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BICAMERAL CONFERENCE COMMITTEE MEETING

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Bicameral Conference Committee	HB 64 & SB 1317	Rep. Nograles (K.A.) and Senator Villanueva	Strengthening compliance with occupational safety and health standards and providing penalties for violations thereof	<p>The Bicameral Conference Committee, co-chaired by Rep. Randolph Ting (3rd District, Cagayan), Chair of the House Committee on Labor and Employment, and Senator Joel Villanueva, Chair of the Senate Committee on Labor, Employment and Human Resources Development, harmonized the disagreeing provisions of HB 64 and SB 1317.</p> <p>Other conferees who were present during the bicameral conference were the following: On the part of the House, Reps. Cristina "Chiqui" Roa-Puno (1st District, Antipolo City) and Strike Revilla (2nd District, Cavite); on the part of the Senate, Senator Maria Lourdes Nancy Binay.</p>

COMMITTEE MEETINGS

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	NO.	PRINCIPAL AUTHOR		
Energy	HB 1484	Rep. Abayon	Requiring all independent power producers (IPPs), generation companies or energy resource developers to remit the amount they are required to set aside as financial benefit directly to the host community	<p>The Committee, chaired by Marinduque Rep. Lord Allan Jay Velasco, will deliberate further on the measures in its next meeting.</p> <p>Deputy Speaker Raneo Abu (2nd District, Batangas) noted that ER 1-94 mandates energy resource developers and energy generating companies to set aside one centavo per kilowatt-hour (P0.01/kWh) of the total electricity sales as financial benefits to the host local government units (LGUs) and communities or the host regions. ER 1-94 was issued pursuant to the Department of Energy Act of 1992 and the Electric Power Industry Reform Act (EPIRA) of 2001.</p> <p>These financial benefits are allocated for the following purposes: Electrification Fund (EF), Development and Livelihood Fund (DLF), and the Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (RWMHEEF).</p> <p>The Deputy Speaker and other lawmakers inquired on the current status and balance of</p>
	HR 104	Deputy Speaker Abu	Inquiry into the current status of the revenues being collected by the Department of Energy (DOE) from energy resource and generating facilities and companies and being set aside for the benefit of the barangay, municipality or city, province, and region hosting said energy resource and generating facilities and companies as mandated by Energy Regulation (ER) 1-94, as amended	

Continuation... Energy				<p>the said funds as well as the total interest earned from these funds up to the present.</p> <p>Rep. Rodel Batocabe (Party-List, AKO BICOL) conveyed to the Committee the complaints of LGUs that these funds are not directly remitted to them but are released by the DOE upon approval of programs and projects proposed by the LGUs.</p> <p>DOE Assistant Secretary Gerardo Erquiza Jr. stated that the DOE is the current administrator of the funds earlier mentioned. When asked about the amount of such funds currently being handled by the DOE, Erquiza committed to submit later the exact figures as well as a report on the initiatives of the DOE channelling the funds to the host communities.</p> <p>On the part of COA, State Auditor Noroden Mira-Ato reported that the total financial benefits from the electricity sales pursuant to ER 1-94 amounts to P7.17 billion with interest income amounting to P11.32 million as of December 31, 2017.</p> <p>Treasury Department Manager Manuel Marcos Villalon II of the Power Sector Assets and Liabilities Management (PSALM) Corporation disclosed that for the period 2000 to 2017, PSALM has remitted a total of P3.58 billion to the DOE.</p> <p>National Power Corporation (NPC) President and Chief Executive Officer Pio Benavidez expressed support to the direct transfer of the funds to the host communities.</p> <p>Conveying the position of the Department of Budget and Management (DBM), Atty. Avvy Cristabelle Alba of the Organization, Position Classification and Compensation Bureau (OPCCB) expressed no objection to HB 1484 noting that it has no implications on the budget.</p> <p>The Committee requested the DOE to submit a detailed report on the amount of remittances from energy generating facilities and energy resource developers pursuant to ER 1-94 and the status of such funds handled by the DOE.</p>
	HBs 4893 & 6668	Reps. Batocabe and Villafuerte	Establishing the Philippine Energy Research and Policy Development Institute, defining its objectives, powers and functions, providing funds therefor	<p>The Committee agreed to create a technical working group (TWG) to study and fine-tune the two bills.</p> <p>Rep. Rogelio Neil Pepito Roque (4th District, Bukidnon) was designated as the TWG Chair.</p> <p>The DOE and DBM officials, along with Professor Ma. Joy Abrenica of the University of the Philippines School of Economics, expressed objection to the two bills arguing that the creation of the Philippine Energy</p>

Continuation... Energy				<p>Research and Policy Development Institute would only duplicate existing mechanisms as well as the functions of agencies and bureaus under the DOE. Strengthening these existing bodies instead of creating a new one is a better alternative, they added.</p> <p>On the other hand, Program Director Maja-Leah Ravago of the Energy Policy and Development Program (EPDP), and UP School of Statistics Dean Clair Dennis Mafa expressed their support for the bills.</p> <p>EPDP is funded by the United States Agency for International Development (USAID) and is being implemented by the UPecon Foundation Inc.. It provides assistance to the Philippine government in formulating coherent and evidence-based policies and strategies for the cost-effective use of energy resources and environmentally-sound energy development.</p>
Ways and Means	HB 6475 in consolidation with HBs 92, 6121 & 6263	Speaker Alvarez, Deputy Speaker Sema, Reps. Macapagal-Arroyo, and Dimaporo (M.K.)	Providing for the Basic Law for the Bangsamoro and abolishing the Autonomous Region in Muslim Mindanao (ARMM), repealing for the purpose RA 9054, or the law strengthening and expanding the Organic Act for the ARMM, and RA 6734 or the law providing for an Organic Act for the ARMM	<p>The Committee, presided by its Vice Chair Rep. Lianda Bolilia (4th District, Batangas), approved with amendments, the tax provisions of HB 6475, in consolidation with HBs 92, 6121 and 6263.</p> <p>Atty. Jamie Liz Yu, representative from the Legal Affairs Office of the Department of Finance (DOF), suggested that a provision be included in the bill which states that all taxes, fees and charges that will be imposed by the Bangsamoro government within its jurisdiction should be subject to the country's existing laws and regulations. She went on to say that the Bangsamoro government be required to submit regular tax reports to the national government for purposes of transparency.</p> <p>Bureau of Internal Revenue (BIR) Head Revenue Executive Assistant for Legal Affairs Larry Barcelo suggested that a mechanism be put in place that would allow the sharing of tax administration records between the Bangsamoro government and the national government.</p> <p>When asked if the government is capable of providing for the budgetary requirement for the implementation of the proposed law, Leila Rivera, director of the Local Government and Regional Coordination Bureau (LGCRB), Department of Budget and Management (DBM), replied that the Department is still "working" on the matter.</p> <p>Reps. Aurora Enerio Cerilles (2nd District, Zamboanga del Sur) and Johnny Ty Pimentel (2nd District, Surigao del Sur) expressed their objection to Section 18, Article XII (Fiscal Autonomy) of the bill which provides that the formula for the annual block grant for the Bangsamoro shall be equivalent to six percent</p>

Continuation... Ways and Means				<p>of the net national internal revenue collections of the BIR and the Bureau of Customs (BOC).</p> <p>Rep. Pimentel explained that the provision is unfair to local government units (LGUs) outside the Bangsamoro which, in the past, have repeatedly requested that they get a share in the BOC collections, but have been denied.</p> <p>Under the proposed BBL, the “annual block grant” is defined as the share of the Bangsamoro in the national internal revenue of the government.</p> <p>The Committee took note of the suggestions of the resource persons and agreed that the annual block grant will only come from the revenues of the BIR.</p>
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AGENCY BRIEFING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Ways and Means	Briefing by the Bureau of Customs (BOC) on the illegal withdrawal of at least 105 containers covered by “manual alert orders” from the BOC Port of Manila premises operated by the Asian Terminals Inc. (ATI)	<p>The Committee, chaired by Quirino Rep. Dakila Carlo Cua, will continue its discussion on the alleged illegal withdrawal of containers from the BOC Port of Manila premises in its next meeting.</p> <p>BOC Commissioner Isidro Lapeña remarked that the incident, which he said involves collusion between some ATI and BOC personnel, undermines the effort of BOC to promote a credible customs administration in the country.</p> <p>Between January and March 2018, a total of 22 shipments arrived at the Port of Manila consisting of 119 containers, of which 105 were tagged as “alerted containers” (shipments that are subject to confinement to undergo a 100% physical examination and only the BOC Commissioner can authorize their release). Despite having been classified as such, the alerted containers were released without clearance from the BOC.</p> <p>When asked why he issued a “manual alert order” for the questioned shipment, Lapeña explained that the slow, intermittent and compromised electronic alert system prompted him to resort to such action, which he said is his prerogative as the Customs Commissioner. He added that his decision was endorsed by the BOC’s legal team and supported by a Customs Memorandum Order (CMO).</p> <p>Rep. Horacio Suansing Jr. (2nd District, Sultan Kudarat) asserted that the incident could have been avoided if the BOC had used its electronic alert system. He stressed that the actions of Lapeña violate Section 1111 (Alert Orders) of RA 10863 or the Customs Modernization and Tariff Act (CMTA). He added that there is no provision in CMTA which authorizes the Commissioner to choose between manual and electronic alert order.</p> <p>On the query of Rep. Karlo Alexei Nograles (1st District, Davao City), BOC Deputy Commissioner Noel Patrick Prudente, who also heads the BOC’s Management Information Systems and Technology Group (MISTG), said that he had implemented the following measures to address problems in the Bureau’s electronic system: changed</p>

<p>Continuation... Ways and Means</p>	<p>password weekly, activated audit logs, requested experts to evaluate the system's security mechanism, and limited remote access. He also explained the need to upgrade the BOC's IT system with newer versions for better performance.</p> <p>Deputy Speaker Raneo Abu (2nd District, Batangas) asked Lapeña about his basis for issuing alerts, to which the Commissioner responded that the BOC Intelligence Group is his source of information. Lapeña also admitted that he issued the alert orders covering the 105 containers upon receiving a text message from the BOC Intelligence Group.</p> <p>Rep. Rodel Batocabe (Party-List, AKO BICOL) questioned the reliability of the raw intelligence relayed through a text message. He further emphasized that the provision of the law is very strict when it comes to issuing alert orders, adding that there are requirements that must be met before one can be issued.</p> <p>Meanwhile, Atty. Vener Sia Baquiran, former district collector of the Port of Manila, informed the Committee that alert orders for the subject containers were issued on March 15 and the containers were supposed to undergo examination on March 17-18. However, the shipments were released by ATI on March 17 at around 11:00 a.m. without undergoing the required examination and without proper documents.</p> <p>In defense, ATI Senior Vice President Sean Perez maintained that ATI acted according to established customs procedures. He also informed the Committee that it was only on March 23, six days after the 105 containers had been released, that ATI received from BOC the guidelines and documents required in releasing containers. In practice, ATI only relies on the lift order from the customs collector.</p> <p>Rep. Estrellita Suansing (1st District, Nueva Ecija) questioned why Lapeña did not use his power to issue a "special stop order," which could have prevented the release of the 105 containers even after the alert order has been lifted.</p> <p>The Committee requested the submission of the following:</p> <ul style="list-style-type: none"> • Timeline of alert orders for each 105 container (from ATI and BOC); • Copy of time stamp records of BOC's alert and lift orders in the past seven months; • Copy of the result of the initial investigation on the questionable release of the 105 containers which were declared to carry tiles; • Valuation of the tiles made from Italy, China, and Spain; and • Record of the consignees of the 105 containers for the last three years. <p>The Committee also requested the attendance of the consignees/owners of the 105 containers and their brokers, and a certain Julie "Kimberly" Gamboa whose name always crops up during investigations concerning anomalies at the BOC.</p>
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