

Committee Daily Bulletin

17th Congress
Second Regular Session

A publication of the Committee Affairs Department

Vol. II No. 5
August 1, 2017

BUDGET BRIEFINGS		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	<p>Budget briefing by the members of the Development Budget Coordination Committee (DBCC) on the proposed FY 2018 national budget</p> <ul style="list-style-type: none"> Department of Budget and Management (DBM) – on the proposed FY 2018 national budget 	<p>The Committee, chaired by Rep. Karlo Alexei Nograles (1st District, Davao City), opened its deliberations on the proposed FY 2018 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 2017 and 2018; overview of the Philippine economic performance; fiscal and revenue collection performance and how the budget will be financed in 2018.</p> <p>DBCC Chair and DBM Secretary Benjamin Diokno presented the proposed FY 2018 national budget of P3.77 trillion, which is 12.4% higher than the 2017 budget of P3.35 trillion.</p> <p>Diokno said that the DBCC adopts the theme “A Budget that Reforms and Transforms” which reflects the policies and programs that would reform and transform Philippine society towards the attainment of the collective aspirations of the Filipino people. He remarked that the proposed 2018 budget gives emphasis to the efficient and effective delivery of services that are inclusive and lasting.</p> <p>By expense class, the 2018 national budget will be distributed as follows: personnel services, P1.07 trillion (28.5%); infrastructure and other capital outlay (CO), P983.97 billion (26.1%); assistance to local government units (LGUs), P603.20 billion (16%); maintenance and other operating expenses (MOOE), P565.50 billion (15%); debt burden, P369.46 billion (9.8%); and support to government-owned and controlled corporations (GOCCs); P173.42 billion (4.6%).</p> <p>Diokno added that 37.8% of the 2018 national budget is proposed to be spent on social services like education, health and social protection programs. On the other hand, economic services, general public services, debt burden and defense will respectively receive 30.6%, 17.6%, 9.8% and 4.1% of the budget next year.</p> <p>The top 10 departments/government offices to receive the highest budget are as follows:</p> <ul style="list-style-type: none"> 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)] – P698.1 billion; Department of Public Works and Highways (DPWH) – P643.3 billion; Department of the Interior and Local Government (DILG) – P172.3 billion; Department of Health (DOH) – P164.3 billion; Department of National Defense (DND) – P145 billion; Department of Social Welfare and Development (DSWD) – P138 billion; Department of Transportation (DOTr) – P73.8 billion; Department of Agriculture (DA) – P54.2 billion; Autonomous Region in Muslim Mindanao (ARMM) – P33.5 billion; and

<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> National Economic and Development Authority (NEDA) – on the Philippine socio-economic performance and outlook Department of Finance (DOF) – on the National Government’s fiscal and revenue collection performance and FY 2018 fiscal program 	<ul style="list-style-type: none"> Department of Environment and Natural Resources (DENR) – P27.9 billion. <p>Adopting the expansionary fiscal policy, Diokno disclosed that for the next six years, the government will finance infrastructure programs amounting to P8-9 trillion over the medium-term (2017-2022). It is also projected that by 2022, the percentage of infrastructure to growth domestic product (GDP) will reach as high as 7.3% from 1.8% in 2010.</p> <p>This golden age of infrastructure in the Philippines, according to Diokno, will consist of projects that will interconnect lagging regions to developed regions; support agriculture and tourism development; spur trade and livelihood activities; and generate more employment.</p> <p>NEDA Director General Ernesto Pernia said that the country’s economic growth remains sustainable thereby capable of generating more stable and gainful jobs. He added that with a 6.9% GDP growth rate in 2016, the Philippines is poised to be one of the fastest emerging economies in Asia over the medium-term.</p> <p>However, while the macro economy appears robust, inequality across regions and households, and chronic poverty persist. Pernia explained that the country’s GDP remains concentrated in the mega urban industrial regions comprising the National Capital Region (NCR), CALABARZON and Central Luzon which collectively account two-thirds of the country’s total GDP from 2010-2016. Thus, the thrust of the current administration is to promote regional and rural development.</p> <p>Nevertheless, Pernia said that the country remains on track in meeting the targets for 2017 with the agriculture sector significantly improving from a negative 4.3% in the first quarter of 2016 to a positive 4.9% on the same period this year; services and industry sectors continuously being the major drivers of economic growth; and export of goods registering the highest since third quarter of 2010.</p> <p>Pernia also briefly discussed the country’s long-term vision dubbed as “Ambisyon Natin 2040” and the Philippine Development Plan (PDP) 2017-2022, which is anchored on President Rodrigo Duterte’s 0+10 point agenda.</p> <p>The PDP envisions the Philippines as an upper-middle income country by 2022 with GDP growth rate of 7% to 8%. To achieve this, Pernia said that the economy should expand by 50% in the next six years.</p> <p>Finance Secretary Carlos Dominguez III reported that revenue collection for 2016 improved by 4.1% or P2.20 trillion from P2.11 trillion in 2015. Out of the total revenues, tax revenues account for P1.98 trillion or 90%.</p> <p>Dominguez added that revenues for the first half of 2017 grew by 6.8% compared to the same period last year. If this trend continues, total revenues could reach P2.43 trillion by end of 2017. For 2018, total revenues are expected to grow by 17% or P2.8 trillion.</p> <p>On the tobacco and alcohol excise tax collections, Dominguez reported that there was a slight reduction in revenues in 2016 due to the proliferation of fake cigarette stamps and the implementation of graphic health warnings on cigarettes. However, he is optimistic that the “sin tax” revenue collections will recover in the succeeding years.</p> <p>Debt to GDP ratio is on a downward trend. At the end of 2016, the outstanding national government debt is 42.1% of GDP and is expected to further decrease to 40.6% by the end of the year. Dominguez also emphasized that the government prefers to borrow locally to reduce foreign exchange risks and help utilize excess liquidity in the country’s financial system.</p>
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<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> • <i>Bangko Sentral ng Pilipinas (BSP)</i> – on the country's monetary, financial and external developments and outlook for 2017 and 2018 	<p>Fiscal deficit remains manageable at 3% of GDP, allowing higher infrastructure and human capital investments for the next year. Dominguez mentioned that the Tax Reform Program: Package I which DOF submitted to Congress and was eventually passed on Third Reading, will help keep the deficit in check although it will not provide enough revenues to fully implement the huge infrastructure spending of the government. Thus, he said, the DOF will submit the other packages of the Tax Reform Program as soon as the same are finalized.</p> <p>BSP Governor Nestor Espenilla Jr. said that the Philippine economy continues to demonstrate strength and resilience amidst the challenging external operating environment, with an uninterrupted growth for the past 73 consecutive quarters since 1999. In the first quarter of 2017, the country's GDP growth rate is at 6.4%. Espenilla remains optimistic that prospects in the domestic economy will continue to be favorable as macroeconomic fundamentals are seen to remain intact.</p> <p>Espenilla said that inflation has remained to be manageable in the first six months of 2017. The latest inflation forecast continue to signal inflation that is closed to the midpoint of the country's target rate of 3% for 2017 and 2018.</p> <p>Domestic liquidity remains ample to finance the growth requirements of the economy while bank lending remains upbeat as funds continue to flow to the country's productive sectors.</p> <p>Philippine banking system remains strong and stable. It is well-positioned for the entry of regional and international banks under the Association of Southeast Asian Nations (ASEAN) economic and financial integration.</p> <p>Strong imports reflecting sustained economic growth has turned the current account and overall balance of payments into a deficit. Nevertheless, the country's external payments position remains very sound and sustainable. The expected stable stream of remittances from overseas Filipino workers (OFWs) and dollar receipts from the BPO sector and other foreign exchange receipts will help support the balance of payments and keep the volatility of the peso to an acceptable magnitude even as it adjusts to economic fundamentals.</p> <p>Foreign exchange reserves are at very robust level that enables the BSP to effectively manage against violent swings in global liquidity conditions.</p> <p>BSP Deputy Governor Diwa Guinigundo reported that inflation for the bottom 30% of income households has remained low for the past years suggesting that the purchasing power of the poor has been mitigated. Appropriate monetary policy has enabled the government to strike an effective balance between safeguarding price stability and providing support to economic expansion.</p> <p>The peso is expected to remain broadly stable over the medium term. Guinigundo said that the recent depreciation of the peso will have minimal effect on the country's macroeconomic conditions as foreign exchange market and firm macroeconomic fundamentals will continue to provide stability to the peso. The credit rating upgrades that have been earned are also expected to sustain market confidence in the Philippines' financial markets.</p> <p>While the economy's outlook seems optimistic, Guinigundo said that there are external and domestic challenges and risks that the country should be mindful of, these are: global political and policy uncertainty; the rise in US interest rates; a protracted slowdown in the Chinese economy; infrastructure gaps; and weather disturbance.</p> <p>After the budget briefing of the DBCC, most of the House members inquired on the massive infrastructure projects that the government intends to undertake.</p>
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Continuation... Appropriations		<p>Dominguez explained that for 2018, the government will start to implement major infrastructure projects such as those which will decongest traffic in Metro Manila, irrigation projects, and farm-to-market roads.</p> <p>When asked if the projects will entail a public-private partnership (PPP), DBCC officials assured the Committee that the private sector will continue to have a participation in the infrastructure projects of the government.</p> <p>Several House members sought assurance that the budget will be released promptly to and spent by the agencies, wary that there might be underspending again just like what happened in the previous administration.</p> <p>Diokno assured the House members that underspending is a “thing of the past.” He disclosed that pursuant to the instruction of the President, government agencies are expected to improve their fund utilization rate and fast-track the implementation of projects.</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 MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Dangerous Drugs	HR 1054	Rep. Barbers	Inquiry into the P6.4 billion worth of <i>shabu</i> seized by the Bureau of Customs (BOC)	<p>The Committee, chaired by Robert “Ace” Barbers (2nd District, Surigao del Norte), will deliberate further on the issues raised in HRs 1054 and 1057 in another meeting.</p> <p>Rep. Barbers and other House Members, including Majority Leader Rodolfo Fariñas (1st District, Ilocos Norte), called for the resignation of BOC Commissioner Nicanor Faeldon and other customs officials for their “ineptitude and lack of knowledge of the law.”</p> <p>What got the ire of the House Members was the failure of the BOC officials to stop the illegal entry into the country of more than 500 kilos of “shabu” valued at P6.4 billion pesos, allowing the shipment to pass through the customs’ green lane which did not require inspection. This drug shipment was later seized in a warehouse in Valenzuela City in May 2017 through a joint operation among the BOC, the National Bureau of Investigation (NBI) and the Philippine Drug Enforcement Agency (PDEA).</p> <p>Even with the seizure of the illegal drugs, Rep. Barbers chided Faeldon and BOC Central Intelligence and Investigation Service Director Neil Estrella for having led the anti-narcotics operation without a warrant which could weaken their chance of prosecuting the people behind the illegal drug importation.</p> <p>While both Faeldon and Estrella admitted committing lapses in the conduct of the anti-drug operations, Reps. Jericho Jonas Nograles (Party-List, PBA) and Maximo Rodriguez Jr.</p>
	HR 1057	Rep. Gatchalian	Investigation into the illegal entry, through the BOC express lane, of more than P5 billion worth of methamphetamine hydrochloride (<i>shabu</i>)	

Continuation... Dangerous Drugs				<p>(2nd District, Cagayan de Oro City) doubted that these were due to inadvertence and thus called for a deeper investigation into the customs officials' possible involvement in this illegal drug importation.</p> <p>When PDEA personnel were asked to recount what happened during the said operation, PDEA Director General Isidro Lapeña requested that the members of PDEA involved in the operation be admitted to the Witness Protection Program of the government to which Majority Leader Fariñas agreed.</p> <p>PDEA National Capital Region (NCR) Regional Director Wilkins Villanueva reported that when he and his team arrived at the warehouse, the packets of shabu have already been taken out of the crates. This, Villanueva said, might taint the integrity of the evidence.</p> <p>EMT Trading sole proprietor Eirene Tatad, whose company was the consignee of the shabu shipment, and a witness who identified himself as a trucker, Mark Taguba, agreed to divulge their knowledge on the issue of "consignees for hire," allegedly a prevalent practice at the BOC, in exchange for being admitted to the Witness Protection Program as state witnesses.</p> <p>The BOC was directed to submit all documents pertaining to EMT Trading including those relating to its accreditation. It was likewise asked to provide copies of all Customs Orders issued by Faeldon since he assumed office in the BOC. BOC key officials were also asked to be present in the Committee's next meeting that will be conducted jointly with the Committee on Ways and Means.</p>
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COMMITTEE MEETING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Ethics and Privileges	<p>Confirmation of membership to the Subcommittees on Preliminary Inquiries and on Revision of Rules</p> <p>Committee Case Nos. SC-01-2017 to SC-06-2017, entitled: Rep Herminio Harry Roque Jr., complainant, versus Rep. Ron Salo, respondent, for violation of the House</p>	<p>The Committee, chaired by AGRI Party-List Rep. Delphine Gan Lee, confirmed the members that will comprise the Subcommittees on Preliminary Inquiries and Revision of Rules.</p> <p>The Subcommittee on Preliminary Inquiries will be chaired by Rep. Florencio Flores Jr., M.D. (2nd District, Bukidnon) with the following members: Reps. Josephine Ramirez-Sato (Occidental Mindoro), Arnulfo Fuentebella (4th District, Camarines Sur), Luisa Lloren Cuaresma (Nueva Vizcaya), and Geraldine Roman (1st District, Bataan).</p> <p>On the other hand, the Subcommittee on Revision of Rules will be chaired by Rep. Evelina Escudero (1st District, Sorsogon) and will have for its members the following: Deputy Speaker Frederick "Erick" Abueg (2nd District, Palawan), and Reps. Aurora Enerio Cerilles (2nd District, Zamboanga del Sur), Joaquin Chipeco Jr. (2nd District, Laguna), and Lianda Bolilia (4th District, Batangas).</p> <p>The Committee determined that the six cases have substantially complied with the form and content as required under Section 16 of the Committee's Rules of Procedure.</p>

Continuation... Ethics and Privileges	of Representatives' Code of Conduct	The six cases were referred to the Subcommittee on Preliminary Inquiries for further deliberation. The respondent, KABAYAN Party-List Rep. Ron Salo, will be asked to respond to the complaint within 10 calendar days.
	Consideration of the transmittal letter of Atty. Rosendo Roque, secretary of the <i>Sangguniang Panlungsod</i> of General Santos City, forwarding to the Committee for appropriate action Resolution No. 415, series of 2017	The Committee adopted the letter-reply of the Chair to return the letter of Roque for non-compliance with the Rules of the Committee pertaining to the modes by which the Committee can acquire jurisdiction over a complaint or allegation. Resolution No. 415, series of 2017 calls for an investigation of the members of the Commission on Appointments relative to the statement of President Rodrigo Duterte that lobby money played in the outcome of the Commission's decision rejecting the confirmation of Regina Lopez as secretary of the Department of Environment and Natural Resources (DENR).
	Consideration of the memorandum from the House Secretary General regarding the request of Juanito Ligtas for a certified true copy of documents relative to the complaints of Rep. Robert "Ace" Barbers (2nd District, Surigao del Norte) against Rep. Prospero Pichay Jr. (1st District, Surigao del Sur)	The Committee adopted the letter-reply of the Chair to deny the request of Ligtas for the reason that information relative to complaints against a House Member is deemed sensitive and classified, thus cannot be accessed by the public pursuant to Section 49, Rule 8 of the Committee's Rules of Procedure. Juanito Ligtas is one of the shareholders of Claver Mineral Development Corporation (CMDC), the president of which is Rep. Pichay.
	Approval of the Committee's proposed program of activities for the second half of 2017	The Committee approved in principle its Program of Activities for the second half of 2017, which includes the following: <ul style="list-style-type: none"> • Conduct of seminar for the chief of staffs of the members of the House of Representatives focusing on Republic Act No. 6713 (Code of Conduct and Ethical Standards for Public Official and Employees) and its implementing rules and regulations; and the Code of Conduct under the Rules of the House of Representatives; and • Study tour to the U.S. Congress to observe the proceedings of the House Ethics Committee of the U.S. and gain insights of their best practices that may be applied in the Philippines to strengthen the function of our own House Ethics Committee.

SUBCOMMITTEE MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Subcommittee on Immigration, Naturalization and Deportation (Justice)	Draft Substitute Bill to HBs 162, 327, 435, 1305, 1697 & 3005	Reps. Belmonte (F.), Romualdo, Escudero, Bataoil, Rodriguez (M.), and Castelo	Creating the Commission on Immigration, defining its powers and functions, further expanding, rationalizing and professionalizing its organization, upgrading the compensation and benefits of its officials and employees, and appropriating funds therefor	The Subcommittee, chaired by Rep. Arnulfo Fuentesbella (4th District, Camarines Sur), approved the substitute bill subject to style and amendment. The substitute bill will be submitted to the mother Committee for its consideration and approval.
	HBs 4656, 5405 & 5658	Reps. Macapagal-Arroyo and Tiangco, and Speaker Alvarez	Granting Filipino citizenship to Mayleen Ting, Father Julian Mazana, and Phillip Leach, respectively	The Committee approved HBs 4656, 5405 and 5658. The Office of the Solicitor General (OSG), Department of Justice (DOJ), Bureau of Immigration (BI), and National Bureau of Investigation (NBI) interposed no objection to the bills. The Committee Secretariat, with the assistance of the DOJ and the BI, was directed to formulate guidelines pertaining to applications for Filipino citizenship through legislation.

TECHNICAL WORKING GROUP MEETINGS

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Agriculture and Food (Technical Working Group)	HB 4904	Rep. Yap (A.)	Amending RA 8178, otherwise known as the Agricultural Tariffication Act, and PD 4, as amended, or the law creating the National Grains Authority and approving funds therefor	<p>The technical working group (TWG), chaired by ANAC-IP Party-List Rep. Jose Panganiban, agreed to draft a substitute bill to the five bills.</p> <p>The TWG focused its discussion on the tariffication of rice imports.</p>
	HB 5023	Rep. Macapagal-Arroyo	Placing safety nets for Filipino rice producers by imposing tariffs in lieu of quantitative restrictions (QR) on rice imports, directing tariff collections from rice imports to projects and programs that enhance rice productivity and increase farmers' incomes	<p>Asked by Rep. Panganiban on the appropriate tariff rates, Tariff Commissioner Ernesto Albano said that the rates should be set by Congress.</p> <p>Rep. Gloria Macapagal-Arroyo (2nd District, Pampanga), author of HB 5023, said there is a formula for calculating the tariff. She also underscored the importance of placing the proceeds from the tariffs on rice imports in a special fund which shall be used to finance programs and projects that will benefit the farmers and the domestic rice industry.</p>
	HBs 5326, 5433 & 5443	Reps. Chavez, Panganiban, and Deputy Speaker Garin	Replacing quantitative import restrictions on rice with tariffs and creating the Rice Competitiveness Enhancement Fund, amending for this purpose RA 8178	<p>Department of Agriculture (DA) Undersecretary Segfredo Serrano promised to submit the DA's proposal on the tariff rates for rice imports.</p> <p>Romeo Royandoyan, vice chair of the Committee on Food Staples of the Philippine Council for Agriculture and Fisheries (PCAF), conveyed the position of the farmers who clamor for the extension of the QR on rice. Nonetheless, should a law be enacted imposing tariff on rice imports in place of the QR, Royandoyan said that the farmers want to be assured that the proceeds from such tariffs will redound to their benefit.</p> <p>United Broilers Raisers Association (UBRA) President Elias Jose Inciong proposed the creation of a specific office in the DA that will monitor the collection of tariff on rice imports.</p> <p>The stakeholders were requested to submit their position papers on the bills for the consideration of the TWG in the drafting of the substitute bill.</p>
Transportation (Technical Working Group)	HB 168 & 5165	Reps. Velasco-Catera and Zarate	Requiring all traffic lights to be equipped with audible traffic signals and push buttons for the benefit of persons with disabilities (PWDs), the elderly, and pregnant women	<p>The technical working group (TWG), chaired by Rep. Luis Raymund "LRay" Villafuerte (2nd District, Camarines Sur), will deliberate further on the 16 bills in its next meeting.</p>
	HB 174	Rep. Nograles (K.A.)	Creating Local Bikeways Office (LBO), establishing infrastructure in relation thereto and providing for bicycle rights	<p>Rep. Villafuerte, author of HB 263, underscored the need to institutionalize sustainable and alternative modes of transportation to improve the current transportation system in the country.</p>
	HB 263	Rep. Villafuerte	Establishing and integrating bicycle lanes in the Philippine transportation system	<p>According to Rep. Villafuerte, a sustainable transportation system has four components, which are:</p> <ul style="list-style-type: none"> • Environment-friendly - realizes low carbon emission and low level of
	HBs 582 and 1203	Deputy Speaker Cayetano and	Promoting sustainable transportation system and alternative modes of	

Continuation... Transportation (Technical Working Group)		Rep. Sarmiento (C.)	transportation and other mobility options to improve air quality, increase efficiency, reduce congestion, and contribute to positive health impacts on our society	<p>pollution;</p> <ul style="list-style-type: none"> • Energy-efficient - provides its own electricity needs such as the use of solar panels to power lights and signs; • Profitable - generates profit in order to be self-sufficient; and • Compatible - links up all the modes of transportation and establishes walkways and bike lanes that connect one city to another. <p>Rep. Villafuerte also enumerated the different sustainable transportation system models and the best practices around the world.</p> <p>MATA Party-List Rep. Tricia Nicole Velasco-Catera requested that her bill, HB 5721, which was referred to the Committee on Social Services, be included in the discussions of the TWG in its next meeting, saying that its subject matter is similar to the bills under deliberation.</p> <p>The TWG will recommend to its mother Committee that a request for a change of referral of HB 5721 be made with the Committee on Rules.</p> <p>The resource persons present during the meeting expressed their support for the bills. They were requested to submit their respective position papers on these bills.</p>
	HB 2101	Rep. Calixto-Rubiano	Defining pedestrian safety guidelines and providing penalties for violations thereof	
	HB 2276	Rep. Velasco	Providing for the establishment of bike-friendly communities and promoting the use of bicycles as an alternative mode of transportation	
	HB 2300	Rep. Castelo	Strictly implementing a set of simple rules to properly pass a cyclist consistent with "share the road" campaign	
	HB 2344	Rep. Olivarez	Providing incentives for private carpool in order to reduce traffic congestion in the country	
	HB 2983	Rep. Antonio	Creating bike lanes in main roads and highways	
	HB 2999	Rep. Castelo	Mandating owners and/or operators of freights and passenger service to conduct preventive maintenance of their motor vehicles in accordance with prescribed schedule and instruction from vehicle manufacturer	
	HB 3954	Rep. Velasco-Catera	Establishing a national bicycle program and an integrated network of bicycle lanes	
	HB 4212	Rep. Vargas	Institutionalizing the use of bicycles as an alternative mode of transportation, establishing appropriate infrastructure and facilities, appropriating funds therefor and for other purposes	
	HB 4992	Rep. Velasco-Catera	Promoting the creation and development of a sustainable transportation system	
	HB 5864	Rep. Roque (H.)	Preventing carbon monoxide poisoning	