

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 3133



Introduced by Representative Ralph G. Recto

AN ACT
PROTECTING CONSUMERS FROM UNREASONABLE FEE INCREASES
BY PROVIDING FOR A CONSUMER GROUP REPRESENTATION IN THE
GOVERNING BOARDS OF GOVERNMENT REGULATORY BODIES,
AMENDING FOR THE PURPOSE THEIR RESPECTIVE CHARTERS, AND
FOR OTHER PURPOSES

EXPLANATORY NOTE

The Bangko Sentral ng Pilipinas reported that the year-on-year headline inflation at the national level for the year 2021 went up to 4.2 percent compared to the 2020 rate of 3.1 percent. This brought the average inflation rate to 4.5 percent in 2021, which is above the government's annual inflation target range of 2-4 percent for the year.¹ Contributing to the upward movement are housing, water, electricity, gas and other fuels.²

The public helplessly watched by as a succession of increases in the prices of goods and services relentlessly devour what is left of their purchasing power. It is now more expensive to travel as transport inflation rose due to higher domestic petroleum prices, reflecting the increase in international oil prices. Our electric bill also went up in the last quarter of 2021 due to the increase in generation and transmission charges along with the upward price adjustments of liquefied petroleum gas (LPG) and kerosene.

¹ Bangko Sentral ng Pilipinas. 2021 Inflation Report Fourth Quarter.
https://www.bsp.gov.ph/Lists/Inflation%20Report/Attachments/22/IR4qtr_2021.pdf (Accessed May 19, 2022)

² Ibid.

All of these unfold almost at the same time, even 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.

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 sectors concerned 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 and public transport – 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 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:

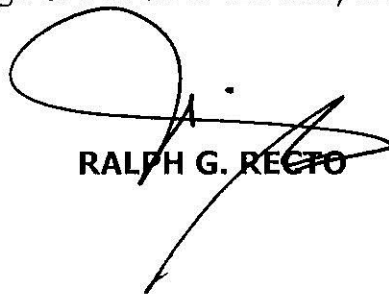
1. Land Transportation and Franchising Regulatory Board;
2. Toll Regulatory Board;
3. Energy Regulatory Commission;
4. Manila Waterworks and Sewerage System;
5. Local Water Utilities Administration; and
6. National Telecommunications Commission.

It calls for the creation of the position of Consumer Group Representative, who will sit on 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 regard 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 passage of this bill is earnestly sought.


RALPH G. RECTO

mjma

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 3183

Introduced by Representative Ralph G. Recto

AN ACT
PROTECTING CONSUMERS FROM UNREASONABLE FEE INCREASES
BY PROVIDING FOR A CONSUMER GROUP REPRESENTATION IN THE
GOVERNING BOARDS OF GOVERNMENT REGULATORY BODIES,
AMENDING FOR THE PURPOSE THEIR RESPECTIVE CHARTERS, AND
FOR OTHER PURPOSES

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

1 Section 1. *Title.* – This Act shall be known as the “Consumer Group
2 Representation in Regulatory Bodies Act.”

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

8 a.) prevent the concentration of power and information in a few
9 persons or government organizations;

10 b.) adopt and implement a policy of full public disclosure of all its
11 transactions involving public interest thereby promoting
12 transparency and accountability; and

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

16 Sec. 3. *Consumer Group.* – For purposes of this Act, a consumer
17 group shall refer to a representative organization, registered under the

1 Securities and Exchange Commission, which has been established and
2 organized to cater to a national constituency, and whose mandate includes
3 the protection of the interests and rights of consumers in a specific sector
4 that is being regulated by a government regulatory body.

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

- 9 a. Land Transportation and Franchising Regulatory Board, created by
10 Executive Order No. 202, series of 1987;
- 11 b. Toll Regulatory Board, created by Presidential Decree No. 1112;
- 12 c. Energy Regulatory Commission, created by Republic Act No. 9136;
- 13 d. Manila Waterworks and Sewerage System, created by Executive
14 Order No. 1036;
- 15 e. Local Water Utilities Administration, created by Presidential Decree
16 No. 198, as amended; and
- 17 f. National Telecommunications Commission, created by Executive
18 Order No. 546.

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

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

27 Sec. 5. *Qualifications of Consumer Group Representative.* – The
28 Consumer Group Representative to be appointed should be a natural born
29 citizen of the Philippines, at least thirty (30) years of age, able to read and
30 write, a bona fide member of the Consumer Group which the appointee seeks
31 to represent for at least two (2) years prior to the appointment, and has

1 never been convicted of any administrative, civil or criminal offense involving
2 moral turpitude.

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

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

11 *Sec. 6. Term of Office of the Consumer Group Representative.* – The
12 term of office of the Consumer Group Representative shall be two (2) years:
13 *Provided, That,* upon the expiration of the term, a member of the consumer
14 group shall serve until a successor shall have been appointed and qualified:
15 *Provided, further,* That an appointment to fill the vacancy that arises prior to
16 the expiration of the term of the Consumer Group Representative shall only
17 be for the unexpired portion of such term: *Provided, finally,* That no member
18 of the Consumer Group shall be appointed for more than two (2) consecutive
19 or partial terms.

20 *Sec. 7. Appointing Authority.* – The President of the Republic of the
21 Philippines shall appoint the Consumer Group Representative subject to the
22 qualifications as herein provided, and to the limitations and prohibitions under
23 existing laws and statutes.

24 *Sec. 8. Implementing Rules and Regulations.* – Within sixty (60) days
25 after the effectivity of this Act, the Department of Budget and Management
26 and the Department of Trade and Industry, in coordination with the
27 government regulatory agencies as enumerated under Section 4 of this Act,
28 shall formulate the rules and regulations to effectively implement the
29 provisions of this Act.

30 *Sec. 9. Separability Clause.* – If any portion or provision of this Act is
31 declared unconstitutional, the remainder of this Act or any provisions not
32 affected thereby shall remain in force and effect.

1 Sec. 10. *Repealing Clause.* – Any law, presidential decree or issuance,
2 executive order, letter of instruction, rule or regulation inconsistent with the
3 provisions of this Act is hereby repealed, amended or modified accordingly.

4 Sec. 11. *Effectivity.* – This Act shall take effect fifteen (15) days
5 following its complete publication in two (2) newspapers of general circulation
6 or in the *Official Gazette*.

Approved,