

09 September 2019

SENATOR AQUILINO PIMENTEL III

Chairperson

Committee on Trade, Commerce and Entrepreneurship

Senate of the Philippines

Roxas Blvd., Pasay City

Dear **Senator Pimentel**:

We are pleased to submit the Department's position on Senate Bill No. 196, entitled:

“An Act Mandating All Food Service Establishments to Provide Free Safe and Clean Potable Service Water for their Customers”

This is without prejudice to the Department's submission of additional inputs.

With my best regards.

Very truly yours,

RAMON M. LOPEZ
Secretary



OFFICE OF THE SECRETARY

DTI Position on

Senate Bill No. 196

“An Act Mandating All Food Service Establishments to Provide Free Safe and Clean Potable Service Water for their Customers”

The Department acknowledges the intention of the proposed bill to ensure provision of free potable service water to *bona fide* customers of restaurants, food establishments, and other related hospitality service sectors in keeping with access to water being a basic human right and in pursuant of reducing single-use plastic waste from bottled water consumption. We note that the DTI's Consumer Protection Group (CPG) only monitors the market prices of bottled water as part of the basic necessities and prime commodities while matters relating to water quality is under the Department of Health (DOH)'s mandate as per Presidential Decree No. 856, series of 1975, otherwise known as the Sanitation Code of the Philippines.

The Department takes cognizance of the United Nations General Assembly Resolution 64/292 recognizing the human right to water and sanitation which was adopted on 28 July 2010.¹ In the Philippines, access to safe water supply is generally subsumed under the plan targets of the Philippine Development Plan (PDP) 2017-2022 to have a high level of human development by the end of the period.²

Furthermore, the Annual Poverty Indicators Survey (APIS) 2017, the latest report from the Philippine Statistics Authority (PSA), started incorporating drinking water as an indicator to monitor the country's progress in accomplishing Sustainable Development Goal (SDG) 6: promoting people's access to drinking water and sanitation. From the report, 93.7% of families obtain their drinking water from safe or protected sources and 88.4% find their access to the same resource as sufficient.³ There is also a substantial number of families whose main sources of drinking water are from water refilling stations (38.6%), bottled water/sachet water (2.7%), tanker truck/cart with small tank (1.1%), and rain water (0.2%) – these sources are irregular and unsustainable due to the constant frequency to take account of water stocks and order replenishment.

In view of the foregoing, the Department forwards the following views, to wit:

Quality Standards and Controls

The Department opines that the proposed bill should also prescribe quality standards and controls for conformity of covered food establishments, referencing the Philippine National Standards (PNS) for drinking water – the latest version being the DOH AO 2017-0010.

¹ Retrieved from <https://undocs.org/A/RES/64/292>

² Retrieved from <http://www.neda.gov.ph/wp-content/uploads/2018/02/PDP-Brochure.pdf>

³ Retrieved from <https://psa.gov.ph/sites/default/files/2017%20APIS%20FINAL%20REPORT.pdf>

Moreover, the DTI recommends for the proposed bill to include a provision mandating covered food establishments to place visible signage reflecting the type and source of their service water for the benefit of satisfying the consumer's right to information. In addition, the proposed bill should also explicitly determine the appropriate government agency that shall handle the monitoring and enforcement of its provisions as well as the complaints arising from the implementation. The role of local government units (LGUs) should also be specified since they are the ones that issue sanitation and business permits.

Coverage and Implementation

Despite the proposed bill intending to promote access to safe drinking water, the DTI expresses concern over its implementation since the bill explicitly states that all food establishments in areas with potable water supply system are covered by the law and would be held liable to the prescribed penalties, regardless of the individual establishment's access and capacity to provide potable service water. In particular, the Department is mindful of the proposed bill's impact on micro, small, and medium enterprises (MSMEs), such as *jolly jeeps*, food carts and trucks, street/market eateries, *carinderias*, as well as standing and take-out stalls, which would be compelled to increase prices of their menu so as to defray the costs of providing free potable water to their clientele.

In the same view, the DTI further opines that the proposed bill's definition of food establishments is broadly texted such that any establishment providing food and refreshments to the general public is covered. Interpretation of which may even include retailing enterprises such as groceries, bakeries, convenience stores, and *sari-sari* stores which may or may not allow dining within premises but nevertheless be also compelled to provide free potable water. As a consequence of the proposed bill, retail stores might opt to forbid dining within premises so as to avoid being under the coverage of implementation – this would be to the detriment of customers that are already used to dining inside convenience stores or near *sari-sari* stores.

We emphasize that the broad language in the proposed bill's definition and implementation would impact the vast majority of MSMEs which have 545,377 registered establishments (59.23% of total MSMEs) involved in retail trade, as well as accommodation and food service.⁴

Conclusions

The DTI recommends for the definition of food establishments and the implementation of the proposed bill to be clarified such that it would only cover dine-in establishments, in the likes of restaurants, cafes, pubs, food courts, and cafeterias, which can and does provide potable service water as part of its regular services. We also recommend for the proposed bill to specify penalties for fourth offenses and beyond for the sake of clarity.

⁴ DTI MSME Statistics (sourced from the PSA's 2017 Annual List of Establishments). Retrieved from: <https://www.dti.gov.ph/business/msmes/msme-resources/msme-statistics>

The Department remains sympathetic to the intentions of the proposed bill but reiterates its views for consideration. We recommend for the proposed bill to undergo further review and revisions (e.g. to include provisions identifying the responsible agencies, clarifying definition of food establishment, implementation, and penalties, among others) after holding consultations with MSMEs, particularly in the food services sector, and with the DOH and the Department of the Interior and Local Government (DILG), among others.

Nayapitichay

Bureau of Trade and Industrial Policy Research

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