

Committee Daily Bulletin

17th Congress
Third Regular Session

A publication of the Committee Affairs Department

Vol. III No. 19
August 30, 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 Labor and Employment (DOLE) Department of Foreign Affairs (DFA) 	<p>The Committee, chaired by Rep. Karlo Alexei Nograles (1st District, Davao City), listened to the presentations on the proposed FY 2019 budget, plans and programs, and major accomplishments of the DOLE, DFA, and DOTr.</p> <p>Committee Vice Chair, Rep. Carlo Lopez (2nd District, Manila), sat as the presiding officer during the deliberations on the budget of DOLE and its attached agencies.</p> <p>Labor Secretary Silvestre Bello III apprised the Committee that under the FY 2019 National Expenditure Program (NEP), the DOLE will get a total budget of P13 billion, which is 16.7% higher than the current year's appropriation of P11.14 billion. He added that of the DOLE's proposed 2019 budget, P5.32 billion (41%) will go to personnel services (PS), P7.26 billion (56%) to miscellaneous and other operating expenses (MOOE), P413.98 million (3%) to capital outlay (CO), and P3.4 million (0.03%) to financial expenses.</p> <p>Bello explained that the budget increase is intended to augment funds for the vital programs of the Department like the "Tulong Panghanapbuhay sa ating Disadvantaged/Displaced Workers" (TUPAD) Program, Government Internship Program, K to 12 Adjustment Measures Program, Special Program for Employment of Students, and Jobstart Program.</p> <p>Rep. Aniceto "John" Bertiz III (Party-List, ACTS OFW) asked Secretary Bello to comment on a Commission on Audit (COA) report showing that at least 75% to 83% of funding allocation for each region under the TUPAD program goes to administrative costs.</p> <p>Bello stressed that under government regulations, only 5% of the program fund is allowed for administrative expenses.</p> <p>Meanwhile, Rep. Ariel "Ka Ayik" Casilao (Party-List, ANAKPAWIS) lauded DOLE's effort in the job regularization of some 303,761 contractual employees since August 2016. However, he advised the Department to look into alleged practices of some big companies that dismiss their employees after being regularized.</p> <p>DOLE Undersecretary Joel Maglunsod assured the Committee that the Department will continue to go after companies which are not complying with labor laws.</p> <p>Committee Vice Chair, Rep. Carlos "Charlie" Cojuangco (1st District, Tarlac), sat as the presiding officer during the DFA's budget briefing.</p> <p>Under the FY 2019 NEP, the DFA and its attached agencies are set to receive a total budget of P27.40 billion which is 13% higher than this year's budget of P23.89 billion.</p>

<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> Department of Transportation (DOTr) 	<p>DFA Secretary Alan Cayetano explained that the proposed FY 2019 budget is almost the same as this year's budget, except for the additional cost of hosting the Southeast Asian Games next year, which would amount to about P7.5 billion.</p> <p>On issues regarding the planned joint oil explorations with China in the West Philippine Sea, Secretary Cayetano said he will submit a written report to the Committee on the matter. The DFA will also submit a brief on the benefits of establishing new missions in other countries, as requested by Rep. Cojuangco.</p> <p>Several Members asked for an update on the country's passporting system which had been the subject of complaints from the public particularly for its long processing period and the difficulty of passport applicants in getting appointments. Cayetano replied that the Department has established eight new consular offices, eight mobile passporting units, and an e-payment portal to facilitate the processing of passport applications.</p> <p>The DFA was requested to submit to the Committee a copy of all the bilateral agreements of the Philippines with other countries.</p> <p>Committee Vice Chair and Malabon City Rep. Federico "Ricky" Sandoval II sat as the presiding officer during the budget briefing of DOTr.</p> <p>Transportation Secretary Arthur Tugade was present during the meeting but it was DOTr Undersecretary for Administration and Finance Garry de Guzman who presented the Department's proposed FY 2019 budget.</p> <p>The DOTr's budget for next year amounts to P76.11 billion, which is 12% higher than its current budget of P68.13 billion. The proposed 2019 budget is distributed as follows:</p> <ul style="list-style-type: none"> Office of the Secretary (OSEC) – P62.87 billion; DOTr attached agencies – P11.72 billion; and Special Accounts – P1.52 billion. <p>De Guzman explained that the budget of the OSEC includes the budget of all the DOTr's infrastructure projects, the Metro Rail Transit Line 3 (MRT-3), the Land Transportation Office (LTO), the Land Transportation Franchising and Regulatory Board (LTFRB), and its regional offices in the Cordillera Administrative Region (CAR) and CARAGA Region.</p> <p>Rep. Anthony Bravo, Ph.D. (Party-List, COOP NATCCO) asked about the status of the DOTr's unobligated fund in 2017 amounting to P12.5 billion. Tugade explained that the projects that were supposed to be funded by the P12.5 billion budget would no longer be pursued due to valid reasons, hence the funds were reverted to the Bureau of Treasury.</p> <p>Replying to the query of Rep. Salvador Belaro (Party-List, ANG EDUKASYON), DOTr Assistant Secretary Timothy John Batan explained that the Department's proposed 2019 budget did not include the budgetary requirement for the construction of the LRT-1 Cavite extension because it has a different funding source.</p> <p>Rep. Carlos Isagani Zarate (Party-List, BAYAN MUNA) asked about the status of the Public Utility Vehicle (PUV) Modernization Program. LTFRB Chair Martin Delgra said that a financing scheme is available to jeepney operators and drivers to assist them during the transition period this year. Delgra added that passenger jeepneys have the highest number of units plying the roads.</p>
---------------------------------------	---	---

Continuation... Appropriations		<p>The PUV Modernization Program aims to upgrade the current PUV fleet to newer and environmentally-compliant units for the benefit of the commuters and the environment, and to uplift the standard of living of drivers, operators and their families. Under the program, a new jeepney model should be equipped with global navigation satellite system, CCTV, and speed limiter. It should also have a Euro-4 compliant engine to prevent it from causing pollution.</p> <p>Rep. Arlene Brosas (Party-List, GABRIELA) sought DOTr's comment on the supposed move of the Department of Energy (DOE) to reintroduce Euro 2 standard in lieu of Euro 4.</p> <p>Tugade underscored that requiring PUVs to be Euro 4 compliant is in accordance with the Philippine Clean Air Act. Tugade added that the move to reintroduce Euro 2 as the minimum required emission standard for PUVs will only waste the gains made in efforts to modernize the country's transportation system.</p> <p>Meanwhile, Rep. Jesulito Manalo (Party-List, ANGKLA) expressed dismay at the rather small budget for the Maritime Industry Authority (MARINA) next year, which is not even enough for the rehabilitation of its central and district offices and its computerization program.</p> <p>The DOTr was requested to submit the documents required by the House Members.</p>
--------------------------------	--	---

COMMITTEE MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Dangerous Drugs	Substitute Bill to HBs 289, 587, 1868, 3406, 3616, 3627, 3733 & 4151	Reps. Romero, Bataoil, Deputy Speaker Hernandez, Reps. Barbers, Acop, Pineda, Bagatsing, and Alejano	Amending RA 4200, or the law prohibiting and penalizing wiretapping and other related violations of the privacy of communication	The Committee, chaired by Rep. Robert "Ace" Barbers (2 nd District, Surigao del Norte), approved the Committee Report on the substitute bill.
	HB 7795	Rep. Mariño	Providing for the immediate destruction of the confiscated, seized and/or surrendered dangerous drugs, plant sources of dangerous drugs, and controlled precursors and essential chemicals, amending for the purpose RA 9165, as amended	The Committee agreed to refer HB 7795 to the technical working group (TWG) that was already created to deliberate on bills with similar subject matter.
	<i>Motu Proprio</i> Investigation		Investigation into the P2.4 billion worth of shabu seized by the Bureau of Customs (BOC) and Philippine Drug Enforcement Agency (PDEA) at the Manila International Container Port (MICP)	<p>The Committee will continue its investigation into the circumstances behind the illegal shipment into the country of an estimated P2.4 billion worth of shabu in its next meeting.</p> <p>Rep. Barbers asked PDEA and BOC to apprise the Committee of the status of the joint investigation being conducted by the two agencies with regard to the issue at hand. PDEA Director General Aaron Aquino said that they have yet to conclude the joint investigation but promised to submit the results of the said investigation as soon as they become available.</p>

Continuation...
Dangerous
Drugs

Last August 7, the BOC seized an abandoned shipment at the MICP containing two cylindrical magnetic lifters, which upon inspection, yielded shabu hidden inside, with a street value of P2.4 billion.

Aquino stood by his initial statement that the four magnetic lifters found in a warehouse in Cavite on August 9 were part of the shipment that was seized at the MICP, and were also believed to have contained illegal drugs. According to him, although the magnetic lifters tested negative for shabu, PDEA's K-9 dogs alerted to traces of illegal drugs. The capabilities of K-9 dogs in detecting the presence of illegal drugs are far more reliable, Aquino stressed.

Aquino cited the swab tests that PDEA conducted with the Philippine National Police (PNP) on the two magnetic lifters seized at the MICP, which showed negative results but drugs were actually found inside the lifters. Aquino also pointed out the striking similarities between the four magnetic lifters in Cavite and the two found at the MICP. Add these to the fact that the persons of interest have chosen to hide instead of presenting themselves to the police, Aquino asserted.

On the other hand, the BOC, led by Commissioner Isidro Lapeña, insisted that the four lifters did not contain illegal drugs when it passed through its x-ray inspection unit. According to the chief of the BOC's X-ray Inspection Project, Zsae Carrie de Guzman, the hollow part of the magnetic lifters, which the PDEA suspected to have been added to store illegal drugs in, is actually a common feature in magnetic lifters. She added that the x-ray images of the lifters seemed to show foreign objects inside the hollow part because of the adjustments made by the supplier in the density and color of the x-ray machine.

Examining the documents submitted by the BOC, Deputy Speaker Sharon Garin (Party-List, AAMBIS-OWA) noticed that one of the BOC appraisers by the name of Dolores Domingo had been assigned 10 times to appraise the shipments of customs broker Katrina Grace Cuasay, the broker involved in the shipment of the magnetic lifters found in Cavite. When asked if this was a standard practice in the BOC, Customs Deputy Commissioner Edward James Dy Buco answered in the negative and admitted that several people within the Bureau have found a way to work around the algorithm being used in BOC's new system for handling import entries.

Several Committee Members expressed dismay at the reply of Dy Buco and directed the BOC to put in place safeguard

Continuation... Dangerous Drugs				<p>mechanisms to ensure that the system is not easily compromised.</p> <p>The Committee will invite the representative of Nuctech Co. Ltd., the supplier of x-ray machines at the BOC, who was present during the extraction of the x-ray images of the magnetic lifters to shed light on certain issues related to the inquiry.</p>
---------------------------------------	--	--	--	--

TECHNICAL WORKING GROUP MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Transportation (Technical Working Group)	HBs 4085, 4669, 4891, 6009, 6089, 6407 & 6467	Reps. Bernos, Castelo, Batocabe, Nograles (J.J.), Bagatsing, Gatchalian, and Villafuerte	Regulating transportation network services, imposing and authorizing fees, providing penalties for violations thereof	<p>The technical working group (TWG), presided by Rep. Edgar Mary Sarmiento (1st District, Samar), will deliberate further on the 15 measures in another meeting.</p> <p>At the outset, Rep. Sarmiento said that the task of the TWG is to consolidate the measures and come up with a legislation seeking to regulate the operations of TNCs and TNVS.</p>
	HB 6766	Deputy Speaker Yap	Prescribing rideshare support companies, providing regulations governing their operations, and clarifying the scope of Commonwealth Act 146, also known as the Tax Code, and the Land Transportation and Traffic Code, and other relevant laws	<p>LTFRB Chair Martin Delgra reported that the agency has resumed accepting TNVS applications starting August 24 to fill-in the remaining 10,000 slots out of the 65,000 cap that the LTFRB set for transport network vehicles.</p>
	HR 403	Rep. Agarao	Investigation into the operations of the existing transportation network companies (TNCs) (Uber, Grab and U-Hop) particularly with respect to the legality of their existence, safety of transporting passengers, abuses committed by their accredited transportation network vehicles service (TNVS) and their liabilities and most importantly, the absence of congressional franchise as a significant prerequisite for their operations	<p>Rep. Winston Castelo (2nd District, Quezon City), author of HB 4669, inquired on the basis of the 65,000 TNVS supply cap. Delgra explained that the cap was recommended by the TWG of the Department of Transportation (DOTr) that studied the prevailing demand for TNVS.</p>
	HR 573	Rep. Panganiban	Investigation into the accreditation given by the Land Transportation Franchising and Regulatory Board (LTFRB) to TNCs and the operations of Uber, Grab and U-Hop	<p>Rep. Jericho Jonas Nograles (Party-List, PBA), author of HB 6009, advised the LTFRB to fast-track the approval of provisional authority (PA) to operate a TNVS to immediately reach the 65,000 cap and solve the shortage of transport network vehicles.</p>
	HR 1125	Former Rep. Roque (H.)	Inquiry into the suspension of issuance of permits to TNVS by the LTFRB	<p>Replying to the query of Muntinlupa City Rep. Rozzano Rufino Biazon, Delgra disclosed that the delay in the issuance of PAs is due to the high volume of applicants that the LTFRB receives, and the delay on the part of the applicants themselves in the submission of the complete requirements.</p>
	HR 1138	Rep. Bagatsing	Inquiry into the process and guidelines implemented by LTFRB regarding public ride sharing and recommend remedial measures for the safety of the riding public	<p>The TWG directed the LTFRB to improve its system of processing and issuance of PAs.</p>
	HR 1139	Rep. Uybarreta	Directing the LTFRB to finalize the new guidelines for the issuance of Certificate of Public Convenience to TNVS	<p>On complaints about high fare rates set by the TNVS, Delgra said that the LTFRB will conduct a dialogue with consumer groups,</p>

Continuation... Transportation (Technical Working Group)	HR 1140	Rep. Antonio	Inquiry into the process being followed by the LTFRB in granting franchises to TNVS providers	public transport groups, and TNCs to come up with a fair TNVS fare structure.
	HR 1151	Rep. Sarmiento (E.M.)	Inquiry into the appropriate regulatory framework for TNCs and TNVS	

TECHNICAL WORKING GROUP MEETING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Cooperatives Development (Joint Senate-House Technical Working Group)	Proposed amendments to RA 6939, creating the Cooperative Development Authority (CDA), in relation to HBs 565, 1275, 2571 and SBs 305, 1341 and 1934	<p>The Joint Senate-House technical working group (TWG), co-chaired by Chief Legislative Staff Officer Davidson Torres of the Office of Sen. Juan Miguel Zubiri, and Committee Secretary Maria Elvira Ursal of the House Committee on Cooperatives Development, will deliberate further on the proposed amendments to RA 6939, or the law creating the CDA.</p> <p>The joint TWG focused its discussion on the powers, functions and responsibilities of the CDA. It agreed, among others, that the CDA will be vested with the following powers and functions:</p> <ul style="list-style-type: none"> • Compel the cooperative to call a general assembly, as deemed necessary, under the supervision of its cooperative federation or union, subject to the criteria or condition/s to be defined in the implementing rules and regulations issued for this purpose; • Adopt and implement a dispute resolution mechanism that will settle conflicts between and among members, officers, and directors of cooperatives, and between and among cooperatives in accordance with Article 137 of RA 9520 (Philippine Cooperative Code of 2008) and RA 9285 (Alternative Dispute Resolution Act of 2004); • Prescribe and collect reasonable fees, fines or charges in the performance of its registration and regulatory functions; • Require the cooperatives to prepare continuity plans for dealing with various kinds of risks; • Collaborate with concerned agencies to provide technical and professional assistance to ensure the viability, growth, competitiveness and innovativeness of cooperatives giving special concern for agriculture, fishery and economically depressed sectors; • Provide assistance to cooperatives in product development and marketing both in domestic and international market; and • Administer all grants and donations exclusively intended for cooperatives coursed through the CDA, without prejudice to the right of cooperatives to directly receive and administer such grants and donations upon agreement with the grantors and donors thereof. <p>The joint TWG was created to draft a legislation strengthening the CDA, which will be submitted to the Senate Committee on Cooperatives and the House Committee on Cooperatives Development for consideration.</p>