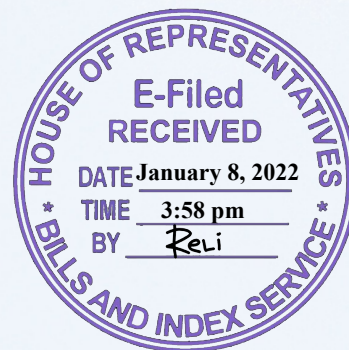


EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. **10646**

EXPLANATORY NOTE

The Solid Waste Management Act (RA9003) has been in effect for nearly two decades but despite the existence of the law, the problem of plastic wastes still persists. Just recently, the Philippines has been named as one of the top countries contributing to ocean waste. A significant percentage of the waste collected from the oceans and even on land is soft plastic waste, like sachets, candy wrappers and plastic bags.

Plastic is the most commonly used material for packaging, because it is inexpensive, durable and lightweight. This makes it ideal for use in the food and pharmaceutical industry to minimize wastage, and, together with the practice of smaller-format units keeps the prices of these products low enough to be affordable to all consumers.

The outright banning or taxing plastics may have a negative impact on ordinary Filipinos. Alternatives to plastic, such as glass and metal are more expensive, and will bring the prices of products up. Paper does not fare better, as it is susceptible to moisture and will contaminate the contents. Biodegradable plastics are likewise expensive to use, and contrary to claims a majority of these will not readily degrade in the environment. Oxo-degradable plastics will degrade, but will also produce microplastics, and for this reason has been banned in the European Union. Re-filling solutions have also been suggested, but concerns remain whether or not these will meet hygiene standards to guarantee public safety.

Plastic is not singled out as among the "Not Environmentally Acceptable Products" (NEAP) by RA9003. Under Section 3(m) of RA9003, all packaging materials can in fact be "Environmentally Acceptable" if they are either a) re-usable, biodegradable or compostable, recyclable and b) not toxic or hazardous to the environment. Plastic meets the first standard, as it is recyclable to make new packaging materials, as well as other items such as school chairs, bricks, roads, and other items of utility.

The only issue with plastic, then, is that it harms the environment, as a great part of it remains uncollected in the environment. This bill seeks to supplement RA9003 by addressing the problem of collection of plastic waste. It will set up a system by which private companies which generate plastic will be responsible to collect an amount of plastic waste in proportion to the plastic generated by them, under the "producer pays" principle. The collection shall be done in phases; the ultimate goal will be that in ten (10) years, every company shall be collecting the equivalent amount of plastic they produce and sell into the market. With the challenge of collecting plastic waste thus dealt with, the setting up of the industries to recycle, repurpose, or convert the waste into energy will be encouraged, finally giving life to the intent of RA9003.

In view of the foregoing, immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. **10646**

AN ACT

MANDATING THE CREATION OF AN EXTENDED PRODUCER RESPONSIBILITY SCHEME TO ADDRESS LEAKAGE OF PLASTIC WASTE INTO THE ENVIRONMENT, AND FOR OTHER PURPOSES

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

Section 1. Short Title. – This Act shall be known as the “Extended Producers Responsibility for Plastic Waste Act”.

Section 2. Declaration of Policy. – It is hereby declared the policy of the State to adopt a system of management for plastic waste, making the producers recover, recycle and manage their plastic waste in a manner consistent with existing Laws and Regulations, including the “Ecological Solid Waste Management Act of 2000”: The objective of the State is for every producer to become plastic-neutral in ten (10) years.

DEFINITION OF TERMS

Section 3. Definition of Terms. – For the purpose of this Act:

- (a) **“Extended Producers Responsibility (EPR)”** shall refer to an environmental policy approach in which a producer’s responsibility for a product, specifically its packaging, is extended to the post-consumer or end-of life stage of a product’s life cycle;
- (b) **“Post-consumer or end-of-life stage”** shall refer to the point in time when what remains after use by the end user of a material stream is the plastic packaging waste, including used plastic bags. This shall also include plastic packaging wastes of products sold business to business.
- (c) **“Plastic Neutrality”** shall mean the collection by a producer of the same amount of plastic wastes equal to the same amount of plastic packaging it sells to the market. For purposes of this Act, the plastic wastes collected by a producer may be of a different type or brand as those used by the producer.
- (d) **“Plastic”** refers to a synthetic material made from a wide range of organic polymers such as polyethylene, PVC, nylon, etc., that can be molded into shape while soft, and then set into a rigid or slightly elastic form and utilized in a wide range of applications;
- (e) **“Multi-Layer Plastic Packaging”** (includes multi-material) means any material used or to be used for packaging and having at least one layer of plastic as the main ingredients in combination with one or more layers of materials such as paper, paper board, polymeric materials, metalized layers or aluminum foil, either in the form of a laminate or co-extruded structure

- (f) **“Plastic Bag”** refers to a polymer bag designed to be provided or utilized at the point of sale for carrying and transporting goods.
- (g) **“Plastic Waste”** shall refer to plastic that must be recovered by the producer, whether or not the same are environmentally acceptable or non-environmentally acceptable products as defined in RA 9003. For purposes of this Act, plastic waste shall include:
- a. Sachets, labels, and other flexible plastic packaging products, in single layer or multi-layer structure
 - b. Rigid plastic packaging products, including beverage containers, cups, bottles, and food containers,
 - c. Plastic bags
 - d. Plastic products used on items sold by manufacturers in business-to-business transactions, or otherwise not intended for sale to the general public.
- (h) **“Producer”** shall refer to the following:
- 1. **“Brand owner”** shall refer to a person or a company who sells any commodity under a brand or label. For imported products, “brand owner” will be deemed the importer/distributor of the products.
 - 2. **“Manufacturer”** shall refer to persons or companies that produce plastic bags, sold to the general public.
- (i) **“Resource Recovery”** shall refer to the collection, extraction or recovery of plastic waste materials for the purpose of recycling, generating energy, co-processing, producing a product suitable for beneficial use, or any other waste treatment technology acceptable under the provisions of RA9003:
- (j) **“Producer Responsibility Organization (PRO)”** – A legal entity that shall undertake resource recovery of plastic wastes on behalf of producers. The PRO is founded voluntarily by companies and assumes responsibility for the take-back of the equivalent amount of plastic packaging they put into the market. The PRO shall certify the amount of resource recovery per producer as required by this Act.

OPERATING MECHANISM

Section 4. Establishment of an EPR Scheme. – All producers must submit an annual EPR scheme.

Each EPR scheme must contain the following:

- a) **Targets** – the EPR scheme must propose collection targets based on the output of plastic generated by producers using the services of a PRO, or by a producer functioning as a PRO. The collection target shall not go below the target mandated below.
- b) Within sixty (60) days from the effectivity of this Act, all producers shall submit to the NSWC a report its actual output in the preceding twelve (12) month of plastic products falling within the scope of this Act. Failure to submit such a report shall be deemed as a failure to establish an EPR scheme, and shall result in the imposition of the penalty prescribed in this Act for such offense.

Thereafter, every PRO, on behalf of companies or entities that engage its services, or producer permitted to function as a PRO shall formally report its actual annual output of plastic products falling within the scope of this Act in the preceding year to the NSWRC no later than the 31st day of January every year. The aforementioned annual report shall detail the output volume, in kilograms of plastic products by producers.

Every PRO, on behalf of companies or entities that engage its services, or producer permitted to function as a PRO shall likewise formally report its actual annual collection of plastic waste falling within the scope of this Act in the preceding year to the NSWRC no later than the 31st day of January every year. The aforementioned annual report shall detail the collection, in kilograms of plastic waste credited to each producer.

The minimum collection target for plastic waste covered by this Act shall be as follows:

1. On the first year from the effectivity of this Act, every producer must annually collect plastic waste in a volume not less than ten percent (10%) of the plastic sold by them.
2. For every succeeding year, the collection target shall increase by ten percent (10%) percent, with the objective of achieving one hundred (100) percent collection at the end of the 10th year from the effectivity of this Act.

The EMB shall formulate the reporting guidelines within six (6) months from the effectivity of this Act.

- c) **PRO** – Up to five (5) years from the effectivity of this act, a producer may function as a PRO. At any time, a producer may engage the services of third-party PROs to partially or totally meet their collection targets under this Act.

Thereafter, every EPR scheme developed and established in accordance with law must involve the intervention of a PRO.

- d) **Payment of EPR Fee.** The EPR scheme should ensure that every company shall pay a fee to the PRO. The fee shall be a negotiated amount between producers and the PRO to cover collection and disposal of the plastic waste. Should a producer function as a PRO as provided in the preceding paragraph, the same shall keep detailed records of the costs of operation, and the costs thereof shall be considered the EPR fee for purposes of this Act.

- e) **Scope** – the EPR scheme shall cover all types of plastic waste, as defined in this Act.

Within 6 months after the passage of this law, the National Solid Waste Management Commission (NSWMC) shall issue the Interim Rules and Regulations for the implementation of this Act. Such IRR shall be formulated together with industry stakeholders, with full participation of said stakeholders in the process of creation.

PROs, and producers shall then develop or adapt their respective EPR schemes, which will contain all the essential features contained in this Act.

Each EPR scheme developed must be submitted for approval with the NSWMC, who shall approve, conditionally approve, or disapprove the same within 20 working days from receipt thereof.

Section 6. The PRO - Responsibilities

The PRO shall ensure that disposal of plastic waste shall conform to the applicable provisions of RA 9003.

The PRO can perform its resource recovery function using its own resources, or by contracting the services of entities duly recognized by the DENR under RA 9003.

Section 7. Role of the Government and Local Government Units (LGUs)

The Environmental Management Bureau (EMB) shall be responsible for the accreditation and qualification of PROs under this Act. For this purpose, the EMB shall publish the guidelines for the establishment and operation of a PRO within sixty (60) days from the effectivity of this Act.

The EMB shall monitor and validate compliance with the provisions of this Act by PROs, and producers. All violations of this Act, including non-achievement of the targets under Section 5(c) of this Act shall be reported to the DENR, which will, after due notice and hearing, impose the applicable penalties for violation thereof.

The DENR shall publish a list of all plastic recyclers, energy converters and co-processors in the Philippines, to support the operation of PROs. All of such establishments shall prioritize the use of plastic waste in their operations over all other materials.

All incentives available to waste diversion and resource recovery enterprises under RA 9003 shall be extended to PROs. To ensure that the increasing plastic wastes collected under the EPR program under this Act will be properly disposed of, the NSWMC shall within 6 months from the effectivity of this Act, submit to Congress a report on how to accelerate the growth of the resource recovery infrastructure of the country. Such recommendation shall include, but not be limited to, appropriate government policy on how to maximize the utilization of the co-processing capacity of the local cement industry in disposing plastic wastes and on how to stimulate waste-to-energy and waste-to-fuel enterprises to enter the country

The report shall be made with the active participation of DTI, DOST, DOF, DILG, DOF and other relevant government agencies..

All existing laws, rules, ordinances and orders issued by the national and local government units that ban the use of; or tax or impose charges or fees for the use of the plastic products covered by this act are hereby modified and amended to exclude such plastic products.

Section 8. Penal Provisions

1. The producer shall pay a fine equal to two percent (2%) of the annual gross turnover of the producer for any of the following :
 - a) For failure to establish an annual EPR scheme;
 - b) For failure to meet the volume targets in any year,
2. For under-declaration of the volume of plastic products covered by this Act sold, or an over-declaration of the volume of plastic waste collected by a producer acting as a PRO, or by a PRO acting on behalf of a producer, pay a fine corresponding to five percent (5%) of the producer's gross turnover during the period of non-compliance. The business permit of said producer and PRO shall be cancelled and the corporate officers of the Producers and PRO shall be subject to criminal prosecution under the appropriate criminal statute.

Section 9. Implementing Rules and Regulations. The Department of Trade and Industry and the Department of Environment and Natural Resources shall formulate the implementing rules and regulations to carry out the implementation of this Act.

Section 10. Separability Clause. If, for any reason, any part or provision of this Act is declared unconstitutional or invalid, the remaining provisions hereof which are not affected thereby shall continue to be in full force and effect.

Section 11. Repealing Clause. All laws, decrees, executive orders, rules and regulations or portions thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

Section 12. Effectivity Clause. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,