

## Committee Daily Bulletin

18<sup>th</sup> Congress First Regular Session A publication of the Committee Affairs Department

May 29, 2020

		СОМ	MITTEE MEETING ON HOUSE MEASURES	
	ME	ASURES	SUBJECT MATTER	
COMMITTEE	NO.	PRINCIPAL AUTHOR		ACTION TAKEN/DISCUSSION
Banks and Financial Intermediaries	HB 6795	Rep. Cua	Providing for Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE)	The Committee, chaired by Quirino Rep. Junie Cua, approved HB 6795, subject to style. The Secretariat was directed to draft the corresponding Committee Report.
				Rep. Cua said that the bill is a product of a number of consultations with the Department of Finance (DOF), National Economic and Development Authority (NEDA), and the members of the team who crafted the bill on Philippine Economic Stimulus Act (PESA) of 2020. It came about as a way of helping the government find innovative and creative ways to raise the necessary funds to help industries recover without pushing too much the country's deficit spending.
				In a brief powerpoint presentation, Bangko Sentral ng Pilipinas Deputy Director Jocelyn Angeles said that the proposed law seeks to provide financial assistance to distressed enterprises critical to economic recovery through the following government financial institutions (GFIs): Philippine Guarantee Corporation (PGC), Land Bank of the Philippines (LBP), and Development Bank of the Philippines (DBP).
				<ul> <li>Among the salient features of the bill are:         <ul> <li>Expanding the guaranty facility of the PGC as well as the loan assistance program, rediscounting, and other credit accommodation facilities of LBP and DBP;</li> <li>Creating a special holding company to be named as Accelerate Recovery to Intensify Solidarity and Equity (ARISE) by LBP and DBP to reinvigorate strategically important companies;</li> <li>Granting incentives and exemption privileges to PGC, LBP, DBP, as well as ARISE for effective implementation of the proposed law;</li> <li>Providing special power to the President to program, reallocate, and realign appropriations; and</li> <li>Appropriating P55 billion to implement the proposed law.</li> </ul> </li> </ul>
				The Committee Members and representatives from the BSP, LBP, DBP, PGC, NEDA, Bureau of Treasury, Securities and Exchange Commission, Department of Budget and Management, Small Business Corporation,

Continuation Banks and Financial Intermediaries				and Bankers Association of the Philippines discussed the bill thoroughly, especially on the issues concerning the ARISE and the composition of its Board, transfer of assets, provision of incentives and exemption privileges to GFIs, and benefits of the proposed law to the local government units.
Higher and Technical Education	Substitute Bill to HBs 6449, 1855 & 1936	Reps. Go (M.) and Rodriguez, and Deputy Speaker Romero	Strengthening the Commission on Higher Education (CHED), amending for the purpose RA 7722, otherwise known as the Higher Education Act of 1994, and appropriating funds therefor	The Committee, chaired by Baguio City Rep. Mark Go, approved the substitute bill subject to style and amendment.  The Committee agreed to clearly state in the substitute bill that the CHED has the authority of oversight and reasonable supervision and regulation over higher education institutions (HEIs), including foreign HEIs, which operate under Philippine laws.  Likewise, it was agreed upon by the body to include the Philippine Association of State Universities and Colleges (PASUC) and the Association of Local Colleges and Universities (ALCU) in the consultation process with CHED pertaining to the development and implementation of standards and systems in the reclassification, promotion and professional development of personnel in state universities and colleges (SUCs) and local universities and colleges (LUCs).  Meanwhile, Rep. Paul Ruiz Daza (1st District, Northern Samar) requested CHED to report on the present status of its <i>Tulong Dunong</i> Program which grants P12,000 annual financial assistance to qualified students in public or private schools.  CHED Chair J. Prospero de Vera III explained that funds for the <i>Tulong Dunong</i> Program for 2020 was part of the appropriation labeled "for later release" by the Department of Budget and Management (DBM) upon the instruction of the President when the 2020 General Appropriations Act (GAA) was enacted. The DBM, with the issuance of National Budget Circular 580 during the pandemic, declared as a policy that all "for later release items" will no longer be released to generate the required amount to implement the national policy addressing the COVID-19 pandemic.  De Vera further disclosed that the DBM circular provides that 35% of all allocated money for government programs will no longer be released. However, CHED was able to obtain an exemption from this with regard to the funding for the programs under the RA 10931, or the Universal Access to Quality Testary Education Act. Hence, CHED will now be able to continue funding the programs under RA 10931.
	HB 6398	Rep. Rodriguez	Establishing the Philippine Merchant Marine Academy extension campus in Cagayan de Oro City for Mindanao, providing funds therefor	The Committee approved HB 6398 subject to style and amendment.

Continuation Higher and Technical Education	HBs 6458, 6517, 6726 & 6736	Reps. Babasa, Garcia (J.E.), Albano (A.), and Fariñas (R.C.)	Establishing Technical Education and Skills Development Authority (TESDA) training and assessment centers in certain parts of the country, and appropriating funds therefor	The Committee approved the four bills subject to style and amendment.
	HB 6572	Rep. Natividad- Nagaño	Establishing a campus of the Polytechnic University of the Philippines (PUP) in the Municipality of Cabiao, Province of Nueva Ecija, to be known as the PUP-Cabiao Campus, and appropriating funds therefor	The Committee approved HB 6572, subject to style and amendment, and PUP's compliance with certain requirements set by CHED.  Rep. Maricel Natividad-Nagaño (4th District, Nueva Ecija) disclosed that there is an existing PUP campus in Nueva Ecija since 1996. But the proposed establishment of a PUP campus in the Municipality of Cabiao will allow more students in Nueva Ecija and in nearby provinces to have access to quality education at a lesser cost.  Rep. Natividad-Nagaño manifested that a bill with similar subject matter was approved on Third Reading in the previous Congress.
				De Vera said that in August 2019, President Rodrigo Duterte vetoed a similar bill that sought the conversion of a PUP extension program into a regular campus. The reason for the veto was that in areas where there are already existing universities or campuses, adding another or converting a campus shall no longer be necessary.
				De Vera also said that the President may veto the proposed law if its intention is simply to pass on to the national government the cost of operating the school instead of the local government shouldering the cost. However, if the intention of the proposed law is to offer other degree programs not being offered by schools in the area, De Vera said that the school proposed to be established should comply with the prescribed procedural process.
Public Order and Safety jt. w/ National Defense and Security	Substitute Bill to HBs 551, 2082, 2847, 3103, 3413 & 5710	Reps. Biazon, Nograles, Deputy Speakers Villafuerte and Romero, Reps. Tulfo, and Bolilia	Preventing, prohibiting and penalizing terrorism, thereby repealing RA 9372, otherwise known as the Human Security Act of 2007 or the "Anti-Terrorism Act of 2020"	The Joint Committee, presided by Rep. Narciso Bravo Jr. (1st District, Masbate), Chair of the Committee on Public Order and Safety, and Rep. Raul "Boboy" Tupas (5th District, Iloilo), Chair of the Committee on National Defense and Security, approved the Substitute Bill and the corresponding Committee Report.
				Earlier in the meeting, the body agreed to adopt a new substitute bill similar to the Senate version in lieu of the substitute bill that was previously drafted by the joint Committee.
				According to Muntinlupa City Rep. Rozzano Rufino Biazon, author of HB 551, the Human Security Act (HSA) had to be overhauled, which necessitated the drafting of a new substitute bill.
				Rep. Jericho Jonas Nograles (Party-List, PBA), author of HB 2082, said that plenary debates in the coming week would help polish this bill further.

Meanwhile, Rep. Tupas explained the urgency Continuation... Public Order of the proposed law. He said that it addresses the strategic deficiencies in the country's antiand Safety jt. w/ National money laundering and counter-terrorism financing efforts. Delay in the passage of this Defense and Security bill would have serious implications for the country such as being grey-listed by the central anti-money laundering world's organization, the Financial Action Task Force (FATF).

Being grey-listed would entail an increase in the cost of transacting with foreign financial institutions and delay in transactions, which means a 2-4% reduction in annual foreign currency remittances and negative reputational and country risks. Consequently, this would mean less money for overseas Filipino Workers and their families, and higher cost of business and production, Rep.Tupas added.

Members expressing their objection to the bill were: Rep. Jose Christopher Belmonte (6<sup>th</sup> District, Quezon City) and Party-List Reps. Carlos Isagani Zarate (BAYAN MUNA), France Castro (ACT-TEACHERS), Arlene Brosas (GABRIELA), Ferdinand Gaite (BAYAN MUNA), Sarah Jane Elago (KABATAAN), and Eufemia "Ka Femia" Cullamat (BAYAN MUNA).

Their main contention is that the provisions of the bill are too broad which can potentially brand a mere government critic or activist as a terrorist. They also said that the proposed law could further widen the power of state security forces which could lead to more human rights violations.

They likewise questioned the approval of a new substitute bill which disregarded the earlier discussions on and inputs to the previous substitute bill.

On the suggestion of Rep. Robert Ace Barbers (2nd District, Surigao del Norte) on "amending" RA 9372 instead of "repealing" it, as reflected in the title of the bill, Deputy Speaker Luis Raymund "LRay" Villafuerte Jr. (2nd District, Camarines Sur), author of HB 2847, reiterated that it is because the HSA will be completely overhauled by this bill.

Deputy Speaker Villafuerte expressed his gratitude for the approval of the bill and for the active participation of the Members during the meeting.

DISCUSSION WITH AGENCIES/ENTITIES					
COMM	/IITTEE	SUBJECT MATTER	DISCUSSIONS		
Overseas Affairs	Workers		The Committee, chaired by Rep. Raymond Democrito Mendoza (Party-List, TUCP), discussed with concerned government agencies		

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industry on the situation of overseas Filipino workers (OFWs) who are affected by the COVID-19 pandemic, specifically on the following concerns:

and private entities the problems affecting OFWs amidst the COVID19 pandemic.

 Condition of returning OFWs in the quarantine facilities and means of transportation back to their hometowns At the outset, Rep. Mendoza brought up the plight of stranded OFWs in quarantine facilities in Metro Manila and nearby areas who are waiting to be transported back to their respective provinces. He also raised the concerns of displaced OFWs who are still in other countries and are scheduled to be repatriated in the coming weeks.

Department of Labor and Employment's International Labor Affairs Bureau (DOLE-ILAB) Director Alice Visperas said that out of 24,000 stranded OFWs in quarantine facilities in the National Capital Region (NCR), about 19,010 were transported back home via air or land transportation. The Department will send home the remaining OFWs within the week, pursuant to the directive of President Duterte.

Department of the Interior and Local Government (DILG) Undersecretary for Operations Epimaco Densing III reported that the DILG has already assisted the return of 7,217 OFWs to their respective provinces. He assured the local government units (LGUs) that these OFWs had undergone real-time reverse transcription polymerase chain reaction (RT-PCR) tests and were found to be COVID-19 free before they were allowed to go home.

Department of Foreign Affairs' Office of the Undersecretary for Migrant Workers' Affairs (DFA-OUMWA) Assistant Secretary Enrico Fos said that the DFA had repatriated 31,327 OFWs and was expecting to assist more than 40,000 in the following months.

Densing said that according to the latest directive of the Inter-Agency Task Force on the Management of Emerging Infectious Diseases (IATF), all repatriated overseas Filipinos will have to immediately undergo swab testing to be performed by the Bureau of Quarantine (BOQ) at the airports before going to the quarantine facilities where they will stay for three to five days while waiting for the test results. He said that the 14-day quarantine period which was initially imposed on returning OFWs is no longer being implemented. Any OFW who tested negative will be allowed to go home, while those whose test came out positive will be referred to hospitals for proper care and medication.

Meanwhile, Rep. Ferdinand Gaite (Party-List, BAYAN MUNA) criticized the BOQ guideline which states that OFWs in the quarantine facilities are not allowed to accept media interviews and to post in social media. The BOQ directive states further that "electronic gadgets and cellphones of the violators will be confiscated and will be returned after the quarantine period."

Overseas Workers Welfare Administration (OWWA) Administrator Hans Cacdac said that OWWA did not issue any prohibition that would curtail the rights of the OFWs. He said that he will discuss the matter with the BOQ.

 Recovery and social amelioration plan for the affected OFWs Cacdac said that as of May 21, OWWA has provided assistance to 39,708 OFWs in terms of providing temporary shelters in hotels or resorts, food, and free transportation to their provinces after being cleared to leave the quarantine facilities. OWWA has disbursed P738 million for this assistance.

Cacdac said that because of the pandemic, the P153.5 million from the FY 2020 GAA emergency repatriation fund was already depleted. He added that the OWWA collection went down to P18.8 billion from P19.6 billion at the start of the year. Anticipating the influx of returning OFWs in the coming months, Cacdac requested for an additional budget of P7.5 billion for FY 2021.

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On the query of Rep. Enrico Pineda (Party-List, 1-PACMAN) about OWWA's reintegration program for returning OFWs, Cacdac said that through the OWWA's *Balik Pinas, Balik Hanapbuhay* Program, the OFWs are given financial assistance – P20,000 for active members and P10,000 for inactive ones – to start their own enterprise. Rep. Pineda suggested that the displaced OFWs be given priority in the hiring of workers for the infrastructure projects of the national

billion for FY 2021.

government.

The Members agreed to include the displaced, retrenched or repatriated OFWs to the zero-interest loans under the proposed Philippine Economic Stimulus Act (PESA), which is being deliberated upon in the Plenary.

Visperas warned that from February 2020 to December 2021, there

would be more than one million displaced OFWs and more than

150,000 to be repatriated. To cushion the impact of the pandemic on the workers and OFWs, DOLE has laid down medium and long term interventions for which it will be needing an additional budget of P15.3

 Government's compliance with the International Maritime Organization's (IMO) crew change protocols Maritime Industry Authority (MARINA) Administrator Robert Empedrad said that the Department of Transportation (DOTr), through MARINA, has issued on May 28 the protocol on crew changes and repatriation of seafarers in foreign-registered or Philippine-registered vessels docked in international ports or seaports under the jurisdiction of the Philippines because of the pandemic.

On May 7, the IMO set out general measures and procedures designed to ensure that ship crew changes can take place safely during the COVID-19 pandemic. As long as the shipping companies broadly comply with and adhere to measures applicable to them, governments and their relevant national authorities should, for their part, do everything possible to allow crew changes to happen.

Empedrad expressed his optimism that the country will be able to deploy more seafarers in June considering that the IATF has categorized seafarers as essential workers.

Meanwhile, the stakeholders in the country's seafaring and manning industry appealed to set aside DOLE's May 27 Department Order (DO) No. 211-A which provides that the Philippine manning agency or the ship owners they represent shall cover the board and lodging expenses of their deployed seafarers during their quarantine period. They argued that this is an additional burden to the local manning agencies that are also struggling to survive from their business losses caused by the pandemic. If the department order will continue to be in force, the ship owners may consider hiring seafarers from other countries, like Myanmar and Indonesia, whose governments pay for the accommodation of seafarers who are mandated to undergo quarantine, they added.

Rep. Macnell Lusotan (Party-List, MARINO) said that the government should look into the predicament of the manning agencies to ensure the continued deployment of Filipino seafarers.

Rep. Gaite urged the immediate approval of the proposed Magna Carta of Filipino Seafarers which ensures the protection of the rights and interests of the seafarers.

 Appeal of the Filipino Nurses United (FNU) to the Philippine Overseas Employment Administration (POEA) to lift the suspension of deployment of healthcare workers (HCWs) FNU representative Maristela Abenojar brought up the concern of Filipino nurses who are affected by the POEA Governing Board Resolution No. 9, series of 2020, which suspended the deployment abroad of HCWs during the national state of emergency. She lamented that the nurses, who are mostly breadwinners and have already spent P100,000 to P200,000 for their pre-employment

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expenses, have not been issued an Overseas Employment Certificate which is a requirement for deployment.

POEA Administrator Bernard Olalia reported that from April to May 2020, 912 HCWs were allowed to leave the country despite the temporary deployment ban because they have completed their employment papers before March 8.

Pursuant to IATF Resolution No. 23, all medical and allied healthcare professionals with perfected and signed overseas employment contracts as of March 8, 2020 shall be allowed to leave the country to work abroad.

Olalia added that the ban is not absolute, as the POEA also allows the deployment of healthcare workers through government-to-government arrangement as well as the deployment of OFWs categorized as "balik manggagawa."

## Trade and Industry

Discussion on "new normal" protocols and requirements for business operations during quarantine, with focus on restaurants and similar food establishments

The Committee, chaired by Rep. Wes Gatchalian (1st District, Valenzuela City), listened to the issues and concerns of food and restaurant businesses relative to the requirements for business operations during quarantine and the "new normal" protocols.

Resource persons from the restaurant industry, represented by Bistro Group Chairman and Chief Executive Officer Bill Stelton, Foodee Global Concept President Eric Dee, McDonald's Philippines Managing Director Margot Torres, CIBO Chain Owner Margarita Fores, and The Moment Group (TMG) co-founder Abba Napa, presented the challenges experienced by restaurants particularly the much reduced number of customers which forced them to close down some of their branches.

According to Stelton, majority of the restaurants, especially dine-in restaurants with no pick-up and delivery services, are seen to suffer losses and may not even reach break-even level this year.

Torres reported that since the declaration of the enhanced community quarantine (ECQ), McDonald's kept its drive-thrus open. However, this still resulted in the permanent closure of 20 stores and the possible temporary closure of 20 more stores.

To keep her company afloat during the crisis, Fores shared that its catering operations shifted to delivery service. She asked that additional support from the government be extended to this growing industry, as more and more companies shift to delivery service in order to survive.

Meanwhile, Napa assured the Committee that the TMG will fully comply with government safety protocols although she said that the limitation on the number of customers due to social distancing will affect the profitability of its restaurants. She also said that her company will engage in other profitable ventures in order to maintain its employees.

Dee requested that dine-in restaurant owners be immediately provided with the Department of Trade and Industry's (DTI) guidelines and safety protocols in order for them to already start implementing the necessary changes and resume the reopening of businesses at the soonest possible time.

Department of Trade and Industry (DTI) Secretary Ramon Lopez agreed that the pandemic and the enforcement of the lockdown have truly hurt so many businesses particularly the micro, small and medium enterprises. He said that the Department is doing its best to allow the reopening of about 50 to 60% of dine-in restaurants on a gradual basis during the general community quarantine (GCQ) period.

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DTI Undersecretary for Consumer Protection Group Ruth Castelo gave a presentation on DTI's proposed safety protocols for dine-in restaurants to be approved by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF). The protocols include the following:

- "No mask, no entry" policy;
- Social distancing and client-personnel interaction protocols;
- Regular sanitation schedule and procedures (A 10-minute interval for sanitation in between customers dining-in is required);
- Availability of alternative methods of payment, if applicable;
- Availability of alternative methods of ordering and picking up of orders; and
- Procedures to observe in case clients refuse to comply with the protocols (in a manner consistent with the law).

According to Castelo, the DTI will also recommend to the IATF that only those business establishments which comply with DTI-issued protocols can resume operations, and that all operations are subject to post audit by the DTI, Department of Labor and Employment (DOLE), Department of Tourism (DOT), Local Government Unit (LGU) Health Office, and other deputized organizations. She also apprised the body that the DTI will operationalize a citizen's feedback mechanism to ensure that businesses are compliant with the protocols.

With regard to the support being extended by malls to tenants and merchants and other store owners, Greenfield Development Corporation Retail Head Rene Arnobit reported that assistance packages were provided to lessees or tenants since the ECQ.

Robinsons Land Corporation Senior Vice President and General Manager Arlene Magtibay said that rents were waived for tenant partners who were unable to open.

AyalaLand Malls, Inc. President Jennylle Tupaz said that P4 billion worth of rent condonation was granted by AyalaLand and the charging of parking fees was suspended. She also explained that the priority now is to conserve cash and for merchants to resume their operations, noting that only about 30% are operating and only about 10% of customers are going to the malls. Tupaz confirmed that many merchants or businesses are pivoting to digital services.

Likewise, SM Supermalls Vice President for Operations Bien Mateo said that his company is closely coordinating with the tenants, and that it is ready to extend its support to help them resume their operations. He added that no penalties or additional fees will be charged to tenants which could still not operate during the GCQ.

The Chair assured the body that all the comments and suggestions made during this meeting and in the previous meeting would be consolidated and forwarded to the DTI Secretary for his appropriate action.