

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Third Regular Session

House Bill No. 6706



Introduced by Representatives
DIOSDADO MACAPAGAL ARROYO and GLORIA MACAPAGAL ARROYO

AN ACT
PROVIDING FOR CONSUMER GROUP REPRESENTATION IN THE
GOVERNING BOARDS OF GOVERNMENT REGULATORY BODIES
AMENDING FOR THE PURPOSE THEIR RESPECTIVE CHARTERS, AND
FOR OTHER PURPOSES¹

EXPLANATORY NOTE

Today, the Filipino people is saddled with the burden of high and volatile cost of public utilities. The public helplessly accept and watch as a succession of increases in the price of goods and services relentlessly devour what is left of their purchasing power.

It is now more expensive to travel by public transportation as fare rates are up in buses, taxis and jeepneys. The Metro Rail Transit (MRT), which was expected to alleviate the demand of the public for affordable mass transportation, has also become expensive for daily commuters. Plying our toll roads had just become almost unaffordable, while pump prices continue an upward trend. Our phone, water and electric bills have also steadily increased.

All of these unfold almost at the same time as the Filipino consumer now turns to the government for relief. Unfortunately, this upsurge in the cost of basic necessities had been approved by government regulatory bodies despite heavy opposition from the public.

¹ This is a counterpart measure to Senate Bill No. 2680 filed by the Honorable Ralph G. Recto during the First Regular Session of the present 15th Congress.

This fact tells us that the opinion of the public, as consumers and end users of products and services, do not weigh heavily on public policy when the opposite should be true.

No less than the Philippine Constitution mandates that public participation, in the interest of transparency and effective governance, shall be promoted at all levels of social, political, and economic decision-making.

Furthermore, it is the duty of the State to provide for mechanisms in which the concerned sectors can actively participate, in particular, in the regulatory affairs of government.

Unfortunately, up to this day, a number of charters creating various government regulatory bodies - especially those concerned with determining rates of utilities, public transport, etc. - do not contain any provision of increasing public participation in their decision-making process.

As a result, numerous policy decisions in the past have been approved either without prior consultation from stakeholders or without full disclosure of its details in public forums, thereby compromising the ideals of participative policy-making and transparency.

This bill seeks to address all that. Specifically, this measure aims to provide for the institutionalization of the participatory mechanisms for concerned stakeholders by including at least one (1) representative coming from consumer groups belonging to the sector being regulated by the government regulatory body concerned, amending the charters creating the following regulatory bodies:

1. Land Transportation and Franchising Regulatory Board (LTFRB);
2. Toll Regulatory Board (TRB);
3. Energy Regulatory Commission (ERC);
4. Manila Waterworks and Sewerage System (MWSS); and
5. National Telecommunications Commission (NTC).

It calls for the creation of the position of Consumer Group Representative, who will sit at the Governing Boards of these regulatory bodies.

Once this bill is enacted into law, the public, as a consumer, would be well-represented in the Governing Boards of these regulatory bodies when they formulate public policy, particularly with regards to the approval of rate increases in the sector they regulate.

The bill also aims to prevent malicious activities and grave abuse of discretion committed by those who sit on the affected regulatory bodies because

they will no longer be left unchecked as representatives of sectors concerned will have direct participation over decision-making affairs at the top level.

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



DIOSDADO MACAPAGAL ARROYO
Second District, Camarines Sur



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Second District, Pampanga

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

SECTION 1. *Title.* – This Act shall be known as "Consumer Group
Representation in Regulatory Bodies Act of 2012."

SECTION 2. *Declaration of Policy.* – Pursuant to the constitutional
mandate that the right of the people and their organizations to effective and
reasonable participation at all levels of social, political, and economic decision-
making shall not be abridged, and the State shall, by law, facilitate the
establishment of adequate consultation mechanisms, the State shall:

- a) prevent the concentration of power and information in a few
persons/government organizations;
- b) adopt and implement a policy of full public disclosure of all its
transactions involving public interest thereby promoting transparency and
accountability; and

- c) ensure the protection and advancement of consumer welfare by mandating the inclusion of consumer group representatives in the Governing Boards of government regulatory bodies.

SECTION 3. *Consumer Group.* – For purposes of this Act, a consumer group shall refer to a representative organization, registered under the Securities and Exchange Commission (SEC), which has been established and organized to cater to a national constituency, and whose mandate includes the protection of the interests and rights of consumers in a specific sector that is being regulated by a government regulatory body.

SECTION 4. *Coverage.* – The Governing Boards of the following government regulatory bodies shall include at least one (1) member who shall represent the consumer group belonging to the sector being regulated by the government regulatory body concerned:

- a) Land Transportation and Franchising Regulatory Board, created by Executive Order No. 292;
- b) Toll Regulatory Board, created by Presidential Decree No. 1112;
- c) Energy Regulatory Commission, created by Republic Act No. 9136;
- d) Manila Waterworks and Sewerage System, created by Executive Order No. 1036;
- e) National Telecommunications Commission, created by Executive Order No. 546;

Such member of the respective governing boards of the aforementioned government regulatory bodies shall be called the Consumer Group Representative.

The Consumer Group Representative shall perform the same functions, shall have the same voting rights, shall be paid the same salaries, remunerations and emoluments, and enjoy the same privileges as those enjoyed by the other members of the Governing Board of the concerned government regulatory authority.

SECTION 5. *Qualifications of Consumer Group Representative.* – No person shall be appointed as a Consumer Group Representative unless he is a natural born citizen of the Philippines, at least thirty (30) years of age, able to read and write, a bona fide member of the Consumer Group which he seeks to represent for at least two (2) years prior to his appointment, and has never been convicted of any administrative, civil or criminal offense involving moral turpitude.

The Consumer Group Representative should also have at least five (5) years of known advocacy in the consumer sector he represents.

If, at any time during his appointment, the Consumer Group Representative ceases to be a bona fide member of his respective consumer group through expulsion, resignation, or any manner of removal sanctioned by its organizational by-laws, the position of Consumer Group Representative shall automatically be declared vacant and shall be filled up accordingly by initiating the appointment process as herein provided.

SECTION 6. *Appointing Authority.* – The President of the Republic of the Philippines shall appoint the Consumer Group Representative subject to the qualifications as herein provided, and to the limitations and prohibitions under existing laws and statutes.

SECTION 7. *Implementing Rules and Regulations.* – The Department of Budget and Management (DBM) and the government regulatory agencies as enumerated under Section 4 of this Act shall formulate and issue the necessary implementing rules and regulations for the effective implementation of this Act within sixty (60) days after the effectivity of this Act.

SECTION 8. *Separability Clause.* – If any part or provision of this Act shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 9. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations, or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SECTION 10. *Effectivity.* – This Act shall take effect fifteen days (15) days following its publication in at least two (2) newspapers of general circulation or the Official Gazette.

Approved,