

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **7641**



Introduced by **REP. NATHANIEL “Atty. Nat” M. ODUCAO**

EXPLANATORY NOTE

Pursuant to Article XII, Sections 10 and 11 of the Constitution, which mandate the State to regulate public utilities and strategic industries when the public interest so requires, prohibit monopolies and unfair competition, and promote a just and dynamic social order, this bill seeks to address persistent inefficiencies and structural challenges in the water, electricity, and transportation sectors, which are essential services directly affecting public health, economic productivity, household welfare, and national development. Any failure in these sectors imposes significant costs on consumers, businesses, and the economy.

Based on recent statistical research on key institutions, the water, electricity, and transportation sectors together account for approximately ₱2.8 trillion in annual economic activity, or about 12 percent of the national gross domestic product, and directly employ more than 580,000 workers. These sectors also impose a significant burden on households, consuming 9 to 26 percent of household income, with the heaviest impact falling on low-income families. Despite their importance, these sectors continue to face serious structural, regulatory, and investment challenges.

In the water sector, only 42 percent of households have access to piped water, while 58 percent of Filipinos remain without direct connections. Non-revenue water losses range from 35 to 60 percent in many provincial systems, translating to an estimated ₱20 to ₱30 billion in lost revenues annually. Wastewater treatment coverage remains below 15 percent of the population, far below the regional average of 45 percent, contributing to environmental degradation and public health risks. These weaknesses persist largely due to fragmented regulation, political interference in tariff setting, weak data transparency, and chronic underinvestment, with an estimated ₱50 to ₱70 billion annual investment gap.

In the electricity sector, Filipino consumers continue to pay some of the highest power rates in Asia, averaging ₱9 to ₱12 per kilowatt-hour, or 40 to 80 percent higher than neighboring countries. Electricity expenses consume more than 10 percent of income for the poorest 40 percent of households, making power costs severely unaffordable for millions of Filipinos. Market concentration remains high, with a Herfindahl-Hirschman Index exceeding 1,800 in several regions, indicating a risk of market power abuse. Power outages in the Visayas and Mindanao average 8 to 11 hours annually, resulting in estimated economic losses of ₱80 to ₱110 billion each year due to reduced industrial and commercial productivity.

In the transportation sector, inefficiencies across the broader supply chain and logistics infrastructure continue to undermine national competitiveness, food security, and industrial productivity. These inefficiencies extend beyond transport services to include ports, airports,

¹ Macrotrends. (2022). Philippines Clean Water Access. Available at <https://www.macrotrends.net/global-metrics/countries/phl/philippines/clean-water-access-statistics> (last accessed December 21, 2025)

storage facilities, cold chain systems, intermodal hubs, and last-mile distribution networks. Port costs in the Philippines are estimated to be 2.5 times higher than regional averages, contributing to economy-wide supply chain costs amounting to approximately ₱180 to ₱250 billion annually. Congestion at ports, inadequate warehousing and cold storage capacity, fragmented freight regulation, and weak intermodal connectivity disrupt the movement of goods, increase consumer prices, and weaken the resilience of domestic supply chains. These constraints disproportionately affect agriculture, manufacturing, and small enterprises, while gaps in last-mile and rural connectivity continue to isolate underserved communities.

Across all three sectors, regulatory oversight remains highly fragmented. At least twelve government agencies exercise overlapping or uncoordinated authority over water, electricity, and transportation. This fragmentation leads to inconsistent policies, duplicative compliance requirements, information gaps, and weak accountability. As a result, Congress receives fragmented and sector-specific data, limiting its ability to assess sector performance, evaluate the effectiveness of existing laws, and craft coherent long-term policy responses.

Infrastructure investment remains inadequate. While current investment stands at approximately 5.6 percent of GDP, studies indicate that 8 to 10 percent of GDP is required to meet national service needs. This translates to an annual shortfall of ₱400 to ₱700 billion, or a cumulative deficit of ₱4 to ₱7 trillion over the next ten years, driven in part by regulatory uncertainty, unclear policy direction, and insufficient coordination among agencies.

This bill seeks to address these systemic issues through the creation of a Strategic Industries Review Committee. The Committee is envisioned as an independent, non-regulatory, and advisory body that will provide integrated, evidence-based analysis of the water, electricity, and transportation sectors. It will strengthen Congressional oversight by producing comprehensive annual sector reviews, conducting benchmarking and performance monitoring, identifying cross-sectoral policy gaps, and recommending legislative and policy reforms.

International experience shows that countries with permanent cross-sector infrastructure review bodies achieve better regulatory coherence, higher investment confidence, and improved service outcomes. Research estimates that the establishment of the Strategic Industries Review Committee could generate ₱5 to ₱10 billion in annual consumer benefits under conservative assumptions, and up to ₱15 to ₱25 billion annually under more optimistic efficiency scenarios. Improved regulatory predictability could also increase infrastructure investment by 5 to 10 percent, equivalent to ₱350 to ₱800 billion, while requiring a modest annual operating cost of approximately ₱100 to ₱150 million.

The creation of the Strategic Industries Review Committee will not replace existing regulators, nor will it exercise regulatory or quasi-judicial powers. Instead, it will complement existing institutions by providing Congress with a clear, integrated, and transparent picture of sector performance, risks, and reform options, thereby enabling more informed legislation and oversight in the public interest.

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

² Philippine Institute for Development Studies. Public Utility Vehicle Modernization Program. Available at https://serp-p.pids.gov.ph/feature/public/index-view?featuredtype_id=1&slug=public-utility-vehicle-modernization-program (last accessed December 21, 2025)

³ Ravago, Majah-Leah. (2022). The Nature and Causes of High Philippine Electricity Price and Potential Remedies. Available at https://www.ateneo.edu/sites/default/files/2023-01/AdMU%20WP%202023-01_0.pdf (last accessed December 21, 2025)



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1Tahanan Party List

² Philippine Institute for Development Studies. Public Utility Vehicle Modernization Program. Available at https://serp-p.pids.gov.ph/feature/public/index-view?fearedtype_id=1&slug=public-utility-vehicle-modernization-program (last accessed December 21, 2025)

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HOUSE BILL NO. **7641**

Introduced by **REP. NATHANIEL “ATTY. NAT” M. ODUCAO**

**AN ACT CREATING THE STRATEGIC INDUSTRIES REVIEW COMMITTEE
FOR WATER, ELECTRICITY, AND TRANSPORTATION, AND FOR OTHER
PURPOSES**

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Strategic Industries Review*
2 *Committee Act.*”

3 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to promote a
4 just and dynamic social order, ensure the availability, accessibility, affordability, and sustainability
5 of essential public services, and protect the public interest against monopolies, market abuse, and
6 systemic inefficiencies. The State further recognizes that efficient supply chain and logistics
7 infrastructure, encompassing transportation networks, ports and airports, storage and warehousing,
8 cold chain systems, and intermodal connectivity, is essential to ensuring food security, price
9 stability, industrial growth, disaster resilience, and inclusive regional development. In furtherance
10 thereof, the State recognizes that water, electricity, and transportation are strategic industries
11 fundamental to national development, economic competitiveness, public welfare, and social equity.
12 Consistent with the Constitution and existing laws, the State shall strengthen evidence-based policy
13 coordination, transparency, and accountability in these sectors through institutionalized and
14 independent review mechanisms that support effective Congressional oversight and long-term
15 infrastructure planning.

16 **SEC. 3. *Creation of the Strategic Industries Review Committee.*** - There is hereby created
17 an independent and advisory body to be known as the Strategic Industries Review Committee
18 (SIRC), which shall serve as a technical and analytical body providing integrated review,
19 monitoring, and policy recommendations on the water, electricity, and transportation sectors. The
20 SIRC shall not exercise regulatory or quasi-judicial powers but shall complement existing
21 regulatory agencies by providing cross-sectoral analysis, performance assessments, and advisory
22 support to Congress and relevant government agencies.

23 **SEC. 4. *Coverage and Scope.*** - The Strategic Industries Review Committee shall cover the
24 following sectors and related infrastructure and services:

- a) Water Sector, including water supply, distribution, wastewater treatment, water resource allocation, and related public health and environmental considerations;
- b) Electricity Sector, including generation, transmission, distribution, retail supply, market operations, pricing, subsidies, and system reliability; and
- c) Transportation and Supply Chain Infrastructure Sector, including land, air, and maritime transport systems; freight and passenger services; logistics and distribution networks; ports, airports, and terminals; warehousing, cold chain and storage facilities; intermodal and last-mile connectivity; and other infrastructure and services essential to the movement of goods and people across the national supply chain.

The Committee shall consider sectoral interdependencies, cross-cutting economic impacts, and long-term sustainability and climate resilience in the performance of its functions.

SEC. 5. *Mandate and Functions.* - The Strategic Industries Review Committee shall have the following functions:

- a) Conduct regular and comprehensive reviews of the structure, performance, efficiency, resilience, and competitiveness of the water, electricity, and transportation and supply chain infrastructure sectors, including the identification of systemic risks, market failures, infrastructure bottlenecks, and regulatory gaps affecting the end-to-end delivery of essential goods and services;
- b) Monitor key performance indicators such as access, affordability, service quality, reliability, investment adequacy, market concentration, logistics and supply chain costs, turnaround times at ports and terminals, storage and cold chain capacity, and overall consumer and producer welfare, using standardized and evidence-based methodologies;
- c) Evaluate the economic and social impacts of existing laws, policies, regulations, and government programs affecting the covered sectors, including their distributional effects on households and businesses;
- d) Identify issues arising from fragmented regulation, overlapping mandates, or inconsistent policy implementation, and recommend measures to improve coordination among concerned government agencies;
- e) Conduct special studies or investigations, *motu proprio* or upon request of Congress, on matters affecting strategic industries, including pricing trends, investment shortfalls, competition concerns, and infrastructure bottlenecks;
- f) Develop and maintain sector-wide databases and benchmarking systems to improve transparency, comparability, and public access to information; and
- g) Submit policy recommendations to Congress and relevant government agencies aimed at improving efficiency, affordability, sustainability, and long-term investment in strategic industries.
- h) Assess the efficiency, resilience, and integration of national and regional supply chains, including vulnerabilities affecting food, energy, medical supplies, and other critical goods, and recommend policy measures to reduce systemic disruptions, price volatility, and excessive logistics costs;

SEC. 6. Powers and Authority. - In the performance of its mandate, the Strategic Industries Review Committee is hereby authorized to:

- a) Require concerned government agencies, government-owned or -controlled corporations, concessionaires, utilities, and operators to submit relevant data, reports, and information, subject to existing laws on confidentiality and data privacy;
- b) Conduct public consultations, technical hearings, and stakeholder dialogues to gather inputs from consumers, industry participants, experts, and civil society organizations;
- c) Enter into memoranda of agreement with government agencies, academic institutions, and research organizations for technical assistance, data sharing, and capacity building;
- d) Adopt internal rules of procedure necessary for the efficient discharge of its functions.

Nothing in this Act shall be construed to diminish or transfer the powers and functions vested by law in existing regulatory bodies.

SEC. 7. Composition and Qualifications. - The Strategic Industries Review Committee shall be composed of a Chairperson and such number of members as may be determined in the implementing rules, to be appointed in accordance with this Act. Members shall be chosen on the basis of integrity, independence, and demonstrated expertise in economics, engineering, public policy, infrastructure planning, competition law, or related fields. At least a majority of the members shall be independent experts with no material interest in entities regulated within the covered sectors.

Members shall serve for fixed terms to ensure continuity, stability, and protection from undue political influence.

SEC. 8. Reports to Congress. - The Strategic Industries Review Committee shall submit to Congress an Annual Strategic Industries Report within ninety (90) days after the end of each fiscal year. The report shall include, among others:

- a) An assessment of sector performance, affordability, and investment adequacy, and supply chain efficiency and resilience;
- b) Analysis of market structure, competition, and pricing trends;
- c) Identification of emerging risks, inefficiencies, and regulatory coordination issues;
- d) Evaluation of government interventions and subsidy programs; and
- e) Legislative and policy recommendations

The Committee may also submit special reports or policy briefs to Congress as circumstances may require.

SEC. 9. Funding and Secretariat. - The amount necessary for the initial and continuing operations of the Strategic Industries Review Committee shall be charged against appropriations authorized under this Act and thereafter included in the annual General Appropriations Act. The

1 Committee shall be supported by a permanent technical secretariat composed of professional staff
2 with expertise in research, economics, engineering, data analytics, and policy analysis.
3

4 **SEC. 10. *Implementing Rules and Regulations.*** - Within ninety (90) days from the
5 effectivity of this Act, the Strategic Industries Review Committee, in coordination with
6 concerned government agencies, shall promulgate the necessary rules and regulations for the
7 effective implementation of this Act.
8

9 **SEC. 11. *Separability Clause.*** - If any provision of this Act is declared unconstitutional
10 or invalid, the other provisions not affected thereby shall remain in full force and effect.
11

12 **SEC. 12. *Repealing Clause.*** - All laws, decrees, executive orders, rules and regulations,
13 or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified
14 accordingly.

15 **SEC. 13. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in
16 the *Official Gazette* or in a newspaper of general circulation.

17 *Approved,*