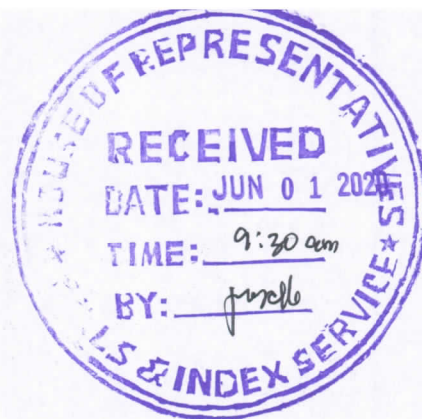


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6888



Introduced By Representative **ALLAN BENEDICT S. REYES**

EXPLANATORY NOTE

The Philippine Postal Corporation ("PhilPost") plays a significant role in Philippine society. The delivery of letters and other mail matters is a basic and strategic public utility which the State is mandated to provide. Thus, the "collection, sorting, storage, transporting, and delivery thereof must be done with utmost dispatch in the most economical, reliable and secure manner."¹

Now, more than ever, Filipinos need the services of PhilPost. As we transition to the so-called "new normal" during the COVID-19 pandemic, mail services, logistics and warehousing, postal payment and retail services play an even more important role in the lives of every Filipino, especially those who live in far-flung areas. While there are private enterprises offering similar services, it is only PhilPost that has a nationwide postal operation with a network that extends or makes available, at least ordinary mail service, to any settlements in the country.²

Under its present Charter, PhilPost has the power to "offer a wide array of postal services other than ordinary mail and parcels, which, however, shall not be compulsory, discriminatory nor unfairly competing with similar private enterprises, such as money order, parcel post, postal savings bank, philatelic, and other types of services which are internationally accepted as part of postal business."³ Moreover, PhilPost is also empowered to adopt and promulgate such rules and regulations as would improve the postal system in the country or implement the provisions of Republic Act No. 7354 or the Postal Service Act of 1992.

Over the years, however, we have witnessed the inability of PhilPost to address the threats from and opportunities created by digitalization and electronic competition. Hence, most Filipinos resort to private enterprises offering the same, if not more value-adding, services. For instance, some technology-driven business solutions providers today offer on-demand courier services with real-time tracking wherein one's parcel will get picked up immediately and delivered right straight to the recipient.

¹ Section 3, Republic Act No. 7354 An Act Creating the Philippine Postal Corporation, Defining Its Powers, Functions and Responsibilities, Providing for Regulation of the Industry and for Other Purposes Connected Therewith [hereinafter, "Postal Service Act"], 30 April 1992.

² Section 5 (d), Postal Service Act.

³ Section 6 (f) (g), Postal Service Act.


Unfortunately, however, there has been a proliferation of unregulated couriers in the country, many of which have allegedly been duping customers of millions of pesos in undelivered items, including money.* The government has difficulty tracking down these illegal activities, but especially now that the country is under a crisis, such unscrupulous acts cannot, and should not, be tolerated.

One way to address this problem is to entice customers to avail instead of PhilPost's services. If PhilPost can offer its services with the same efficiency and productivity as private couriers, then there will be no need for our *Kababayans* to resort to other service providers, whether duly registered or not. In the case of government offices and agencies, improvement in the services of PhilPost will also naturally redound to more efficient operations and better public service.

In fact, one of the mandated functions and responsibilities of PhilPost is "to determine and dispose of, in a manner it deems most advantageous, with law and settled jurisprudence, confiscated or non-mailable mail matters, prohibited articles, dead letters and undelivered mails, except the sale of prohibited drugs, dangerous materials, and other banned articles as defined by law."⁵ Hence, unlike private couriers, delivery of services through PhilPost provides an additional safety feature that is necessary during these trying times. With mails and parcels leaving digital footprints through PhilPost, the government can more effectively monitor the flow of products across the regions and the prompt delivery of essential goods throughout the country is guaranteed.

Lack of funding, however, prevents PhilPost from meeting varying customer demands as well as gaining the flexibility to continually adjust to the ever-changing business environment. Hence, there is an urgent requirement to reform PhilPost to enable it to compete effectively and respond with more timely innovations. For this purpose, PhilPost must be given the financial and technical capacity to adopt automated processes, route re-optimization, and facility/infrastructure modernization initiatives that effectively address customer demands.

In view of the foregoing, passage of this bill is earnestly sought.


HON. ALLAN BENEDICT S. REYES
Representative
3rd District, Quezon City

⁴ Rosario, Ben. Atienza bares some on-demand delivery, courier services firms operating without gov't permits available at <https://news.mb.com.ph/2019/11/18/atienza-bares-some-on-demand-delivery-courier-services-firms-operating-without-govt-permits/> (last accessed 12 May 2020).

⁵ Section 5(c), Postal Service Act.

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HOUSE BILL NO. 6888

Introduced By Representative **ALLAN BENEDICT S. REYES**

**AN ACT MODERNIZING THE PHILIPPINE POSTAL CORPORATION AND
APPROPRIATING FUNDS THEREFOR**

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

1 **SECTION 1. Short Title.** – This Act shall be known as the ***“PhilPost Modernization***
2 ***Post.*”**

3
4 **SECTION 2. Policy and Objectives.** – The delivery of letters and other mail matters
5 is a basic and strategic public utility which the State shall provide, directly or indirectly
6 through, and/or with sorting, authorized entities or persons. Accordingly, the collection,
7 sorting, storage, transporting, and delivery thereof shall be done with utmost dispatch in
8 the most economical, reliable and secure manner that available technology will permit.⁶

9
10 The State shall pursue the following objectives of a postal system:

- 11 a) to enable the economical and speedy transfer of mail and other postal matters, from
12 sender to addressee, with full recognition of their privacy or confidentiality;
13 b) to promote international interchange, cooperation and understanding, through the
14 unhampered flow or exchange of postal matters between nations;
15 c) to cause or effect a wide range of postal services to cater to different users and
16 changing needs, including but not limited to, philately transfer of monies and
17 valuables, and the like;
18 d) to ensure that sufficient revenues are generated by and within the industry to
19 finance the overall cost of providing the varied range of postal delivery an
20 messengerial services as well the expansion and continuous upgrading of service
21 standards by the same.⁷

⁶ Section 3, Postal Service Act.

⁷ *Id.*

SECTION 3. *Application of Information and Communications Technology.* – In accordance with international standards, PhilPost shall utilize information and communications technology to enhance its services and to support a cost-effective and efficient post office operations. PhilPost shall communicate, exchange and process information in the national and regional level for the efficient and prompt delivery of services in a technology-neutral and secured infrastructure for business, industries, and government. It shall keep an updated database of the entire population of the country.

The security of data and communication of and processed by PhilPost shall be in a manner that is consistent with Republic Act 10173 or the Data Privacy Act of 2012, other laws, rules and regulations, and applicable local and internationally accepted standards on information security.

SECTION 4. *Prioritization.* – Delivery of mails by PhilPost shall be based on priorities such as vital communications and parcels containing medicines, items containing goods/perishable items, items from SSS, GSIS and other public and private institutions containing pensions, checks/loans, etc.⁸ It shall adopt technology-driven business solutions and offer on-demand courier services with real-time tracking features.

SECTION 5. *Modification to Reduce Health Risks.* – The current mail delivery procedures of PhilPost shall be modified to reduce health risks and conform to social distancing guidelines as may, from time to time, be issued by the appropriate government agencies. Whenever practicable, the requirement for physical signature shall be waived and customers shall be asked to stand back or close screen doors when mail is being delivered to residences and businesses.

SECTION 6. *Main Delivery Service Provider of the Government.* – Subject to the franking privileges authorized by law and under such arrangements and conditions as may obviate abuse or unauthorized use thereof,⁹ PhilPost shall serve as the main delivery service provider of government offices and agencies.

SECTION 7. *Commission on Information and Communications Technology.* – The Philippine Postal Corporation shall continue to be attached to the Commission on

⁸ Post Office Operational Updates dated 4 April 2020 available at <https://www.phlpost.gov.ph/advisory.php?id=82> (last accessed 12 May 2020).

⁹ See Section 35, Postal Service Act subject to the ruling of the Supreme Court in *The Philippine Judges Association v. Prado*, G.R. No. 105371, 11 November 1993, the dispositive portion of which reads as follows:

ACCORDINGLY, the petition is partially GRANTED and Section 35 of R.A. No. 7354 is declared UNCONSTITUTIONAL. Circular No. 92-28 is SET ASIDE insofar as it withdraws the franking privilege from the Supreme Court, the Court of Appeals, the Regional Trial Courts, the Municipal Trial Courts, the Municipal Circuit Trial Courts, and the National Land Registration Authority and its Registers of Deeds to all of which offices the said privilege shall be RESTORED. The temporary restraining order dated June 2, 1992, is made permanent. SO ORDERED.

1
2
3
4 Information and Communications Technology ("CICT").¹⁰ The said Commission shall
5 review and revise the existing rules and regulations of PhilPost for the modernization of a
6 nationwide postal system pursuant to this Act.¹¹
7

8 **SECTION 8. *Implementing Rules and Regulations.*** – Within sixty (60) days from
9 the promulgation of this Act and in a manner not inconsistent with the Section immediately
10 preceding, the necessary rules and regulations for the proper implementation of the
11 provisions of this Act shall be formulated by other appropriate government offices or
12 agencies in coordination with the CICT and all stakeholders.
13

14 **SECTION 9. *Appropriations*** – In addition to the funds mentioned under Republic
15 Act 7354, there is hereby appropriated from the general funds in the National Treasury
16 not otherwise appropriated the sum of Five Hundred Million Pesos (Php 500,000,000.00)
17 or so much thereof as may be necessary to carry out the purposes of this Act, to cover
18 the salaries, wages, purchase of computers, motor vehicles, supplies, equipment, and
19 other sundry expenses of PhilPost.

20 The amount appropriated herein shall be carried in the General Appropriations
21 Acts, chargeable to the Department of Information and Communication Technology, for
22 succeeding fiscal years.

23 **SECTION 10. *Repealing Clause.*** – All laws, executive orders, administrative
24 orders, rules, regulations, decrees, and other issuances or parts thereof, which are
25 inconsistent with the provisions of this Act are hereby revoked, repealed, or modified
26 accordingly.
27

28 **SECTION 11. *Separability Clause.*** – If any provision of this Act is held
29 unconstitutional or invalid, the other provisions not affected thereby shall continue in
30 operation and remain in full force and effect.
31

32 **SECTION 12. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after
33 its publication the *Official Gazette* or in the two (2) national newspaper of general
34 circulation.
35

36 Approved,

10 Sections 3, Executive Order No. 269, series of 2004, Creating the Commission on Information and
Communications Technology [hereinafter, "E.O. 269"], 12 January 2004.

11 Sections 4(k), E.O. 269.