



# Committee Daily Bulletin

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BUDGET BRIEFING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	Briefing on the proposed FY 2021 budget, plans and programs, and major accomplishments of the Commission on Elections (COMELEC)	<p>The Committee, chaired by Rep. Eric Go Yap (Party-List, ACT-CIS), terminated the deliberations on the proposed FY 2021 budget of the COMELEC.</p> <p>Committee Vice Chair, Rep. "Kuya" Jose Antonio Sy-Alvarado (1<sup>st</sup> District, Bulacan), initially presided over the budget briefing of COMELEC. After which, Reps. David "Jay-Jay" Suarez (2<sup>nd</sup> District, Quezon) and Manuel Jose "Mannix" Dalipe (2<sup>nd</sup> District, Zamboanga City) took over and presided over the briefing one after the other.</p> <p>COMELEC's Finance Services Department Director III Maria Lea Alarkon said that under the FY 2021 National Expenditure Program (NEP), the COMELEC is set to receive an amount of P14.57 billion which will be distributed as follows: locally-funded projects, P10.08 billion; regular program, P4.26 billion; and retirement and life insurance premium, P220.36 million. The locally-funded projects include the preparation for the 2022 national and local elections, P10.04 billion; overseas voting and continuing registration, P22.74 million; and conduct of recall elections, P20.21 million.</p> <p>Alarkon said that the Department of Budget and Management (DBM)-approved budget for the COMELEC's locally-funded projects is way below the Commission's original proposed budget of around P23 billion. She said that it is a significant budget cut that will affect COMELEC's preparatory activities for the 2022 elections, particularly the rent or lease of Optical Mark Reader machines, printing of election paraphernalia, and deployment of machines and equipment, among others.</p> <p>Rep. Sy-Alvarado and Deputy Speaker Deogracias Victor "DV" Savellano (1<sup>st</sup> District, Ilocos Sur), along with several lawmakers, expressed their support for the increase in the budget of the COMELEC. Rep. Sy-Alvarado said that the Commission should be equipped with updated vote counting machines come 2022 national and local elections for it to fulfill its mandate effectively and assure the Filipino people of a credible election.</p> <p>Reps. Stella Luz Quimbo (2<sup>nd</sup> District, Marikina City) and Lawrence "Law" Fortun (1<sup>st</sup> District, Agusan del Norte) asked the COMELEC about its plans for the coming elections considering that the COVID-19 pandemic may still exist in the coming years.</p> <p>COMELEC's Education and Information Department Director James Arthur Jimenez said that the restoration of the COMELEC's budget slashed by DBM is very important to ensure the safety of the voters from COVID-19. He explained that considering the social distancing policy during the pandemic and other minimum health standards that should be observed in poll precincts, there is a need to deploy more vote counting machines to serve an estimated 63 million voters. Jimenez also said that the Commission is studying the possibility of employing alternative modes of voting such as voting by mail.</p> <p>COMELEC Chair Sheriff Abas added that the Commission is looking at the best practices of other countries that have conducted elections or are expected to conduct elections during the pandemic.</p>

<p>Continuation... Appropriations</p>		<p>On the query of Iligan City Rep. Frederick Siao, Abas said that the COMELEC wanted to lease new vote counting machines. However, because of budget constraints the Commission may just refurbish the machines that were used during the 2016 and 2019 elections.</p> <p>Rep. Rufus Rodriguez (2<sup>nd</sup> District, Cagayan de Oro City) asked if the 2021 budget of the COMELEC already includes the budget for the purchase of personal protective equipment, hand sanitizers, and other items that would be needed to prevent the spread of COVID-19 in poll precincts.</p> <p>COMELEC Commissioner Marlon Cascuejo said that those items will be included in the proposed 2022 budget of the COMELEC. For the 2021 budget, the Commission included those that will be needed in the preparations for the elections.</p> <p>Rep. Rodriguez requested the COMELEC to submit to the Committee the essential items in its 2021 proposed budget that should be increased to allow the Commission to effectively prepare for the 2022 elections.</p> <p>Meanwhile, Rep. Paul Ruiz Daza (1<sup>st</sup> District, Northern Samar) chided COMELEC for allegedly delaying its decision on the case of the Duterte Youth Party-List.</p> <p>Abas explained that the delay is not because of the COMELEC but because there are several cases filed against the party-list group. Nevertheless, the COMELEC Chair said that the Certificate of Proclamation (COP) to the Duterte Youth Party-List has already been signed by four COMELEC Commissioners and only one Commissioner is yet to sign it. Abas said that the COP may be released within the week.</p> <p>However, Party-List Reps. Sarah Jane Elago (KABATAAN) and Arlene Brosas (GABRIELA) expressed dismay at the decision of the COMELEC, saying that the Commission should not make such pronouncements considering that the Duterte Youth's registration is still questionable. Rep. Brosas said that she will certainly bring up this issue at the Plenary.</p> <p>Duterte Youth won one seat in Congress during the 2019 elections. However, there were cases filed in COMELEC challenging the validity of the party-list nominees and party registration. The party-list group's first nominee, former National Youth Commission chair Ronald Cardema was deemed ineligible to be a youth representative because he is already overage. The COMELEC 1<sup>st</sup> Division canceled the nomination of Cardema. However, the COMELEC en banc accepted Cardema's bid to withdraw his nomination to give way to substitute nominees. About two weeks ago, the COMELEC agreed to issue a COP to Duterte Youth with Ducielle Cardema, Ronald's wife, as the first nominee.</p>
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COMMITTEE MEETINGS ON HOUSE MEASURES				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Basic Education and Culture	HB 26	Deputy Speaker Escudero	Including a national artist as a member of the National Commission for Culture and the Arts (NCCA), amending for the purpose RA 7356, or the law creating the NCCA	The Committee, chaired by Pasig City Rep. Roman Romulo approved HB 26 subject to style and amendment.  Deputy Speaker Evelina Escudero (1 <sup>st</sup> District, Sorsogon), author of HB 26, informed the body that a similar bill was approved on Third

Continuation... Basic Education and Culture				<p>Reading by the House of Representatives in the 17<sup>th</sup> Congress. HB 26 seeks to ensure that the development of policies, plans, and programs of NCCA pertaining to the preservation and promotion of Filipino culture and the arts is imbued with the intellect, creativity, and skill of one who has been distinguished and duly recognized in the arts.</p> <p>The NCCA expressed its support for the bill.</p>
	HB 325	Rep. Elago	Establishing the National Filipino Youth Museum	<p>The Committee approved HB 325 subject to style and amendment.</p> <p>HB 325 seeks to commemorate the Filipino youth's heroism and to profile the specific achievements of the youth, individually and collectively, in Philippine society.</p> <p>Expressing their support for the bill were the National Museum of the Philippines (NM) and the National Youth Commission (NYC).</p> <p>On the issue of the proposed youth museum's similarity with the existing Museo Pambata, NM Director General Jeremy Barns explained that they are different in terms of the target age groups. He said that the proposed youth museum will cater to the age bracket of 15 to 30 years old. He also suggested that the NYC be the lead implementing agency of the proposed law instead of the NCCA.</p> <p>NYC Commissioner Victor Del Rosario recommended the inclusion of the NYC among the agencies tasked to draft the implementing rules and regulations (IRR) of the proposed law.</p>
	HB 3333	Rep. Tambunting	Separating the Marcelo Green High School (Parañaque National High School Annex) from the Parañaque National High School in the City of Parañaque, converting it into an independent national high school to be known as Marcelo Green National High School and appropriating funds therefor	<p>The Committee approved HB 3333 subject to style and amendment and compliance with the requirements set by the Department of Education (DepEd).</p> <p>The DepEd expressed its support for the bill.</p>
	HB 4427	Deputy Speaker Savellano	Declaring the old San Vicente Church, Gabaldon building, Palacio Del Gobernador, Spanish Baldi, Diego Silang Marker, ancestral houses in the Municipality of San Vicente, Province of Ilocos Sur, as cultural and historical patrimony and bestowing them with rights and privileges accorded museum curators	<p>The Committee approved HB 4427 subject to style and amendment.</p> <p>The National Museum and the National Historical Commission of the Philippines (NHCP) expressed their support for the bill, but they recommended that a local ordinance be passed declaring these sites as cultural properties of the Municipality of San Vicente to be placed under a heritage zone.</p>
	HB 4817	Rep. Singson-Meehan	Establishing a national high school in Barangay Marcos, Municipality of Santa, Province of Ilocos Sur, to be known as Santa National High School and appropriating funds therefor	<p>The Committee approved HB 4817 subject to style and amendment and compliance with the requirements set by the DepEd.</p> <p>Expressing their support for the bill were the DepEd and the Department of the Interior and Local Government (DILG).</p>

Continuation... Basic Education and Culture	HB 5948	Rep. Dalog	Changing the name of Paracelis National High School in Barangay Poblacion, Municipality of Paracelis, Mountain Province to Serapio Gawan National High School	The Committee approved HB 5948 subject to style and amendment.  Expressing their support for the bill were the DepEd, DILG, and the NHCP.
	HB 7622	Rep. De Venecia	Strengthening the conservation and protection of our national cultural heritage, through an enhanced cultural policy, heritage education, and cultural mapping program, amending for the purpose RA 10066, otherwise known as the National Cultural Heritage Act of 2009	The Committee agreed to create a technical working group (TWG) to review and refine HB 7622.  Rep. Christopher de Venecia (4 <sup>th</sup> District, Pangasinan), author of HB 7622, was designated as TWG Chair.  Expressing their support for the bill were the NM, NCCA, NHCP, DepEd, DILG, Department of Tourism, Philippine Textile Research Institute of the Department of Science and Technology, Department of Information and Communications Technology, Commission on Higher Education, Technical Education and Skills Development Authority, National Commission on Indigenous Peoples, National Research Council of the Philippines, Cultural Center of the Philippines and the Nayong Pilipino Foundation.
	HB 102	Rep. Lagman	Protecting the physical integrity of a cultural property, penalizing any obstruction to its view and sightline, amending for the purpose RA 10066	The Committee decided to suspend consideration of HBs 102, 722, 4479 and 6587 to confer with the authors the recommendations made by the resource persons on the bills.
	HB 722	Rep. Torres-Gomez	Granting cash and other non-monetary benefits and incentives to Filipino artists who have brought honor and recognition to the country by winning in international competitions, including their coaches and trainers, appropriating funds therefor	
	HB 4479	Rep. Espina	Establishing a cultural center and museum in the Province of Biliran and providing funds therefor	
	HB 6587	Rep. Lacson-Noel	Declaring the City of Malabon in Metropolitan Manila a cultural heritage zone	
	HB 3222	Rep. Erice	Declaring San Roque Parish in Caloocan City as a national landmark and shrine for history, freedom and independence, calling for its preservation and improvement, providing funds therefor	The Committee decided to suspend consideration of HB 3222 to await the technical reports to be submitted by the NHCP.  NHCP Chair Rene Escalante said that the NHCP will still have to re-evaluate the site mentioned in the bill.  Rep. Edgar Erice (2 <sup>nd</sup> District, Caloocan City), author of HB 3222, said that he is willing to wait for the submission of the technical reports from the NHCP.
Trade and Industry	HB 7337	Rep. Gatchalian	Further amending RA 4566, to promote competition and investments in the construction contracting services industry	The Committee, chaired by Rep. Wes Gatchalian (1 <sup>st</sup> District, Valenzuela City), agreed to create a technical working group (TWG) to study further the bill.  Rep. Stella Luz Quimbo (2 <sup>nd</sup> District, Marikina City) was designated as the TWG Chair with

<p>Continuation... Trade and Industry</p>				<p>Reps. Edgar Mary Sarmiento (1<sup>st</sup> District, Western Samar), Romeo Momo Sr. (Party-List, CWS), and Deputy Speaker Aurelio "Dong" Gonzales Jr. (3rd District, Pampanga) as the Vice Chairpersons.</p> <p>Rep. Gatchalian, author of HB 7337, said that his bill seeks to provide a level playing field in the construction industry by extending equal opportunities to eligible and qualified domestic and foreign contractors through the removal of the nationality requirement in the granting of licenses.</p> <p>He emphasized that removing this barrier and other government restrictions would increase competition and upgrade product quality in the construction industry, and eventually contribute to economic growth and generate employment for Filipinos.</p> <p>Rep. Gatchalian also informed the body of a Supreme Court (SC) decision on March 10, declaring void the regulation that foreign construction firms are only entitled to a special contractors' license as promulgated under the implementing rules and regulations (IRR) of RA 4566 or the Contractors' License Law. The SC held that the said rule has no legal basis as it was not specifically provided for in RA 4566, and that Congress did not enact any other law that proscribes foreigners from undertaking construction projects in the country.</p> <p>According to Rep. Gatchalian, this case stemmed from the Philippine Contractors Accreditation Board's (PCAB) denial of applications submitted by the Manila Water Company, Inc. for the accreditation of its foreign contractors. The denial was based on Section 3.1, Rule 3 of the IRR, which reserves regular licenses only to contractors or firms that are either Filipino sole proprietorships, Filipino partnerships, or corporations with at least 60% Filipino equity participation.</p> <p>A regular license allows the firm to engage in construction for as long as the license is valid, while a special license only allows the firm to engage in a single, specific project.</p> <p>Expressing their support for the bill were the National Economic and Development Authority (NEDA), Philippine Competition Commission (PCC), and the European Chamber of Commerce of the Philippines (ECCP).</p> <p>On the other hand, the PCAB, Philippine Domestic Construction Board, and the Philippine Constructors Association Inc. expressed their reservation on the bill. They urged the Committee to take into consideration the survival of local players, especially the micro, small and medium enterprises (MSMEs), particularly during this time of the pandemic.</p>
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Continuation... Trade and Industry				<p>They also mentioned that foreign contractors are not entirely barred from participating in construction projects in the country. Under PCAB's Board Resolution 333 series of 2013, foreign contractors registered under the Quadruple A Category, or "AAAA" Category, are allowed to undertake private domestic construction projects but they should have capitalization or net worth of at least P1 billion and the contract cost should be at least P1 billion.</p> <p>This is on top of the special licenses issued to foreign contractors for government infrastructure projects that are internationally funded, where the participation of foreign contractors is allowed under the terms of a bilateral agreement between the Philippine government and the foreign government or an international financing institution, or those that are implemented in accordance with RA 7718, or the Build-Operate-Transfer Law, as amended.</p> <p>Former PCA Chair Jorge Consunji added that if the regular licenses will be opened to foreign contractors, safeguards must be put in place to prevent problems such as foreign contractors leaving the country with unfinished projects and unpaid laborers.</p> <p>Several Members echoed the concerns of some of the resource persons, adding that Filipino contractors should be protected and that the local construction industry should be strengthened instead.</p> <p>Minority Leader Bienvenido Abante Jr. (6<sup>th</sup> District, Manila) said that granting foreign contractors with regular licenses would result in the unregulated entry of foreigners in the country. Likewise, Deputy Speaker Rodante Marcoleta (Party-List, SAGIP) said that the bill will not result to a level playing field as it will adversely affect MSMEs.</p> <p>On the query of Rep. Quimbo on the estimated losses of the government per year in terms of foreign direct investments due to restrictions to foreign contractors, PCC Legislative and Policy Officer Christina Faye Condez-de Sagon answered that the government loses P108 billion every year based on a 2018 report by the World Bank.</p> <p>Rep. Gatchalian assured the body that the TWG will come up with a version of a bill that balances the interests of all the stakeholders.</p>
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JOINT CONGRESSIONAL OVERSIGHT COMMITTEE MEETING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
<b>Joint Congressional Oversight Committee on Cooperatives (JCOCC)</b>	Organizational meeting and adoption of the Committee's Internal Rules of Procedure	The Joint Congressional Oversight Committee, co-chaired by Rep. Sabiniano Canama (Party-List, COOP-NATCCO), Chair of the House Committee on Cooperatives Development, and Senate Majority Leader Juan Miguel "Migz" Zubiri, Chair of the

<p>Continuation...  Joint Congressional  Oversight Committee on  Cooperatives (JCOCC)</p>		<p>Senate Committee on Cooperatives, held its organizational meeting during which the JCOCC's Rules of Procedure for the 18<sup>th</sup> Congress was adopted.</p> <p>The JCOCC agreed to hold meetings every other month, upon the suggestion of Senator Zubiri. Thus, its next meeting will be in November.</p> <p>Under RA 9520 or the Philippine Cooperative Code of 2008, the JCOCC was created to review and approve the implementing rules and regulations of the law and monitor its proper implementation.</p>
	<p>Discussion on the effects/impact of the COVID-19 pandemic on the cooperative sector</p>	<p>The Joint Congressional Oversight Committee discussed with various cooperatives the effects of the COVID-19 pandemic on the cooperative sector.</p> <p>Senator Zubiri said that under the Bayanihan to Recover as One Act or Bayanihan 2, the cooperatives are included in the sectors that will benefit from the low-interest loans that will be granted by government financial institutions.</p> <p>Rep. Canama cited the cooperative sector's vital role in nation building and significant contribution to economic growth, hence it should be regarded as a partner by the government in its current efforts to push the country forward amidst the pandemic.</p> <p>Cooperative Development Authority (CDA) Chair Orlando Ravanera said that cooperatives nationwide spent an aggregate amount of P1.7 billion for COVID-19 response which was sourced from their respective community development funds (CDF). Among the activities that the cooperatives initiated during the pandemic that benefitted their members and communities were the conduct of relief operations, provision of financial and transportation assistance, and distribution of personal protective equipment (PPE) to frontliners.</p> <p>Based on CDA's Memorandum Circular No. 2019-11, the CDF refers to "the funds allocated from the net surplus of the cooperative to be used for projects or activities that will benefit the community within the area of operation as provided for in its Articles of Cooperation."</p> <p>To determine the effects of COVID-19 pandemic to the cooperatives, the CDA conducted an online survey among them, the results of which are as follows:</p> <ul style="list-style-type: none"> <li>• Majority or 91.7% of the cooperatives' business operations were affected by the pandemic but the cooperatives adopted various strategies to protect their businesses;</li> <li>• Many cooperatives have reduced their workforce;</li> <li>• Some cooperatives do not have business continuity plan which is vital to any business organization;</li> <li>• The members of the cooperatives were allowed to pay their loans at a later date; and</li> <li>• The cooperatives' top priorities in dealing with the pandemic are those related to health and sanitation measures.</li> </ul> <p>Despite the challenges of the pandemic, Ravanera said that almost all cooperatives are optimistic that they can recover and fully restore their operations in less than a year after the effects of the pandemic shall have eased.</p>

<p>Continuation... Joint Congressional Oversight Committee on Cooperatives (JCOCC)</p>		<p>Philippine Cooperative Center Chair Garibaldi Leonardo said that many cooperatives experienced difficulties during the pandemic because a large percentage of their members are relatively old, are low income earners, and have lack of knowledge in the use of technology. The representatives of different cooperatives also apprised the body of the adverse impact of the pandemic especially on the market vendors and transportation cooperatives.</p> <p>Sen. Risa Hontiveros recognized the actions taken by the cooperatives in providing assistance to its members and even non-members during this time of pandemic.</p> <p>Department of Trade and Industry (DTI) Secretary Ramon Lopez acknowledged the role of cooperatives in helping the DTI implement its programs at the grassroots level. Lopez sought the continuing support of the cooperatives as the country moves towards reviving the economy. He also informed the JCOCC that the DTI will conduct a webinar for cooperatives regarding online selling to provide them an alternative way of selling their products.</p>
	<p>Discussion on the issuance of Certificate of Tax Exemption (CTE) and other tax related matters</p>	<p>Senator Zubiri pointed out that under the Philippine Cooperative Code (RA 9520), the cooperatives are entitled to exemptions from income tax, value-added tax (VAT), percentage tax, and documentary stamp tax, among others. He said that despite this law, the cooperatives are still being required to pay these taxes until they are able to comply with BIR's requirements.</p> <p>The representatives of the cooperatives groups complained against the policy of the Bureau of Internal Revenue (BIR) of requiring duly registered cooperatives to submit the individual tax identification numbers (TINs) of their members before they could be issued a CTE.</p> <p>BIR Assistant Commissioner for Legal Service Larry Barcelo explained that under Executive Order 98, series of 1999, all government agencies and instrumentalities, including government-owned and/or controlled corporations, and all local government units, are directed to incorporate the TIN in all forms, permits, licenses, clearances, official papers and documents which they issue to natural or juridical persons transacting business with them.</p> <p>To address the concern of the cooperatives, Barcelo said the BIR issued a revenue memorandum circular allowing the release of a CTE to qualified cooperatives which do not have yet the TIN of their members, provided that they submit to the BIR a certification under oath of the list of their members. However, the cooperatives shall still be required to submit the TIN of their members within six months from the issuance of the CTE.</p> <p>Rep. Canama and Senator Risa Hontiveros agreed with Senator Zubiri's suggestion that the BIR assign a point person who will look into the complaints of the cooperatives.</p> <p>The CDA was requested to submit a list of local government units from which the cooperatives are reportedly having difficulty securing their business permits.</p>