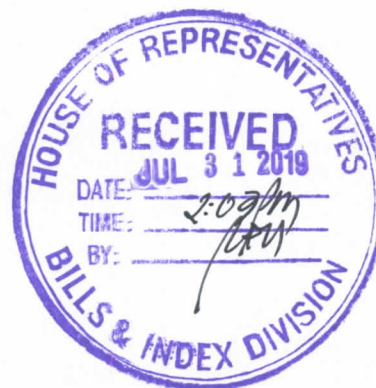


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City



**EIGHTEENTH CONGRESS**  
First Regular Session

3220  
House Bill No. \_\_\_\_\_

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Introduced by CIBAC Party-List Representatives  
Eduardo "Bro. Eddie" C. Villanueva and Domingo C. Rivera

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**AN ACT**  
**REQUIRING THE IMPLEMENTATION BY BRAND OWNERS OF**  
**MANAGEMENT PLANS THAT PROVIDE REFUND VALUES FOR**  
**CERTAIN BEVERAGE CONTAINERS**

**EXPLANATORY NOTE**

The world's pursuit for progress has resulted to one of the most urgent environmental issues of our time: plastic pollution, which is the "accumulation in the environment of synthetic plastic products to the point where they create problems for wildlife and their habitats as well as for human populations.<sup>1</sup> Once people have realized the conveniences of using plastics, it seems like there is no turning back. In fact, the rapidly increasing production of plastics now overwhelms the world's ability to manage them.<sup>2</sup>

We can see the adverse effects of plastic mismanagement all around us—clogged drains that cause flooding during heavy rains or, even, mere high tide occurrences; plastic-filled landfills and dumpsites that cause harm to our environment and to our health; coastal lines littered with plastics, especially the single-use ones; and others.

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<sup>1</sup> Encyclopedia Britannica. Retrieved from <https://www.britannica.com/science/plastic-pollution> on 31, July 2019.

<sup>2</sup> 2019, June 7. The World's Plastic Pollution Crisis Explained. Retrieved from <https://www.nationalgeographic.com/environment/habitats/plastic-pollution/> on 2019, July 30.

Most disturbingly, our plastic mismanagement harms, or worse, kills those which have no part in it such as animals, especially creatures at sea, where most plastics pile up. Almost 700 species of animals are affected by plastics. Millions of them—from birds to fish to other sea creatures—are strangled, poisoned, or starved to death by plastics every year.<sup>3</sup>

Plastic mismanagement is true not just in the world in general, but also in the Philippines in particular. A study done by Ocean Conservancy put the Philippines as one of the top five countries where most plastic wastes originate.<sup>4</sup> Moreover, a United Nations report indicated that 81% of the Philippines, or accounting to 6,237,653 kilograms, daily plastic consumption are mismanaged.<sup>5</sup> A huge chunk of these wastes comes from mismanaged beverage plastic containers.

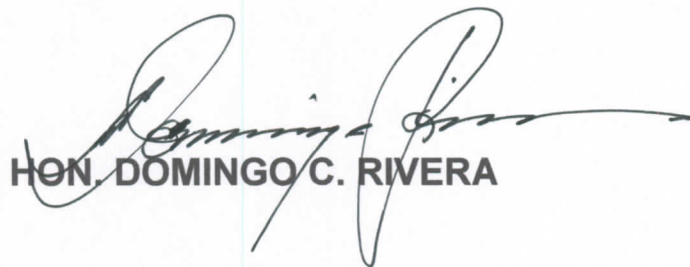
Recently, there have been collective efforts, from the beverage industry and the public alike, to organize projects that will promote proper disposal of beverage containers. As much as we laud these endeavors, we also acknowledge the urgent need for a law to mandate, not just encourage, proper management of beverage disposal, especially in the side of beverage manufacturers.

This bill aims to strengthen and improve existing mechanisms for effective recovery, disposal, and management of beverage containers. While, by providing incentives, it encourages consumers to take part in the process, it also acknowledges the beverage industry's bigger role in handling beverage containers by requiring them to submit a management plan about it.

Given the current trend, the country's plastic problems will exponentially exacerbate if left ignored. Therefore, the immediate passing of this bill is earnestly sought.



**HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA**



**HON. DOMINGO C. RIVERA**

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<sup>3</sup> Ibid.

<sup>4</sup> 2019, January 14. Plastic Problems. Retrieved from <https://lifestyle.mb.com.ph/2019/01/14/plastic-problems/> on 2019, July 30.

<sup>5</sup> 2018, June 5. PHL 1 of 5 Countries that Produce Half of World's Plastic Waste – UN Report. Retrieved from <https://www.gmanetwork.com/news/lifestyle/healthandwellness/655744/phl-1-of-5-countries-that-produce-half-of-world-s-plastic-waste-un-report/story/> on 2019, July 30.

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**CERTAIN BEVERAGE CONTAINERS**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

**SECTION 1. Short Title.** – This Act shall be known as the "*Beverage Container Disposal Act.*"

**SECTION 2. Definition of Terms.** – For purposes of this Act, the following terms are hereby defined:

- a. **Beverage** refers to non-alcoholic or alcoholic carbonated or non-carbonated liquid that is intended for human consumption;
- b. **Beverage container** refers to those constructed primarily of metal, glass, plastic, or paper (or a combination of those materials) and has a capacity of not more than two gallons of liquid;
- c. **Beverage container agency** refers to the following:
  1. brand owner; or
  2. an entity appointed by the brand owner to act as an agent on behalf of the brand owner;



- 1 d. **Brand owner** refers to a person that owns the trademark for, manufactures,  
2 distributes, or imports for resale in interstate commerce, a beverage sold in  
3 a beverage container;  
4 e. **Department** means the Department of Environment and Natural  
5 Resources;  
6 f. **Management plan** refers to the document submitted in accordance with  
7 Section 5 of this Act;  
8 g. **Recovery rate** is the percentage obtained by dividing:  
9  
10 1. the number of beverage containers of a brand owner returned for a  
11 refund under Section 11(b)(2) in a calendar year; by  
12 2. the number of beverage containers of the brand owner for which a  
13 deposit was collected under Section 11(a) in the calendar year;  
14  
15 h. **Refund value** means the value of a beverage container determined in  
16 accordance with Section 11(b)(2) of this Act;  
17 i. **Return site** refers to an operation, facility, retail store, or an association of  
18 operations, facilities, or retail stores identified in an approved management  
19 plan and is operating under contract entered into by the return site and a  
20 beverage container agency to collect and redeem empty beverage  
21 containers of one (1) or more brand owners;  
22 j. **Seller** refers to a person that sells a beverage in a beverage container and  
23 shall include all members of the supply chain;  
24 k. **Unbroken beverage container** includes a beverage container that has  
25 been opened in a manner in which the beverage container was designed to  
26 be opened.  
27

28 **SECTION 3. Responsibilities of the Brand Owner.** – Each brand owner shall  
29 implement an effective redemption, transportation, processing, marketing, and  
30 reporting system for the reuse and recycling of used beverage containers of the brand  
31 owner; *Provided*, That no brand owner or beverage container agency shall dispose of  
32 any beverage container labeled in accordance with Section 4 in any landfill or other  
33 solid waste disposal facility.  
34

35 **SECTION 4. Beverage Container Labelling.** – No brand owner may sell or offer for  
36 sale a beverage in a beverage container unless a statement of the refund value of the  
37 beverage container, as defined under the implementing rules and regulations issued  
38 pursuant to this Act, is clearly, prominently, and securely affixed to, printed on, or  
39 embossed on the beverage container.  
40

41 **SECTION 5. Submission of Management Plan.** – Not later than 180 days after the  
42 approval of this Act or within 60 days after its due incorporation, each beverage  
43 container agency shall submit to the Department:  
44

- 45 a. a management plan, in such form as the Department may prescribe, for the  
46 collection, transport, reuse, and recycling of beverage containers that the  
47 beverage container agency, or that each brand owner represented by the  
48 beverage container agency, sells into the domestic market; and  
49 b. a fee, in such amount as the Department may establish by regulation, to cover  
50 administrative costs relating to the administration of the management plan.

1  
2 **SECTION 6. *Content of Management Plan.* –**  
3

- 4 a. The management plan submitted under Section 5 of this Act shall contain the  
5 following information:  
6  
7 1. the name, and address for service of process, of the beverage container  
8 agency submitting the management plan;  
9 2. the name and title of a contact person at the beverage container agency;  
10 3. the name and corporate address of each brand owner covered by the  
11 management plan;  
12 4. a proposed implementation date for the management plan; and  
13 5. appropriate documentation of agreements entered into by the beverage  
14 container agency and return site operators that is valid and subsisting  
15 on the date of the implementation of the management plan;  
16  
17 b. The beverage container agency shall also provide in the management plan the  
18 description of the following:  
19  
20 1. ways in which the beverage container agency intends to make the use  
21 of return sites convenient for consumers of beverages covered by the  
22 management plan in all areas of commerce;  
23 2. ways in which the beverage container agency intends to achieve, not  
24 later than two (2) years after the date of the implementation of the  
25 management plan, a recovery rate of at least eighty percent (80%); and  
26 3. ways in which the beverage container agency will manage beverage  
27 containers returned under the management plan in an environmentally  
28 responsible manner.  
29  
30 c. Each beverage container agency that submits a management plan under this  
31 Section shall promptly notify the Department, in writing, of any change in the  
32 information provided under this Section.  
33

34 **SECTION 7. *Approval of Management Plan.* –** The Department shall approve or  
35 disapprove each management plan submitted under this section within 10 working  
36 days from complete submission of all required documents. In determining whether to  
37 approve or disapprove a management plan, the Department may return the  
38 management plan to the beverage container agency with a request for additional  
39 information or with amendments proposed by the Department.  
40

41 If the Department disapproves a management plan, the Department shall, not later  
42 than 60 days after the date of disapproval, provide to the beverage container agency  
43 that submitted the management plan a written explanation of the reasons for  
44 disapproval.  
45

46 **SECTION 8. *Implementation of Management Plan.* –**  
47

- 48 a. A brand owner that, on or before the date of the enactment of this Act, is selling  
49 a beverage in a beverage container, shall:  
50



1. not later than 180 days after the date of enactment of this Act, have in effect a management plan that has been approved by the Department; and
  2. implement the management plan in accordance with the implementation date proposed in the management plan under Section 6(a)(4) of this Act.
- b. A brand owner that proposes, after the date of enactment of this Act, to sell a beverage in a beverage container shall:
1. have, as of the date on which the brand owner commences the selling of the beverage, a management plan that has been approved by the Department; and
  2. implement the management plan in accordance with the implementation date proposed in the management plan under Section 6(a)(4) of this Act.

No brand owner shall sell any beverage in a beverage container except as in accordance with subsection (a) or (b), as appropriate; or on or after the implementation date proposed in a management plan of the brand owner under Section 6(a)(4), if the Department has not approved the management plan.

**SECTION 9. Reporting.** – Each beverage container agency, the management plan of which has been duly approved and implemented in accordance with this Act, shall, not later than March 31 of each year after the implementation date of the management plan, submit to the Department a report detailing the effectiveness of the management plan during the preceding calendar year.

The report to be submitted by the beverage container agency shall contain, but not be limited to, the following information:

- a. for each type of beverage container returned, the recovery rate, expressed as a percentage, audited by an entity independent of the beverage container agency; and
- b. annual financial statements, prepared by an entity independent of the beverage container agency, of all deposits received and refunds paid by each brand owner subject to the management plan.

The Department may make available to the public the information described in this Section.

**SECTION 10. Refund.** –

On and after the implementation date of an approved management plan, a beverage container return site covered by the management plan shall:

1. accept unbroken beverage containers for return; and
2. pay to a person returning beverage containers an amount in cash that is equal to the total of the refund values affixed to, printed on, or embossed on, each container returned by the person.

1 A return site shall not be required to accept or pay a refund for a beverage container  
2 under this section if, as determined by the return site, the beverage container:

- 3  
4 a. is contaminated or, for hygienic reasons, is unsuitable for recycling;  
5 b. can be reasonably identified as a container that was purchased outside the  
6 Philippines; or  
7 c. cannot be reasonably identified as a container to which this Act applies.  
8

9 **SECTION 11. Refund Value. –**

- 10  
11 a. Effective January 1, 2020, the refund value of a beverage container shall not  
12 be lower than Five Pesos (Php5.00).  
13 b. The refund value of a beverage container under subsection (a) shall be updated  
14 on the date that is five (5) years after the date of enactment of this Act, and  
15 every five (5) years thereafter, to reflect changes during those periods in the  
16 Consumer Price Index for all published by the Philippine Statistics Authority;  
17 *Provided, That any refund value adjustment made in accordance with this*  
18 *subsection shall be rounded to the nearest 50-cent increment.*  
19

20 **SECTION 12. Recovery Rates. –** In the event that a brand owner that complies with  
21 each provision of this Act fails to achieve a recovery rate of at least 80 percent during  
22 a calendar year, the Department may require that the beverage container agency of  
23 the concerned brand owner pay an amount equal to the difference between:

- 24  
25 a. the amount of deposits collected on beverage containers of the brand owner  
26 that were sold; and  
27 b. the amount of refunds paid on those beverage containers.  
28

29 **SECTION 13. Penalties. –** A beverage container agency that fails to submit a  
30 management plan within the time prescribed under this Act shall be subject to a fine  
31 ranging from P100,000 to P10,000,000. A corresponding increase in the amount of  
32 the imposable fine shall be increased for each day of violation. The Department may,  
33 in proper proceedings and upon compliance with due process of law, may suspend or  
34 revoke the appropriate environmental licenses of the concerned beverage container  
35 agency.  
36

37 **SECTION 14. Report by the Department. –** Not later than May 31 of each year, the  
38 Department shall submit to the Congress a report that describes:

- 39  
40 a. the recovery rate for beverage containers during the year covered by the report;  
41 and  
42 b. the extent to which beverage container collection is proceeding in accordance  
43 with this Act.  
44

45 **SECTION 15. Transitory Provision. –** A special financial support for displaced  
46 workers in the solid waste disposal industry shall be allocated and included in the  
47 appropriations under the Technical Education and Skills Development Authority  
48 (TESDA) to finance the training programs of displaced workers, to be included in the  
49 General Appropriations Acts annually.  
50



1 **SECTION 16. *Implementing Rules and Regulations.*** – The Department, in  
2 consultation with relevant stakeholders shall issue within sixty (60) days after the  
3 effectivity of this Act, the rules and regulations for the effective implementation of this  
4 Act.

5  
6 **SECTION 17. *Separability Clause.*** – If any provision of this Act or any part thereof  
7 shall be declared unconstitutional or invalid, the other provisions, as far as they are  
8 separable, shall remain in force and effect.

9  
10 **SECTION 18. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations  
11 or parts thereof which are inconsistent with the provisions of this Act are hereby  
12 repealed, amended or modified accordingly.

13  
14 **SECTION 19. *Effectivity.*** – This Act shall take effect fifteen (15) days after its  
15 publication in the Official Gazette or in at least two (2) newspapers of general  
16 Circulation.

17  
18  
19 *Approved,*