriptive period of two years for the COA to conduct its audits on government funds and transactions.</p> <p>Rep. Julieta Cortuna (Party-List, A TEACHER) agreed with Rep. Marcoleta, adding that COA's audits takes too long to complete such that there are cases wherein the person issued with a notice of disallowance is no longer in government service.</p> <p>COA Assistant Commissioner Elizabeth Zosa expressed reservations on the bill, particularly on the limit of two years within which to conduct an audit or render a decision.</p> <p>Zosa said that COA will submit its position paper after consolidating all the comments of its various offices. The Commission was given 30 days to submit its position paper.</p> <p>Rep. Primicias-Agabas requested the different resource persons to submit their position paper on the bill before the Committee's next meeting.</p>
	HB 5398	Rep. Olivarez	Allowing the President to declare the adoption of daylight saving time (DST) in the public and private sectors and appropriating funds therefor	The Committee will schedule the deliberation on the four bills on another date, when the respective authors are available.
	HB 5451	Rep. Zarate	Declaring September 21 of every year as a National Day of Remembrance in memory of the struggles and sacrifices of the heroes and martyrs of the Martial Law era	

Continuation... Revision of Laws	HB 5455	Rep. Zarate	Declaring July 7 of every year as a special working holiday to commemorate the founding of the <i>Katipunan</i>	
	HB 7856	Rep. Fariñas	Declaring September 8 of every year as a special working holiday in the entire country to commemorate the Feast of the Nativity of the Blessed Virgin Mary	
Transportation	HB 460	Rep. Manalo	Amending certain provisions of RA 9295, otherwise known as the Domestic Shipping Development Act of 2004 [by mandating the Maritime Industry Authority (MARINA) to accredit only one local classification society that shall cater to the classification requirements of ships in the domestic trade]	<p>The Committee, presided by its Vice Chair, Rep. Edgar Mary Sarmiento (1st District, Samar), approved HB 460.</p> <p>Resource persons from the Maritime Industry Authority (MARINA), Department of Transportation (DOTr), and the Philippine Coast Guard (PCG) expressed support for the bill.</p> <p>MARINA Legal Service head Maximo Banares Jr. conveyed that having a single classification society for Philippine domestic vessels would ensure that the domestic vessels are seaworthy and compliant with international safety standards. Right now, the Philippines has seven accredited local classification societies, all doing the tasks of classifying and inspecting ships in the domestic trade for their seaworthiness, reliability, and safety.</p> <p>Resource persons from the following organizations object to the bill: Orient Register of Shipping, Inc., Visayan Association of Ferryboat and Coastwise Service Operators (VAFCSO), Philippine RORO Operators Association (PROA), and the United Trampers Association of the Philippines (UTAP).</p> <p>Manuel Tiuseco, owner/founder of Orient Register of Shipping, explained that a single classification society is not the answer to maritime safety problems. A periodic and stringent performance audit and inspection of the local classification societies by MARINA is the appropriate solution. This would encourage the classification societies to perform their functions faithfully and in accordance with the existing rules and regulations on maritime safety.</p> <p>Likewise, VAFSCO President Alexander Cohon said that the bill would create a monopoly in the domestic maritime industry. However, he suggested that a government-run classification society should be considered if ever the bill would be approved.</p> <p>Rep. Jesulito Manalo (Party-List, ANGKLA), author of HB 460, welcomed the suggestions of the resource persons, adding that his primary concern is to make the Philippine domestic vessels compliant with international safety standards.</p>

Continuation... Transportation	HR 2022	Rep. Sarmiento (E.M.)	Inquiry into the status of pre-departure, on-site and other support services provided by government agencies to seafarers	<p>The Committee will deliberate further on the issues raised in HR 2022.</p> <p>Rep. Sarmiento advised MARINA to come up with a system of monitoring the deployment of Filipino seafarers in local and international maritime trade.</p> <p>Banares informed the Committee that MARINA will soon come up with a database that will contain relevant information regarding all local and international seafarers.</p> <p>MARINA, among other functions, is the agency solely responsible for the implementation and enforcement of the 1978 International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, and related International Agreements or Covenants.</p> <p>Meanwhile, Rep. Rodel Batocabe (Party-List, AKO BICOL) recommended that MARINA should also provide the families of seafarers with training on efficient financial management in preparation for the retirement of the seafarer, who is oftentimes the sole breadwinner of the family.</p> <p>The following organizations said that they offer free seminars on financial management and entrepreneurship to family members of seafarers: ANGKLA Party-List, Associated Marine Officers' and Seamen's Union of the Philippines (AMOSUP), and the Mariners and Allied Transport Employees Union.</p> <p>The resource persons were requested to submit their respective position papers on the resolution.</p>
Ways and Means	Substitute Bill to HBs 7458, 7214, 36, 231, 1537, 1658, 2379, 3359, 3835, 5384, 6037, & 7364	Reps. Cua, Suansing (H.), Yap (A.), Singson, Herrera-Dy, Angara-Castillo, Quimbo, Garin, Zubiri, Villafuerte, and Benitez	Corporate Income Tax and Incentives Reform Act	<p>The Committee, chaired by Quirino Rep. Dakila Carlo Cua, approved the substitute bill with amendments. The Secretariat was directed to draft the corresponding Committee Report.</p> <p>Rep. Cua announced that the proposed law shall be known as "Tax Reform for Attracting Better and High Quality Opportunities (TRABAHO) Law" as its goal is to create job and investment opportunities. It proposes to reduce the corporate income tax (CIT) from 30% to 20%, through a gradual reduction of 2% every two years starting in 2021 until 2029.</p> <p>Department of Finance (DOF) Undersecretary Karl Kendrick Chua, however, clarified that the targeted 20% CIT rate may be implemented earlier or before 2029 depending on whether or not government savings may offset the projected P62 billion foregone revenues due to incentives that will be granted to qualified business activities under the proposed law.</p>

Continuation... Ways and Means				Rep. Cua stressed that the proposed law shall include a provision that the DOF Secretary's interpretation of Title XIII (Tax and Duty Incentives) of the proposed law and other tax laws shall prevail over that of the Commissioner of the Bureau of Internal Revenue (BIR).
--------------------------------------	--	--	--	---

COMMITTEE MEETING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Constitutional Amendments	Discussion on the proposed Philippine Federal Constitution drafted by the Consultative Committee	<p>The Committee, with newly-elected Chair Rep. Vicente "Ching" Veloso (3rd District, Leyte), listened to the presentation of the Consultative Committee (ConCom) on its proposed Constitution of the Federal Republic of the Philippines.</p> <p>The Consultative Committee, which is under the Office of the President, was created pursuant to Executive Order No. 10, series of 2016 to study, conduct consultations, and review the 1987 Constitution.</p> <p>At the outset, Rep. Veloso announced that Speaker Gloria Macapagal-Arroyo (2nd District, Pampanga) recently filed a resolution, which he co-authors, expressing the position of the House of Representatives that the Senate and House shall vote separately when it convenes as a Constituent Assembly (Con-Ass).</p> <p>Presenting the major features of the draft Constitution, ConCom spokesperson Condrado Generoso explained that there will be 18 federated regions including the Bangsamoro and the Cordilleras that will be vested with additional powers such as in the imposition of taxes and generating their own revenues. This, he said, will solve the failure of the existing unitary form of government to address most of the nation's problems because of overconcentration of powers in the national government.</p> <p>As for the election of the President, Generoso said that the President shall be directly elected by the people together with the Vice-President. For the legislative branch, Generoso said that two senators shall be elected per federal region. Meanwhile, 60% of the Members of the House of Representatives shall be elected by legislative district and 40% will be elected nationwide by proportional party representation.</p> <p>Moreover, Generoso said that instead of having only one Supreme Court, there will be four High Courts that will hear cases under their jurisdiction, these are: Federal Supreme Court, Federal Constitutional Court, Federal Administrative Court, and Federal Electoral Court. Splitting the functions of the Supreme Court to four High Courts will allow for the speedy disposition of cases as it will decongest the volume of backlog cases in courts.</p> <p>After the presentation, the Committee agreed to discuss confidential matters in an executive meeting.</p>