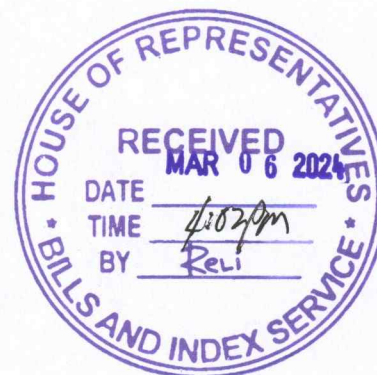




Republic of the Philippines
House of Representatives
Quezon City



NINETEENTH CONGRESS
Second Regular Session

COMMITTEE REPORT NO. 985

Submitted by the Committee of the Whole House on MAR 06 2024

Re: Resolution of Both Houses No. 7

Recommending its adoption without amendment

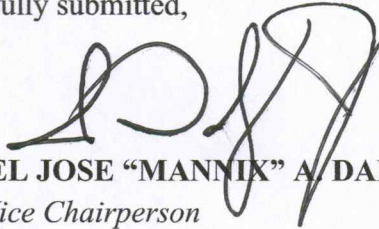
Sponsors: Representatives Ferdinand Martin G. Romualdez, Manuel Jose "Mannix" M. Dalipe, Aurelio "Dong" D. Gonzales, Jr., David "Jay-jay" C. Suarez, Joey Sarte Salceda, Rufus B. Rodriguez, Stella Luz A. Quimbo, and Roman T. Romulo

The Committee of the Whole House, constituted pursuant to Rule XIX, Section 139 of the Rules of the House of Representatives to consider Resolution of Both Houses (RBH) No. 7, entitled:

“A RESOLUTION
OF BOTH HOUSES OF CONGRESS PROPOSING AMENDMENTS TO CERTAIN
ECONOMIC PROVISIONS OF THE 1987 CONSTITUTION OF THE REPUBLIC OF THE
PHILIPPINES PARTICULARLY ON ARTICLES XII, XIV, AND XVI,”

is honored to submit the attached report to the House and recommends the adoption of RBH No. 7 without amendment, with the following as authors thereof: Representatives Aurelio “Dong” D. Gonzales, Jr., David “Jay-Jay” C. Suarez, Manuel Jose “Mannix” M. Dalipe, Yasser Alonto Balindong, Roberto V. Puno, Kristine Singson-Meehan, Camille A. Villar, Raymond Democrito C. Mendoza, Vincent Franco “Duke” D. Frasco, Antonio “Tonypet” T. Albano, Jose “Joboy” S. Aquino II, Jurdin Jesus M. Romualdo, Luis Raymund “Lray” F. Villafuerte, Jr., Brian Raymund Yamsuan, Albert S. Garcia, Johnny Ty Pimentel, Eleandro Jesus F. Madrona, Robert Ace S. Barbers, Michael John R. Duavit, Wilfrido Mark M. Enverga, Elizaldy S. Co, Yedda Marie K. Romualdez, Tobias “Toby” M. Tiangco, Angelica Natasha Co, Jude A. Acidre, Ferdinand Alexander A. Marcos, and Rufus B. Rodriguez.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a series of loops and a final downward stroke.

MANUEL JOSE "MANNIX" A. DALIPE

Senior Vice Chairperson

Committee of the Whole House

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City

REPORT OF THE COMMITTEE OF THE WHOLE HOUSE ON RESOLUTION OF BOTH HOUSES NO. 7

I. CONSTITUTIONAL MANDATE

The 1987 Constitution provides the modes of amending or revising the constitution. Article XVII states:

"Section 1. Any amendment to, or revision of, this Constitution may be proposed by:

- (1) The Congress, upon a vote of three-fourths of all its Members; or
- (2) A constitutional convention.

Section 2. Amendments to this Constitution may likewise be directly proposed by the people through initiative upon a petition of at least twelve per centum of the total number of registered voters, of which every legislative district must be represented by at least three per centum of the registered voters therein. xxx."

Pursuant to Article XVII, Section 1(1) above, the House of Representatives proposes to amend certain economic provisions of the 1987 Constitution through Resolution of Both Houses (RBH) No. 7 entitled "A RESOLUTION OF BOTH HOUSES OF CONGRESS PROPOSING AMENDMENTS TO CERTAIN ECONOMIC PROVISIONS OF THE 1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES PARTICULARLY ON ARTICLES XII, XIV, AND XVI".

II. PROPOSED CONSTITUTIONAL AMENDMENTS UNDER RBH NO. 7

Rule XXI, Section 144 of Rules of the House of Representatives specifically provides as follows:

"Section 144. *Form of Proposals and Procedure for Adoption.* – Proposals to amend or revise the Constitution shall be by resolution which may be filed at any time by any Member. The adoption of the resolutions proposing amendments to or revision of the Constitution shall follow the procedure for the enactment of bills."

Pursuant to the above provision of the House Rules, RBH No. 7 was filed on 19 February 2024 which seeks to amend the following economic provisions of the Constitution:

1. Section 11 of Article XII (National Patrimony and Economy) is amended to read as follows:

"Sec. 11. No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines, at least sixty per centum of whose capital is owned by such citizens, **UNLESS OTHERWISE PROVIDED BY LAW**; nor shall such franchise, certificate, or authorization be exclusive in character or for a longer period than fifty years. Neither shall any such franchise or right be granted except under the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires. The State shall encourage equity participation in public utilities by the general public. **UNLESS OTHERWISE PROVIDED BY LAW**, the participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines."

2. Paragraph 2, Section 4 of Article XIV (Education, Science and Technology, Arts, Culture, and Sports), is amended to read as follows:

"Section 4. (2) **BASIC** educational institutions, other than those established by religious groups and mission boards, shall be owned solely by citizens of the Philippines or corporations or associations at least sixty per centum of the capital of which is owned by such citizens. The Congress may, however, require increased Filipino equity participation in all educational institutions. The control and administration of educational institutions shall be vested in citizens of the Philippines, **UNLESS OTHERWISE PROVIDED BY LAW**."

3. Paragraph 2, Section 11 of Article XVI (General Provisions), is amended to read as follows:

"Section 11. (2) The advertising industry is impressed with public interest and shall be regulated by law for the protection of consumers and the promotion of the general welfare.

Only Filipino citizens or corporations or associations at least seventy per centum of the capital of which is owned by such citizens

shall be allowed to engage in the advertising industry, **UNLESS OTHERWISE PROVIDED BY LAW.**

UNLESS OTHERWISE PROVIDED BY LAW, the participation of foreign investors in the governing body of entities in such industry shall be limited to their proportionate share in the capital thereof, and all the executive and managing officers of such entities must be citizens of the Philippines."

III. CONSTITUTION OF THE COMMITTEE OF THE WHOLE HOUSE

Rule XIX, Section 139 of the Rules of the House of Representatives provides:

"Section 139. Constituting the Committee. – The House may constitute itself into a Committee of the Whole on motion of the Majority Leader to act upon a bill or resolution. When the House constitutes itself into a Committee of the Whole, it functions as one committee acting upon a bill or resolution, and conducting its proceedings like a regular committee with its membership composed of all the Members of the House.

If a motion to constitute the House into a Committee of the Whole is lost, a similar motion shall not be presented within the same session day."

Pursuant to the said Rule, during the session of the House on 20 February 2024¹, upon the motion of Rep. Janette L. Garin, there being no objection, the House approved to constitute itself into a Committee of the Whole to consider RBH No. 7, and to designate the following Members to the Committee of the Whole House:

- Speaker Ferdinand Martin G. Romualdez – Chairperson
- Majority Leader Manuel Jose "Mannix" M. Dalipe – Senior Vice Chairperson
- Senior Deputy Speaker Aurelio "Dong" D. Gonzales Jr. - Vice Chairperson
- Deputy Speaker David "Jay-Jay" C. Suarez – Vice Chairperson
- Rep. Neptali M. Gonzales II – Floor Leader
- Rep. Janette L. Garin – Assistant Floor Leader
- Rep. Lorenz R. Defensor – Assistant Floor Leader
- Rep. Marlyn L. Primicias-Agabas – Assistant Floor Leader

¹ Journal No. 54, page 14, February 20 and 21, 2024
[J54-2RS-20240220.pdf \(amazonaws.com\)](#)

IV. PROCEEDINGS OF THE COMMITTEE OF THE WHOLE HOUSE

The Committee of the Whole House (hereinafter referred to as the “Committee”) conducted its hearings to deliberate on RBH No. 7 on February 26, 27, 28, March 04, 05, and 06, 2024.

At the start of the hearing on 26 February 2024, Speaker Ferdinand Martin G. Romualdez, as Chairperson of the Committee, emphasized the importance of flexibility in economic policy to enable the Philippines to compete with other countries in attracting foreign investments in vital sectors of the economy. He reiterated that the proposed Constitutional amendments pertain only to economic provisions and encompass the following: (i) reform the public service sector; (ii) open access of Filipino children to the best educational institutions whether operated by Filipinos or foreigners; and (iii) liberalize the advertising industry. He added that there is no provision in RBH 7 that hovers on any political provision of the 1987 Constitution.

The Speaker explained that constituting the House into the Committee of the Whole would enable all Members to freely contribute to the discussion and exhaustively thresh out points that must be considered in amending the 1987 Constitution. He also said that the aim is to create an environment ripe with opportunities, where jobs are plentiful, education is world-class, and the fruits of progress are shared by everyone.

Thereafter, Vice-Chairpersons and authors Aurelio “Dong” D. Gonzales Jr. and David “Jay-Jay” C. Suarez also delivered their respective sponsorship speeches that called for the promotion of the welfare of all Filipinos through the transformative impact of liberalizing the restrictive economic provisions of the Constitution in the country.

The Committee also adopted the Ground Rules of the proceedings and agreed to divide the subject matters of the discussion as follows:

1. General Principles;
2. Public Utilities;
3. Education; and
4. Advertising.

Experts of law, international trade and foreign direct investments, and representatives from private and public sectors, which include members of the 1986 Constitutional Commission, officials of pertinent government agencies, retired Justices of the Supreme Court, Joint Foreign Chambers of Commerce, economists, legal luminaries, economic managers, educators, members of the academe, and students, industry players, local business groups, and representatives of non-government organizations, were invited to provide insights on the proposed measure.

The resource persons presented their respective positions, views, and comments on the proposed constitutional amendments in person and via Zoom video conferencing². The Committee likewise received position papers from various sectors and stakeholders³.

After the presentations, the Members were given the opportunity to interpellate the resource persons extensively.

V. ADOPTION OF RESOLUTION OF BOTH HOUSES NO. 7

On 06 March 2024, after a lengthy debate and discussion on RBH No. 7, the Committee proceeded to vote on the measure. Upon motion of the Floor Leader, Representative Neptali M. Gonzales II, the Committee adopted RBH No. 7 without amendment.

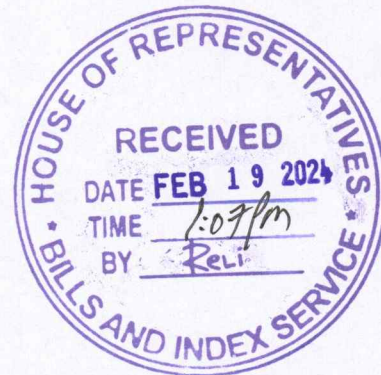
² Matrix of resource persons invited and/or attended February 26, 27, 28, March 4, 5, and 6, 2024 meetings

[Matrix of resource persons invited and/or attended February 26, 27, 28, March 4, 5, and 6, 2024 meetings.xlsx - Google Sheets](#)

³ Position papers submitted to the Committee.

[Position Papers Presentations](#)

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



RESOLUTION OF BOTH HOUSES NO. 7

Introduced by Representatives Aurelio "Dong" D. Gonzales, Jr. David "Jay-jay" C. Suarez, Manuel Jose "Mannix" M. Dalipe

A RESOLUTION OF BOTH HOUSES OF CONGRESS PROPOSING AMENDMENTS TO CERTAIN ECONOMIC PROVISIONS OF THE 1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES, PARTICULARLY ON ARTICLES XII, XIV AND XVI

WHEREAS, the Constitution is the supreme law of the land, enshrining the foundations of our nationhood and reflecting the consensus of our citizenry;

WHEREAS, the nation's economic policy must be reframed under the demands of this increasingly globalized age, while still protecting the general policy of Filipino-first that guides the economic provisions of the Constitution;

WHEREAS, there is a need to institutionalize the reforms laid down in the Public Service Act to liberalize industries, promote efficient service delivery, and foster competition as an enduring policy;

WHEREAS, our children deserve to have access to the best educational institutions, both Filipino and foreign, to ensure that they receive the best training to become globally competitive citizens in the modern world;

WHEREAS, the advertising industry currently already has foreign players and liberalizing the same is a logical and sound policy to attract foreign direct investment in that industry;

RESOLVED BY THE CONGRESS, upon a vote of three-fourths (3/4) of all its Members, pursuant to Article XVII of the Constitution, to propose amendments to Articles XII, XIV & XVI of the 1987 Constitution of the Republic of the Philippines, with the following proposals:

1. Section 11 of Article XII (National Patrimony and Economy) is amended to read as follows:

"Section 11. No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines, at least sixty per centum of whose capital is owned by such citizens, **UNLESS OTHERWISE PROVIDED BY LAW**; nor shall such

franchise, certificate, or authorization be exclusive in character or for a longer period than fifty years. Neither shall any such franchise or right be granted except under the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires. The State shall encourage equity participation in public utilities by the general public. **UNLESS OTHERWISE PROVIDED BY LAW**, the participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines."

2. Paragraph 2, Section 4 of Article XIV (Education, Science and Technology, Arts, Culture, and Sports), is amended to read as follows:

"Section 4. (2) **BASIC** educational institutions, other than those established by religious groups and mission boards, shall be owned solely by citizens of the Philippines or corporations or associations at least sixty per centum of the capital of which is owned by such citizens. The Congress may, however, require increased Filipino equity participation in all educational institutions. The control and administration of educational institutions shall be vested in citizens of the Philippines, **UNLESS OTHERWISE PROVIDED BY LAW.**"

3. Paragraph 2, Section 11 of Article XVI (General Provisions), is amended to read as follows:


"Section 11. (1) xxx

(2) xxx

Only Filipino citizens or corporations or associations at least seventy per centum of the capital of which is owned by such citizens shall be allowed to engage in the advertising industry, **UNLESS OTHERWISE PROVIDED BY LAW.**

UNLESS OTHERWISE PROVIDED BY LAW, the participation of foreign investors in the governing body of entities in such industry shall be limited to their proportionate share in the capital thereof, and all the executive and managing officers of such entities must be citizens of the Philippines."

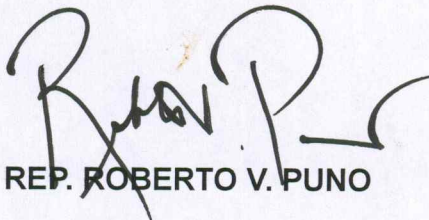
Adopted,


AURELIO 'DONG' D. GONZALES, JR.


DAVID 'JAYJAY' C. SUAREZ

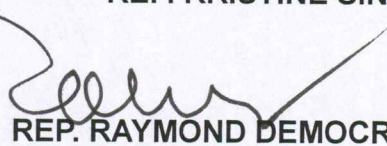

MANUEL JOSE 'MANNIX' M. DALIPE


REP. YASSER ALONTO BALINDONG


REP. ROBERTO V. PUNO

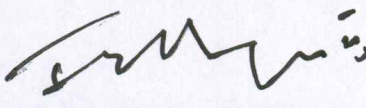

REP. KRISTINE SINGSON-MEEHAN


REP. CAMILLE A. VILLAR

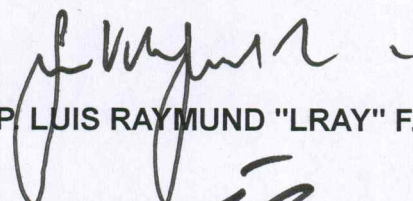

REP. RAYMOND DEMOCRITO C. MENDOZA


REP. VINCENT FRANCO "DUKE" D. FRASCO



REP. ANTONIO "TONYPET" T. ALBANO


REP. JOSE S. AQUINO II

REP. JURDIN JESUS M. ROMUALDO


REP. LUIS RAYMUND "LRAY" F. VILLAFUERTE JR.


REP. BRIAN RAYMUND S. YAMSUAN


REP. ALBERT S. GARCIA

REP. JOHNNY TY PIMENTEL

REP. ELEANDRO JESUS F. MADRONA

REP. ROBERT ACE S. BARBERS


REP. MICHAEL JOHN R. DUAVIT

REP. WILFRIDO MARK M. ENVERGA


REP. ELIZALDY S. CO

REP. YEDDA MARIE K. ROMUALDEZ


REP. TOBIAS REYNALD M. TIANGCO

REP. ANGELICA NATASHA CO


REP. JUDE A. ACIDRE

REP. FERDINAND ALEXANDER A. MARCOS


REP. RUFUS B. RODRIGUEZ

RBH 7 - A RESOLUTION OF BOTH HOUSES OF CONGRESS PROPOSING AMENDMENTS TO CERTAIN ECONOMIC PROVISIONS OF THE 1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES, PARTICULARLY ON ARTICLES XII, XIV AND XVI