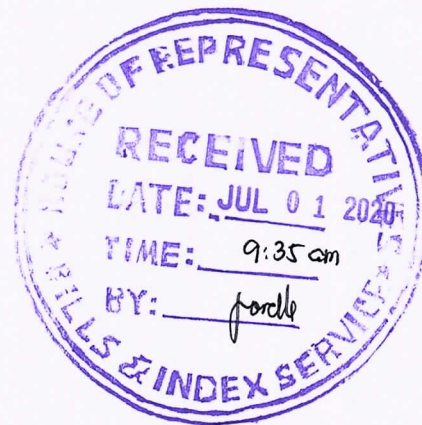


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

18TH CONGRESS
Second Regular Session

HOUSE BILL NO. 7045



Introduced by Representative **RODRIGO A. ABELLANOSA**

EXPLANATORY NOTE

This bill seeks to allow the use of incineration technologies for waste treatment and management, repealing for the purpose Section 20 of Republic Act 8749 entitled, "*Philippine Clean Air Act of 1999*" and amending pertinent sections of Republic Act 9003 entitled, "*Ecological Solid Waste Management Act of 2000*".

Said provisions in the aforementioned laws were grounded on the assumption that incineration methods are harmful to the environment with the emissions that they produce. The advent of technology, however, has rendered such generalization inapplicable. Many of the incineration equipment available in the market nowadays prove to be less harmful to the atmosphere than coal power plants, an apt comparison given the proliferation of waste-to-energy (WTE) technology.

To prove a point, the Delaware Solid Waste Authority compiled information comparing particulate, acid gas, carbon monoxide, hydrocarbons, and nitrogen oxide emissions from coal power plants and WTE incinerators, among others. Data showed that the former, which is largely used in the country, actually emitted larger amounts of pollutants than the latter.

There is also a need for the country to find more economical and sustainable means of managing solid wastes given the volume generated by industries and households annually. The Environmental Management Bureau has projected that solid wastes in 2020 would be about seventeen million (17,000,000) metric tons given an average waste generation rate of .4kg/capita/day. Without alternative methods of waste disposal, all of these will end up in landfills and soon, we will be running out of areas to use for such purpose. Further, a study by Nickolas J. Themelis, entitled, an Overview of the Global Waste-to-Energy Industry, contained in the 2003-2004 Review Issue of Waste Management World, asserts that for the same amount of solid waste, landfills produce 30% more carbon dioxide than modern incinerators.

This bill recognizes the immediate need for more efficient solid waste management systems and the employment of eco-friendly incineration technologies as a promising approach. That waste combustion facilities may now be equipped with waste-to-energy technologies makes the prospect even more attractive.

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



RODRIGO A. ABELLANOSA

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

18TH CONGRESS
Second Regular Session

HOUSE BILL NO. 7045

Introduced by Representative **RODRIGO A. ABELLANOSA**

AN ACT
REGULATING THE USE OF TREATMENT TECHNOLOGY FOR
MUNICIPAL AND HAZARDOUS WASTES, REPEALING FOR THE
PURPOSE SECTION 20 OF REPUBLIC ACT NO. 8749,
ENTITLED “THE PHILIPPINE CLEAN AIR ACT OF 1999”

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

SECTION 1. *Title.* – This act shall be known and referred to as the
“Regulation of Waste Treatment Technology Act of 2020”.

Sec. 2. *Regulation of Waste Treatment Technology.* – Thermal and other treatment technologies for the disposal of municipal and hazardous wastes, or for the processing of any material for fuel, whether for commercial use or not, shall be designed and operated to meet the standards established in this Act and its implementing rules and regulation: *Provided,* That these technologies shall be fitted with equipment that will continuously monitor, records and make publicly available the reported data on their emissions or air pollutant concentrations: *Provided, however,* That units that recover energy shall be prioritized: *Provided, further,* That entities utilizing units shall incorporate in their facilities or operations proper materials recovery program:

Provided, finally, That thermal treatment units shall treat wastes at a temperature of not less than eight hundred fifty degrees centigrade (850°C).

Sec. 3. *Role of the Department of Environment and Natural Resources (DENR).* – The DENR shall be primarily responsible for the implementation and enforcement of this Act. It shall likewise promote the use of state-of-the-art, environmentally-sound and safe technologies for the handling, treatment, thermal or non-thermal destruction, utilization, and disposal of residual wastes.

Sec. 4. *Role of Local Government Units (LGUs) in Setting Up Treatment Facilities.* – The LGUs are hereby mandated to promote, encourage and implement in their respective jurisdiction a comprehensive solid waste management plan that includes waste segregation, recycling and composting.

The establishment of treatment facilities shall be facilitated by LGUs within a region, province, or strategically clustered LGUs in consonance with their respective ten-year solid waste management plans made consistent with the national solid waste management framework established pursuant to R.A. No. 9003, otherwise known as the Ecological Solid Waste Management Act of 2000. The solid waste management plans of all the LGUs shall be subjected to the approval of the National Solid Waste Management Commission (NSWMC).

Sec. 5. *Role of National Solid Waste Management Commission.* – Pursuant to the provisions of R.A. No. 9003, the NSWMC shall ensure the establishment of a comprehensive solid waste management plant in all LGUs, which plan shall incorporate waste segregation, recycling and composting, and disposal. The NSWMC shall approve or deny the plan, or supplemental disposal plan of all LGUs, which may carry out treatment projects, within ten (10) working days from its submission. The Department of Science and Technology (DOST) shall likewise process the application of said projects for the necessary technology verification within the same period. However, for new technology, the DOST shall have twenty (20) working days from the receipt of the application of said projects to process the verification. In all

cases, the approving body shall put in writing the reasons for either approving or denying the plan.

Sec. 6. *Responsibility of Owner and Operator.* – Responsibility for compliance with the standards promulgated for the establishment and operation of waste treatment facilities shall rest with the owner and/or operator thereof. If by contract the operator is bound to be held primarily and solely responsible for compliance with the standards, the same shall not relieve the owner of the requirement to exercise due diligence to assure that the required compliance by operators are met. In the event that the ownership of the facility is transferred to another person, the previous owner shall notify the new owner of the standards and the conditions set for the operation of said facility, and the laws and regulations that the new owner or operator has to comply with. The standards for operation of waste treatment facility may be made more stringent by five percent (5%): *Provided*, That the same shall be effected ten (10) years following the commencement of the operation of the facility established after the effectivity of this Act.

Sec. 7. (a) *Fiscal incentives.* – The following tax incentives shall be granted to registered enterprise which shall invest in waste treatment facilities:

1. Income tax holiday – within the first seven (7) years of its operations, the treatment facility shall be exempt from income taxes levied by the national government.
2. Tax and duty exemption on imported capital equipment and vehicles – within the first ten (10) years of operations, registered enterprise which invested in the treatment facility shall enjoy tax and duty free importation of machinery, equipment, vehicles and spare parts used for setting up the treatment facility: *Provided*, That the importation of such machineries, equipment, garbage collection vehicles, and spare parts shall comply with the following conditions:
 - i. They are not manufactured domestically in sufficient quantity, of comparable quality and reasonable prices;
 - ii. They are reasonably needed and will be used exclusively by the registered enterprise in the manufacture of its products,

unless prior approval of the board is secured for the part-time utilization of said equipment in a non-registered activity to maximize usage thereof or the proportionate taxes and duties are paid on the specific equipment and machinery being permanently used for non-registered activities; and

- iii. The importation of such machinery, equipment, vehicle and spare parts has been approved by the Board of Investment (BOI) of the Department of Trade and Industry (DTI).

Provided, further, That the sale, transfer or disposition of such machinery, equipment, vehicle and spare parts within five (5) years from the date of acquisition shall be prohibited, without prior approval of the BOI, otherwise, the registered enterprise and the vendee, transferee, or assignee shall be solidarily liable to pay twice the amount of tax and duty exemption given it.

3. Tax Credit on Domestic Equipment – A tax credit equivalent to one hundred percent (100%) of the amount of the value-added tax and customs duties that would have been paid on the machinery, equipment, components, parts and materials had these items been imported shall be given to a contract holder who purchases machinery, equipment, components, parts and materials: *Provided,* That such are directly needed and shall be used exclusively by the waste treatment facility.

4. Tax and Duty Exemption of Donations, Legacies and Gifts – All legacies, gifts and donations to LGUs, enterprises or private entities, including NGOs for the support and maintenance of the program for setting up of treatment technologies shall be exempt from all internal revenue taxes and customs duties, and shall be deductible in full from the gross income of the donor for income tax purposes.

(b) *Non-fiscal Incentives* - LGUs, enterprises or private entities availing of tax incentives under this Act shall also be entitled to applicable non-fiscal incentives provided for under the Omnibus Investments Code.

The NSWMC shall provide incentives to businesses and industries that are engaged in the treatment of wastes which are registered with the Commission and have been issued the required ECC in accordance with the

guidelines established by the NSWMC. Such incentives shall include simplified procedures for the importation of equipment, spare parts, new materials, and supplies, and for the export of processed products.

(c) *Financial Assistance Program* – Government financial institutions such as the Landbank of the Philippines (LBP), Development Bank of the Philippines (DBP), Government Service Insurance System (GSIS), and such other government institutions providing financial service shall, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, accord high priority the extension of financial services to individuals, enterprises, or private entities engaged in putting up treatment facilities: *Provided*, That these institutions shall allocate five percent (5%) of their loan portfolio to waste treatment projects.

(d) *Extension of Grants to LGUs* – Provinces, cities and municipalities whose treatment facilities plans have been duly approved by the NSWMC or who have been commended by the NSWMS for adopting innovative waste treatment programs may be entitles to receive grants for the purpose of developing their technical capacities toward actively participating in the waste treatment projects.

(e) *Incentives to Host LGUs* – Local government units who host common treatment facilities shall be entitles to incentives as may be determined by the NSWMC.

Sec. 8. *Fines and Penalties.* – Violations of the provisions of this Act, or the standards or rules and regulations promulgated for treatment facilities shall be fined or penalized under the provisions of P.D. 1586, R.A. 6969, otherwise known as the Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990, R.A. No. 8749, otherwise known as the Philippine Clean Air Act of 1999, R.A. 9003, and R.A. 9275, otherwise known as the Philippine Clean Water Act of 2004. For waste-to-energy facilities, the penal schemes established under the Philippine Grid Code and Philippine Distribution Code pursuant to RA No. 9136, also known as the Electric Power Industry Reform Act of 2001 shall likewise apply for this purpose.

Sec. 9. *Implementing Rules and Regulations.* – The DENR, in coordination with the NSWMC, Department of Energy, BOI, Bureau of Internal Revenue, the Bureau of Customs, academe or research institutions, and other concerned agencies, shall promulgate the implementing rules and regulations for the Act, within three (3) months after its enactment.

Sec. 11. *Separability Clause.* – If any part or section of this Act is declared unconstitutional, such declaration shall not affect the other parts of sections of this Act.

Sec. 12. *Repealing Clause.* – Section 20 of R.A. No. 8749 is hereby repealed. Provision of R.A. No. 9003, and other laws, presidential decrees, executive orders, rules and regulations inconsistent with any provisions of this Act shall be deemed repealed or modified accordingly.

Sec. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after publication in the Official Gazette or in any newspaper of general circulation.

Approved.