

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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 3782



Introduced by: Honorable Victoria G. Noel, Hon. Neil Benedict A. Montejo and
Hon. Josephine Veronique R. Lacson-Noel

EXPLANATORY NOTE

This bill seeks to impose an automatic price control on prices of construction materials during certain situations, amending for the purpose Republic Act (RA) No. 7581, otherwise known as the "Price Act," as amended.

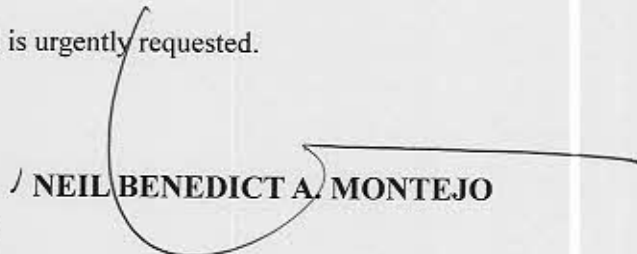
Under RA 7581, as amended by RA 10623, it is the policy of the State to ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate business a fair return on investment. Thus, the Price Act has established a mechanism which includes imposing price control on basic necessities that readily protects consumers from inadequate supply and unreasonable price increase on occasions of calamities, emergencies and like occurrences.

The extent of devastation wrought by the trio of man-made calamity as the Zamboanga assault of rebel forces, and natural calamities like the Bohol earthquake and the strongest typhoon ever to hit the earth which was Yolanda, had struck the deepest chord of sympathy and widespread show of generosity not only from Filipinos but from foreigners the world over. It is a phenomenon that drove all people to extend short-term aid shown by free food distribution and long-term assistance seen in building houses and helping the survivors regain their livelihood.

In terms of housing reconstruction, however, it is surprising that the Price Act had overlooked the case of overpricing or price manipulation of construction materials. In fact, Section 6 of the Price Act, as amended, allows only a freeze on the prices of basic necessities as defined under Section 3 (1) of the Act and not of prime commodities which include construction materials as defined under Section 3 (8) of the same Act. As a long term solution, price freeze on construction materials should be extended for a longer period than that of basic necessities. Thus, the shorter period of 60 days for basic necessities and the extended period of 150 days for construction materials is provided for in this bill.

In view of the foregoing, approval of this bill is urgently requested.


VICTORIA G. NOEL


NEIL BENEDICT A. MONTEJO


JOSEPHINE VERONIQUE R. LACSON-NOEL

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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. **3782**

Introduced by: Honorable Victoria G. Noel, Hon. Neil Benedict A. Montejo and
Hon. Josephine Veronique R. Lacson-Noel

AN ACT
IMPOSING AN AUTOMATIC PRICE CONTROL ON PRICES OF CONSTRUCTION
MATERIALS DURING CERTAIN SITUATIONS, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 7581, OTHERWISE KNOWN AS THE "PRICE ACT," AS
AMENDED

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

SECTION 1. Section 3(8) of Republic Act No. 7581, as amended, is hereby further amended to read as follows:

"SEC. 3. *Definition of Terms.* – For purposes of this Act, the term:

(1) xxx

xxx

xxx

xxx

(8) "*Prime commodities*" are goods not considered as basic necessities but are essential to consumers in times of any of the cases provided under Section 7 of this Act such as, but not limited to, flour; dried, processed or canned pork, beef and poultry meat; dairy products not falling under basic necessities; onions, garlic, vinegar, patis, soy sauce; toilet soap; fertilizer, pesticides and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies; **CONSTRUCTION**

MATERIALS SUCH AS nipa shingles[;], *sawali*[;], cement[;], clinker[;], GI sheets[;], hollow blocks[;], plywood[;], plyboard[;], construction nails[;], batteries; electrical supplies; light bulbs; steel wire; **AND** all drugs not classified as essential drugs by the Department of Health and such other goods as may be included under Section 4 of this Act.”

SEC. 2. Section 6 of the same Act is hereby further amended to read as follows:

“SEC. 6. *Automatic Price Control.* – Unless otherwise declared by the President, prices of basic necessities **AND CONSTRUCTION MATERIALS** in an area shall automatically be frozen at their prevailing prices or placed under automatic price control whenever:

- (1) That area is proclaimed or declared a disaster area or under a state of calamity;
- (2) That area is declared under an emergency;
- (3) The privilege of the *habeas corpus* is suspended in that area;
- (4) That area is placed under martial law;
- (5) That area is declared to be in state of rebellion; or
- (6) A state of war is declared in that area.

If the prevailing price of any basic necessity **OR CONSTRUCTION MATERIAL** is excessive or unreasonable, the implementing agency may recommend to the President the imposition of a price ceiling for the sale of the basic necessity **OR CONSTRUCTION MATERIAL** at a price other than its prevailing price.

Unless sooner lifted by the President, price control of basic necessities **AND CONSTRUCTION MATERIALS** under this section shall remain effective for the duration of the condition that brought it about, but

not for more than sixty (60) days **FOR BASIC NECESSITIES AND ONE HUNDRED FIFTY (150) DAYS FOR CONSTRUCTION MATERIALS:**

Provided, That, in the case of basic necessities that are wholly imported and deregulated under existing laws such as, but not limited to, household LPG and kerosene, price control thereon shall remain effective for a period of not more than fifteen (15) days, taking into consideration the current inventory or supply levels thereof.

The terms "*disaster*" and "*calamity*" shall include those brought about by natural or man-made causes, whether local or foreign."

SEC. 3. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) national newspapers of general circulation.

Approved,