

10 January 2020



REP. GLONA G. LABADLABAD
Chairperson
Committee on Ecology
House of Representatives
Batasan Pambansa Complex, Constitution Hills
Quezon City, Philippines

Dear **Rep. Labadlabad**:

We are pleased to submit the Department's position on the proposed legislations, entitled:

House Bill No. 33	"An Act Mandating the Labelling of Plastic Products According to the Type of Plastic Resin Used in Such Products, Providing Penalties for Violations Thereof and for Other Purposes"
House Bill Nos. 103 and 2484	"An Act Regulating the Production, Importation, Sale, Provision, Use, Recovery, Collection, Recycling, and Disposal of Plastic Products"
House Bill No. 139	"An Act Phasing Out and Prohibiting the Manufacture, Importation, Sale, and Use of Single-Use Plastic Products, Promoting Recycling, and Providing Funds Therefor"
House Bill No. 178	"An Act Imposing Excise Tax on Single-Use Plastic Bags, Creating for the Purpose Section 150-C of the National Internal Revenue Code of 1997, as Amended"
House Bill No. 499	"An Act Banning the Production and Usage of Single-Use Plastic Products Nationwide, and Providing Penalties for Violations Thereof"
House Bill No. 546	"An Act Providing for the Phase-Out of Single-Use Plastic Products in the Country and for Other Purposes"
House Bill Nos. 574, 635, and 3140	An Act Regulating the Manufacturing, Importation, and Use of Single-Use Plastic Products, and Providing Penalties, Levies, and an Incentives System for Industries, Business Enterprises and Consumers Thereof"
House Bill Nos. 1754 and 2811	"An Act Regulating the Production, Importation, Sale, Provision, Use, Recovery, Collection, Recycling, and Disposal of Plastic Bags"

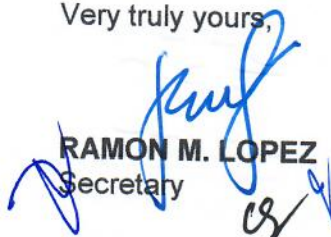
OFFICE OF THE SECRETARY

- House Bill Nos. 2396 and 5489 “An Act Prohibiting the Production, Importation, Sale, Provision, and Use of Single-Use Plastics and for Other Purposes”
- House Bill No. 2969 “An Act Prohibiting the Use of Plastics, Other Non-Biodegradable Materials, and Hazardous Substances in Advertising Goods, Services, or Events, Including Election Propaganda, and Providing Penalties Therefor”
- House Bill No. 3338 “An Act Banning the Use of Single-Use Plastics Nationwide to Eliminate Plastic Pollution in the Philippines”
- House Bill No. 4339 “An Act Regulating The Production, Importation, Sale, and Use of Single-Use Plastics, Providing Funds Therefor, and for Other Purposes”
- House Bill No. 4435 “An Act Regulating and Further Prohibiting the Usage of Single-Use Plastic Products, Providing Penalties, Levies and Incentives for Industries, Business Entities and Consumers Thereof, and for Other Purposes”
- House Bill No. 4644 “An Act Regulating the Use, Manufacture, Importation and Disposal of Single-Use Plastics, and Providing Penalties, Incentives and Levies Therefor”
- House Bill No. 5048 “An Act Establishing the Incentivized Solid Waste Redemption and Recovery Systems, Appropriating Funds Therefor, and for Other Purposes”
- House Bill No. 5383 “An Act Regulating The Use, Recovery, Collection, And Disposal Of Plastic Drinking Straws In Commercial Establishments And In Pre-Packed Beverages”
- House Bill No. 5411 “An Act Mandating All Retailers of Consumer Products to Provide a Packaging Waste Collection System at Source and for Other Purposes”

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

With my best regards.

Very truly yours,


RAMON M. LOPEZ
 Secretary

DTI Position on

House Bill No. 33	“An Act Mandating the Labelling of Plastic Products According to the Type of Plastic Resin Used in Such Products, Providing Penalties for Violations Thereof and for Other Purposes”
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The Department recognizes the overarching objective of the proposed legislations to promote sustainable consumption and production through the

regulated manufacture, importation, sale, provision, use, recovery, collection, recycling, and disposal of plastic products in general and single-use plastic products in particular.

A report by the Global Alliance for Incinerator Alternatives (GAIA) reveals that roughly 164 million pieces of sachets are used in the country daily, shedding light on the Ocean Conservancy and McKinsey Center for Business and Environment's report ranking the Philippines as the third largest contributor to plastic products found in oceans. Data by the country's Environmental Management Bureau (EMB) cited that plastic packaging materials comprised 38% of our solid wastes.¹ These data provide an alarming impetus to actively support and encourage sustainable consumer and producer choices in addressing all forms of waste, including plastic products.

Relative to the stipulations under the proposed legislations, DTI submits its specific comments and recommendations including:

- On the labelling of plastic products by manufacturers:

Proposed Provision	DTI Comments/Recommendations
<p>House Bill No. (HBN) 33</p> <p>Mandates the labeling of plastic products using arrows that cycle clockwise to form a triangle that encloses a numeral from 1 to 7 that identifies the plastic resin used.</p>	<ul style="list-style-type: none"> • The DTI expresses its support to the objective of mandatory labeling of plastic products as a means to discern their recyclability and aid in proper waste management and disposal.
<p>HBN 103</p> <p>Requires that plastic and biodegradable plastic bags, reusable bags, and recyclable paper carry-out bags must be appropriately labeled as biodegradable, non-biodegradable, or recyclable.</p>	<ul style="list-style-type: none"> • While the proposed labeling is in accordance with the American Society for Testing and Materials (ASTM) International Resin Identification Coding System (RIC), this may still create confusion among consumers given that the RIC symbols do not immediately denote recyclability. The recyclability of the materials still depends on local recycling programs and their capacity to process the different types of plastic resin. • The DTI recommends exploring other labeling methods that would best achieve its objectives. An example would be the How2Recycle labeling program of the Sustainable Packaging Coalition, which aims to improve the reliability, completeness, and transparency of recyclability claims.²

- On the ban of unlabeled plastic products:

Proposed Provision	DTI Comments/Recommendations
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¹ EMB data on solid wastes accessed at https://webcache.googleusercontent.com/search?q=cache:_AGrplHbbxMJ:https://emb.gov.ph/wp-content/uploads/2018/09/3-Solid-Waste-1.8.pdf+&cd=12&hl=en&ct=clnk&gl=sg

² How2Recycle, accessed at <https://how2recycle.info/about>

HBN 33	<ul style="list-style-type: none"> • While the DTI supports this proposed provision, it is of the view that industries should be given ample time to comply. The transition period should take into consideration the adjustment in local manufacturers to include labeling in their production process as well as for importers to be able to source from compliant suppliers.
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- On the provision of biodegradable plastic products for basic services:

Proposed Provision	DTI Comments/Recommendations
<p style="text-align: center;">HBNs 103, 1754, 2484, and 2811</p> <p>Mandates all commercial establishments to provide biodegradable plastic products to their consumers six (6) months after the effectivity of this Act.</p>	<ul style="list-style-type: none"> • The DTI is of the view that the provision of biodegradable plastic products should be voluntary. Different commercial establishments may have varying packaging products, which may not be biodegradable plastic but are eco-friendly alternatives. • As basis, numerous global and local studies revealed that paper bags have a more negative impact on the environment compared with plastic bags and reusable bags. These studies have also cited that the key to reducing the environmental impact is to maximize the reuse of products.^{3,4,5,6}

- On the prohibition and phase-out of single-use plastic products:

Proposed Provision	DTI Comments/Recommendations
<p style="text-align: center;">HBNs 103, 499, 574, 635, 2484, 3140, 3338, 4435, and 4644</p> <p>Prohibits the production, importation, sale, distribution, provision or use of plastic products 1 year after the effectivity of this Act.</p> <p style="text-align: center;">HBN 139</p> <p>Allows for a transition period of</p>	<ul style="list-style-type: none"> • While the DTI recognizes the objective of this proposed provision, we are of the view that the total ban on plastic products imposes higher expenditures on enterprises, which may be transferred to the consuming public in the form of higher commodity prices. • Instead of a total ban on plastic products, the DTI recommends strengthening initiatives on awareness and information dissemination to encourage supply and

³ U.K. Government Environment Agency (2011). Life Cycle Assessment of Supermarket Carrier Bags: A Review of the Bags Available in 2006.

⁴ Cadman, J., Evans, S., Holland, M., and Boyd, R. (2005) Proposed Plastic Bag Levy - Extended Impact Assessment Final Report. Commissioned by the Waste Strategy Team in the Environment and Rural Affairs Department at the Scottish Executive.

⁵ Kimmel, R. (2014). Life Cycle Assessment of Grocery Bags in Common Use in the United States.

⁶ Biona, M. (2017). Life Cycle Assessment of Carrying Bags Options for Metro Manila. Commissioned by the National Solid Waste Management Commission.

<p>2 years after the effectivity of this Act and provides a phase-out plan to be formulated within 3 months after the effectivity of the Act.</p> <p>HBNs 546, 2396, 4339, and 5489</p> <p>Allows for a transition period of 3 years after the effectivity of this Act.</p> <p>HBNs 1754 and 2811</p> <p>Stipulates the phasing-out of non-biodegradable plastic bags within 3 years from the effectivity of this Act.</p> <p>HBN 2969</p> <p>Bans the use of plastics, other non-biodegradable materials, and hazardous substances in advertising goods, services, or events, including election propaganda within 1 year.</p> <p>HBN 5383</p> <p>Provides for the following:</p> <ul style="list-style-type: none"> • All commercial establishments to charge and collect a plastic straw fee of Php2. • Plastic straws shall be separated from pre-packed beverages. 	<p>demand side solutions through consumers' use and businesses' production of alternatives to single-use plastic products.</p> <ul style="list-style-type: none"> • This will complement the DTI- Bureau of Philippine Standards' (BPS) National Ecolabeling Programme-Green Choice Philippines (NELP-GCP), a voluntary; criteria-based; and third-party environmental performance label that aims to encourage clean manufacturing practices and to guide consumer product selection. • Government dialogue with the business sector may aid in convincing manufacturers to contribute to plastic waste reduction similar to: Coca Cola Company's pledge of a 100% collection and recycling rate globally by 2030; Marriott's commitment to eliminate plastic toiletry bottles by December 2020; and Amazon India's promise to scrap single-use plastic packaging by June 2020.^{7,8,9} • The government may lend support to non-governmental organizations like the World Wide Fund for Nature (WWF), which initiates programs addressing plastic wastes. The strategy of the WWF-Philippines' No Plastics in Nature Initiative includes creating Plastic Smart Cities movement for cities and tourism destinations, initiating a Plastic Action (PACT) for businesses, and #AyokoNgPlastik campaign for the general public.¹⁰
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⁷ World Economic Forum: 5 ways Coca-Cola is cleaning up its plastic footprint in Africa, accessed at <https://www.weforum.org/agenda/2019/09/coca-cola-coke-cleaning-up-plastic-recycling/>

⁸CBS News: Marriott, the world's largest hotel chain, plans to eliminate single-use plastic toiletries by 2020, accessed at <https://www.cbsnews.com/news/marriott-the-worlds-largest-hotel-chain-plans-to-eliminate-single-use-plastic-toiletries-by-2020/>

⁹ Fast Company: Amazon and Walmart pledge to curb single-use plastic packaging, but only in India, accessed at <https://www.fastcompany.com/90399144/amazon-and-walmart-pledge-to-curb-single-use-plastic-packaging-but-only-in-india>

¹⁰Business Mirror: WWF-Philippines launches 'No Plastics in Nature' initiative, accessed at <https://businessmirror.com.ph/2019/09/16/wwf-philippines-launches-no-plastics-in-nature-initiative/>

<ul style="list-style-type: none"> Commercial establishments that comply with this Act to be marked with a straw-free seal program. 	
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- On the levy of excise taxes on single-use plastic bags:

Proposed Provision	DTI Comments/Recommendations
<p>HBN 178</p> <p>Provides for an excise tax of PhP10 per single-use plastic bag.</p>	<ul style="list-style-type: none"> The Department expresses its support on the imposition of excise taxes on single-use plastic bags as a means to encourage consumers and producers to lessen their dependence on single-use plastic bags and shift to more sustainable alternatives. We also view this measure to be more responsive to the varying needs and priorities of industries and consumers alike in contrast to the full prohibition of single-use plastics. However, the Department suggests considering the results of the studies on carrying bags, which assessed paper bags to have the highest impact on the environment vis-à-vis High Density Polyethylene (HDPE) plastic bags (i.e., <i>sando</i> bags) and Non-woven Polypropylene (PP) carrying bags (i.e., <i>ecobags</i>). In addition, the definition of single-use plastic bags should provide standard specifications and characteristics of plastic bags (e.g., thickness, material, etc.) to ensure that the excise taxes would be applied only on the intended single-use plastic bags. The DTI expresses its reservations on the proposal to provide 50% of the revenues from the excise taxes to be allocated to the National Solid Waste Management Commission (NSWMC) as this may pose a conflict of interest in the NSWMC's implementation of Republic Act (RA) No. 9003, which mandates it to create a list of non-environmentally acceptable products or

	<p>packaging (NEAP). As the NSWMC will benefit from the tax imposition of single-use plastic bags, it may be hesitant to include such packaging under the NEAP list even if proven by studies to fall under this category.</p> <ul style="list-style-type: none"> • The Department defers to the Department of Finance (DOF) on the appropriate level of excise taxes in accordance with its Comprehensive Tax Reform Program (CTRP).
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- On the plastic products recovery program:

Proposed Provision	DTI Comments/Recommendations
<p>HBNs 103, 1754, 2484, and 2811</p> <p>Mandates the operators of commercial establishments to create an in-store recovery program that shall give their customers an opportunity to return their used plastic products within 60 days after the effectivity of this Act.</p> <p>HBN 5411</p> <p>Requires all retailers or sellers to have a packaging waste collection system in place.</p> <p>HBN 5383</p> <p>Provides for the creation of a central straw disposal unit shall be created per province for the proper recovery of plastic straws.</p>	<ul style="list-style-type: none"> • While a recovery program per commercial establishment may prove to be costly, the proper implementation of the reclamation programs and buy-back centers for recyclables and toxics, the Materials Recovery Facility, and the Common Waste Treatment and Disposal Facilities at the local government unit (LGU) level, as stipulated in RA No. 9003 or the Ecological Solid Waste Management Act of 2000, may take advantage of economies of scale.

- On establishing a program for affected employees and workers of the plastic industry:

Proposed Provision	DTI Comments/Recommendations
<p>HBNs 103 and 2484</p> <p>Mandates the Department of Labor and Employment (DOLE), in coordination with DTI and the Technical Education and Skills Development Authority</p>	<ul style="list-style-type: none"> • While the DTI reiterates its reservations on the total ban of plastic products, it acknowledges the need to prepare and capacitate the labor force in anticipation of innovative efforts to shift to environment-friendly alternatives.

<p>(TESDA), to conduct a study to determine the effect of this Act on affected plastic industry employees and workers and to develop a program for alternative livelihood opportunities.</p> <p>HBNs 139, 635, 3140, and 4644</p> <p>Mandates the Department of Science and Technology (DOST), National Ecology Center (NEC), DTI, DOLE, and TESDA to implement capacity-building programs within 6 months from the effectivity of this Act.</p> <p>HBNs 574 and 4339</p> <p>Mandates the DOST, DOLE, TESDA, and LGUs to provide the capacity-building programs.</p>	
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- On the support for affected plastic manufacturers:

Proposed Provision	DTI Comments/Recommendations
<p>HBN 103</p> <p>Mandates the DTI to develop benefits and programs to assist affected plastic manufacturers and facilitate their transition to other manufactured goods.</p> <p>HBNs 139, 574, 635, 3140, 3338, 4435, and 4644</p> <p>Allows for the provision of incentives for manufactures shifting to alternative products.</p> <p>HBNs 499, 635, 3140, 4435, 4644, and 5383</p> <p>Directs the DOST to assist plastic manufacturers in the conduct of research on alternatives.</p>	<ul style="list-style-type: none"> • The Department is of the view that government fiscal and non-fiscal support may facilitate the necessary shift to alternative products to ensure sustainable production and consumption practices. • Pending ongoing deliberations on the Corporate Income Tax and Incentives Rationalization Act (CITIRA), firms that may qualify may avail of the fiscal incentives stipulated under CITIRA. • The DTI views that shifting away from single-use plastic may be better facilitated if appropriate alternatives are made available. In line with this, we express our support to the proposed directive for DOST to assist in the conduct of research for possible alternatives,

- On product standards:

Proposed Provision	DTI Comments/Recommendations
<p style="text-align: center;">HBN 103</p> <p>The Department of Trade and Industry (DTI), in coordination with other government and private agencies and organizations concerned shall promulgate the appropriate Philippine National Standards (PNS) PNS for biodegradable plastic products within 6 months from the effectivity of this Act.</p> <p style="text-align: center;">HBN 3140</p> <p>The NSWMC, DOST, and DTI are directed to develop the appropriate standards for alternatives to single-use plastic products.</p>	<ul style="list-style-type: none"> • The DTI, through its Bureau of Philippine Standards (BPS), which is mandated to develop, promulgate, and implement standards for all products in the Philippines shall take the lead in developing the appropriate standards for alternatives to single-use plastic products.

- On the monitoring and market inspections:

Proposed Provision	DTI Comments/Recommendations
<p>HBNS 103, 139, 635, and 3140</p> <p>Mandates the DENR and DTI to conduct regular and routine inspection and monitoring of point of sale stores and facilities of plastic manufacturers to determine compliance.</p> <p style="text-align: center;">HBNS 4339 and 4435</p> <p>Mandates the DTI, in coordination with the LGUs to conduct regular inspection and monitoring.</p>	<ul style="list-style-type: none"> • Given the environmental objective of the proposed legislation, the DENR and DTI will ensure that they are equipped with the updated technical skills to ascertain the compliance of manufacturers.

- On special environmental fund for plastic product regulation:

Proposed Provision	DTI Comments/Recommendations
<p>HBNS 103, 635, and 2484</p> <p>Creates a fund to improve the capacity of LGUs, conduct awareness campaigns, assist</p>	<ul style="list-style-type: none"> • In place of a separate fund, the DTI suggests augmenting the Solid Waste Management Fund created under RA No. 9003 or the Ecological Solid Waste Management Act of 2000.

<p>and provide incentives to affected industries and communities, and augment the Solid Waste Management Fund.</p> <p>HBNs 574, 3140, 4339, and 4644</p> <p>Provides for the same fund but with the addition of establishing recycling centers.</p>		
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- On incentivizing the redemption of solid wastes:

Proposed Provision	DTI Comments/Recommendations
<p>HBN 5048</p> <p>Establishes a system where solid wastes collected may be exchanged for rice, water, canned goods, basic household consumer items, or cash and a Carbon Credits system for reducing carbon emissions.</p>	<ul style="list-style-type: none"> • The DTI expresses its reservations on the proposed provision as it may lead to a “cobra effect” or the worsening of the problem due to the incentives stimulating the collection/generation of more solid wastes in exchange for consumer goods or cash.

- On the implementing agency:

Proposed Provision	DTI Comments/Recommendations
<p>HBN 33</p> <p>Assigns the DTI to come up with the implementing rules and regulations (IRR) within 60 days after the implementation of this Act.</p>	<ul style="list-style-type: none"> • The DTI supports the proposal to assign the DENR as the lead agency to be accountable in the formulation of the IRR given the environmental objective of the proposed legislations but emphasizes the relevance of DTI’s involvement and participation to ensure that the welfare of consumers and the needs of businesses are considered.
<p>HBNs 103 and 2396</p> <p>Assigns the Department of Environment and Natural Resources (DENR), in coordination with the DTI and the National Solid Waste Management Commission (NSWMC), to come up with the IRR within 90 days after the implementation of this Act.</p>	
<p>HBN 499</p> <p>Assigns the DENR, DILG, and DTI to come up with the IRR</p>	

within 60 days after the implementation of this Act.

HBN 546

Assigns the DENR, cooperation with the DILG, DTI, DOF and DOST to come up with the IRR.

HBNs 574, 635, 3140, and 4644

Assigns the DENR, in coordination with the DTI, DILG, and Climate Change Commission (CCC), to issue the IRR within 100 days.

HBNs 1754, 2484, 2811

Assigns the DENR, in coordination with the DTI and the National Solid Waste Management Commission (NSWMC), to come up with the IRR within 6 months after the implementation of this Act.

HBN 2969

Assigns the DENR, in coordination with the DTI, DILG, and COMELEC, to issue the IRR within 60 days after the implementation of this Act.

HBNs 3338 and 5048

Assigns the multi-stakeholder committee to issue the IRR within 60 days after the implementation of this Act.

HBN 4339

Assigns the DENR, in coordination with the DTI, DILG, and COMELEC, to issue the IRR within 120 days after the implementation of this Act.

<p style="text-align: center;">HBN 4435</p> <p>Assigns the DENR, in coordination with the DTI, DILG, to issue the IRR within 120 days after the implementation of this Act.</p> <p style="text-align: center;">HBNs 1754, 2484, 2811</p> <p>Assigns the DENR, in coordination with the DTI, NSWMC, and other people's organizations (POs), to come up with the IRR within 3 months after the implementation of this Act.</p> <p style="text-align: center;">HBN 5383</p> <p>Assigns the DENR, in consultation with the DOST, DTI, DOH, and FDA, to come up with the IRR.</p> <p style="text-align: center;">HBN 5411</p> <p>Assigns the DTI, in coordination with the DOF and DENR, to promulgate the IRR.</p>	
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The Department reiterates its support for the general objective of the proposed legislations taking into consideration its specific comments and recommendations. Further, we emphasize the need to address not only plastic products but all other forms of waste towards the achievement of sustainable consumption and production.

Finally, the Department suggests consolidating the proposed legislations to streamline common provisions.

Ragaprinchay

**Bureau of Trade and Industrial Policy Research
10 January 2020**

Ref: BTIPR122019-45

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