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15 December 2015

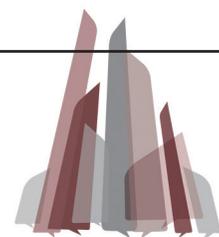
## Key reform measures in waiting

Down to the last week of session before Congress adjourns for the holiday break, the House of Representatives and the Senate are expected to enact the P3 trillion national budget for 2016 and the 2015 Salary Standardization Law for government personnel.

Of the pending legislative measures in Congress, the business community has particularly expressed support for the passage of the following reform measures<sup>1</sup> currently at various stages of the legislative mill (*status as of December 14*):

ISSUES	Awarded Projects
<p><b>1. Amending the restrictive economic provisions of the Constitution</b></p> <ul style="list-style-type: none"> <li>• It proposes to amend the Constitution through an Act of Congress or acting as a Constituent Assembly by appending the phrase, “except when otherwise provided by law” to the following economic provisions:                             <ol style="list-style-type: none"> <li>a. Ownership of Lands: Article XII Section 2, 3 and 7</li> <li>b. Ownership of Corporations: Article XII Section 10</li> <li>c. Operation of Public Utilities: Article XII Section 11</li> <li>d. Ownership of Schools and foreign enrolment: Article XIV Section 4</li> <li>e. Ownership of Mass Media: Article XVI Section 11</li> </ol> </li> </ul>	<p><b>Resolution of Both Houses No. 01 (RBH 1)</b> – <i>Approved on Second Reading</i></p> <p><b>Resolution of Both Houses No. 01 (RBH 1)</b> – <i>Pending in Committee</i></p>
<p><b>2. Customs Modernization and Tariff Act (CMTA) and Anti-smuggling</b></p> <ul style="list-style-type: none"> <li>• An improved CMTA realizes the country’s obligation to comply with the provisions of the Revised Kyoto Convention.</li> <li>• The measure aims to facilitate trade through a fully automated and competitive border clearance terms and procedures.</li> </ul>	<p><b>HB 5525</b> – <i>Approved on Third Reading</i></p> <p><b>SB 2968</b> – <i>Approved on Second Reading</i></p>
<p><b>3. Build-Operate-Transfer Law amendments / Public Private Partnership (PPP) Act</b></p> <ul style="list-style-type: none"> <li>• Includes joint venture arrangements between the private sector and government</li> <li>• Sets standards for the treatment of unsolicited bids, including extending the Swiss Challenge period from 60 days to 6 months</li> <li>• Provides that only the Supreme Court can issue TROs, and which are only valid for up to 6 months</li> <li>• Institutionalizes the PPP Center and the PPP Governing Board, as well as the Contingent Liability Fund and the Project Development Monitoring Facility</li> <li>• Sets standards for classifying projects as of national significance, thereby facilitating approval and exempting from real property taxes.</li> </ul>	<p><b>HBs 2022, 2906, 3951, 4895, and 5518</b> – <i>Pending in Committee (Committee report for filing)</i></p> <p><b>SBs 459, 2665, and 2672</b> – <i>Pending in Committee (Committee Report for filing)</i></p>

<sup>1</sup> Legislative measures related to the issues listed in the PBG-JFC (Philippine Business Groups-Joint Foreign Chambers) letter dated May 15, 2015 to President Benigno Aquino III. They however, do not necessarily represent the version supported by the business groups.



ISSUES	Awarded Projects
<p><b>4. Right-of-Way Law amendments</b></p> <ul style="list-style-type: none"> <li>• Defines “national government projects” as all national government infrastructure projects, engineering works, and service contracts, including GOCC projects, covered by the BOT Law. This classification also includes all related and necessary activities such as site acquisition, installation of equipment, operations and maintenance, etc.</li> <li>• Identifies donation, negotiated sale, expropriation, or any other mode as provided by law as the modes for acquiring real property.</li> </ul>	<p><b>HB 5588</b> – <i>Approved on Third Reading</i></p> <p><b>SB 3004</b> – <i>Approved on Third Reading</i></p>
<p><b>5. Department of Information and Communications Technology (DICT)</b></p> <ul style="list-style-type: none"> <li>• Consolidates all ICT-related functions and corresponding agencies of government under one department.</li> <li>• Meanwhile, the transportation-related functions of the DOTC will be retained hence, Department of Transportation.</li> </ul>	<p><b>HB 6198</b> – <i>Approved on Third Reading</i></p> <p><b>SB 2686</b> – <i>Approved on Third Reading</i></p>
<p><b>6. Freedom of Information (FOI) and Integrity Initiative</b></p> <ul style="list-style-type: none"> <li>• Includes joint venture arrangements between the private sector and government</li> <li>• The passage of the Freedom of Information Act is necessary to institutionalize and capitalize on the gains of the Administration with its campaign for good governance.</li> <li>• FOI will help address corruption in the bureaucracy by making government transactions transparent to the public and holding public officials accountable for their actions.</li> </ul>	<p><b>HB 5801</b> – <i>Pending Second Reading</i></p> <p><b>SB 1733</b> – <i>Approved on Third Reading</i></p>

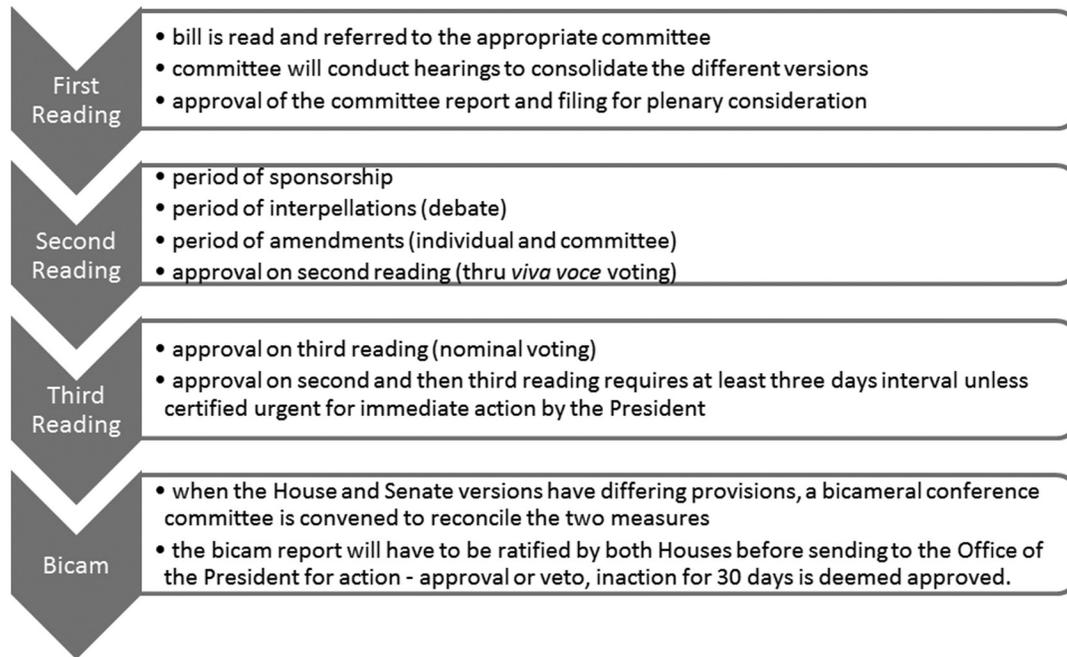
*Source: Compiled by author from the House of Representatives and the Senate website, and other relevant materials*

The Philippine Competition Act, which was also included in the recommended priorities, has been signed into law last July 21, Republic Act 10667. The law focuses on behaviour of firms, prohibiting anti-competitive agreements and abuses of dominant positions that distort, manipulate or constrict the operations of markets. Its passage is part of the country's commitment under the ASEAN Economic Community Blueprint that calls for the implementation of national competition laws in all ASEAN member states by 2015. The next step under the law is to finalize the Implementing Rules and Regulations, and set-up the Philippine Competition Commission.

Another measure that requires Congress' urgent action is the Bangsamoro Basic Law (BBL). The Makati Business Club, together with other associations, including Mindanao-based business groups has expressed strong support for the passage of an acceptable and meaningful BBL. The business leaders appealed to the lawmakers by stressing that the BBL will not only benefit Mindanao, but the Philippines as a whole as long-lasting peace is integral in increasing investor confidence.

**The legislative process**

Given the nature of a bicameral legislature, proposed bills and resolutions must hurdle the House of Representatives and the Senate before the measure is presented to the President for action. Legislative proposals can be initiated by either chamber, unless it is revenue-related where it should emanate from the House of Representatives.



The 15th and 16th Congress saw the dynamism of law-making in the Philippines.

The first national law enacted by the Aquino Administration, apart from the annual budget, was the GOCC Governance Act, or Republic Act 10149 signed on June 6, 2011. The process barely took three months, from the first committee hearing to the ratification of Congress. The following year, on December 21, 2012, the Responsible Parenthood and Reproductive Health Act, or Republic Act 10354 was finally approved into law, twenty-four years since the first bill was filed. It also took the Competition Law over twenty years before getting Congress' approval as the first bill was filed in 1994.

On the other hand, there are also measures which have been lingering in the legislature and are likely revert back to square one in the next Congress. The rationalization of fiscal incentives, first filed in 1995, and the land reform administration, first filed in 1989 are nowhere near the approval of either chamber. Unless, immediately acted upon especially by the House where it remains pending for second reading, the Freedom of Information will be one of government's broken promises.

Entering the homestretch of the 16th Congress, all the pending measures will have to be squeezed in the remaining calendar of session:

- Resumption of session                    **November 3 – December 18**
- Adjournment                                December 19, 2015 – January 17, 2016
- Resumption of session                   **January 18, 2016 – February 5**
- Adjournment                                February 6 – May 22
- Resumption                                 **May 23 – June 10**
- Adjournment (sine die)                 June 11 – July 25

Looking forward in 2016, a general election year, the deliberation on pending bills might experience a setback as Congress members prepare for the campaign season, which could potentially affect the attendance and focus of the lawmakers. Although campaign period will officially start on February 9, 2016 for national posts and March 25 for local positions, Congress, especially the House of Representatives has already been haunted by quorum problems particularly since the resumption in November 23 after the APEC meetings.

The **CongressWatch Report** is a regular publication of the Makati Business Club. Its main mission is to promote accountability and transparency of elected government officials. For inquiries, suggestions, and additional information, please call CongressWatch at telephone nos. 751-1143 to 45 or email [patrick.chua@mbc.com.ph](mailto:patrick.chua@mbc.com.ph).

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