

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
Third Regular Session

House Bill No. 6714



Introduced by Honorable Erico B. Aumentado

EXPLANATORY NOTE

This bill seeks to allocate the over P84 billion coconut levy fund adjudged by the Supreme Court to be owned by the government to be used only for the benefit of all coconut farmers and for the development of the coconut industry.

In its recent decision, the Supreme Court declared to be owned by the government the CIIF companies – Southern Luzon Coconut Oil Mills (SOLCOM), Cagayan de Oro Oil Co., Inc. (CAGOIL), Iligan Coconut Industries, Inc. (ILICOCO), San Pablo Manufacturing Corp. (SPMC), Granexport Manufacturing Corp. (GRANEX), and Legaspi Oil Co., Inc. (LEGOIL); and the fourteen (14) holding companies – Soriano Shares, Inc., ACS Investors, Inc., Roxas Shares, Inc., Arc Investors, Inc., Toda Holdings, Inc., AP Holdings, Inc., SMC Officers Corps, Inc., Te Deum Resources, Inc., Randy Allied Ventures, Inc., Rock Steel Resources, Inc., Valhalla Properties Ltd., Inc. and First Meridian Development, Inc.; and the CIIF Block of San Miguel Corporation (SMC) shares of stocks totaling 33,133,266 shares as of 1983 together with all dividends declared, paid and issued thereon as well as an increments thereto arising from, but not limited to, exercise of pre-emptive rights (*Petitioners COCOFED, et al. G.R. Nos. 177857-58 and Danila S. Ursua, G.R. No. 178193*).

This bill provides a compromise between the positions of Agriculture Secretary Proceso Alcala and Senator Joker Arroyo. Sec. Alcala wants to use the fund exclusively for the rehabilitation and development of the coconut industry. On the other hand, Sen. Arroyo wants the fund to be given directly to the coconut farmers as desired by them.

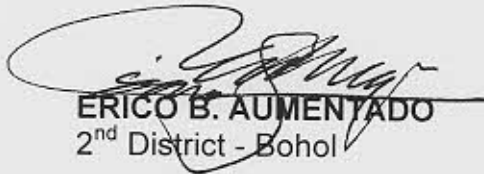
To resolve the impasse, this measure aims to install a compromise mechanism of allocating the coconut levy fund: 40% for all coconut farmers cash share; 40% for the development of the coconut industry; and 20% as revolving fund for the scholarship program of the coconut farmers children who pursue their education dreams and aspirations.

The revolving education fund can be accessed exclusively by the farmers children as a concessional loan to be paid on installment basis from their employment the soonest possible time.

The coconut farmers children who are taking agriculture courses shall be prioritized in the availment of the student loan fund in order to encourage more students to take up agriculture and provide the necessary technicians and experts to develop the agriculture industry in the country.

Finally, this legislation could avert a possible agrarian problem if the coconut farmers would be totally divested of their just share of the coconut levy fund which they contributed, in the first place, if all of the said fund shall be channeled for the development of the coconut industry which was the very foundation and reason of the coconut levy created under P.D. No. 755.

In view of the foregoing consideration, it is most respectfully urged of the House of Representatives to consider the early approval of this bill.



ERICO B. AUMENTADO
2nd District - Bohol

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AN ACT
PROVIDING FOR A MECHANISM IN THE ALLOCATION OF THE MORE THAN P84 BILLION WORTH OF THE CIIF COMPANIES, THE FOURTEEN (14) HOLDING COMPANIES AND THE CIIF BLOCK OF SAN MIGUEL CORPORATION (SMC) SHARES ADJUDGED BY THE SUPREME COURT TO BE OWNED BY THE GOVERNMENT, AND FOR OTHER PURPOSES

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

Section 1. This act shall be known as the "Coconut Levy Fund Allocation of 2013".

Section 2. All the CIIF companies, together with the fourteen (14) holding companies, and the CIIF Block of San Miguel Corporations (SMC) shares of stocks totaling 33,133,266 shares as of 1983 with all dividends and increments thereto are declared owned by the government pursuant to the Supreme Court decision.

Section 3. The funds estimated at over P84 billion shall be used only for the benefit of all coconut farmers and for the development of the coconut industry which shall be allocated for the coconut farmers, 40%; the development of the coconut industry, 40%; and for the scholarship revolving fund of the coconut farmers children, 20%.

Section 4. The Philippine Coconut Authority, in consultation with the coconut farmers cooperative officials and the Department of Agriculture shall promulgate the implementing rules and regulations (IRR) of the this Act within a period of ninety (90) from its enactment into law.

Section 4. All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent herewith are hereby deemed repealed or modified accordingly.

Section 5. This Act shall take effect fifteen (15) days after its publication in at least (2) national newspapers of general circulation, or the national gazette.

Approved.