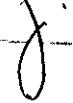


SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
SECOND REGULAR SESSION)

'15 MAY 20 P 3:15

SENATE
PROPOSED SENATE RESOLUTION 1366

RECEIVED BY: 

Introduced by SENATOR FERDINAND R. MARCOS, JR.

A RESOLUTION DIRECTING THE SENATE COMMITTEE ON COOPERATIVES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ABOUT THE AVAILMENT OF THE SEPARATE INCENTIVE SCHEMES FOR ELECTRIC COOPERATIVES UNDER REPUBLIC ACT NO. 10531 AND REPUBLIC ACT NO. 9520, THE PROCEDURES AND MECHANISMS IN PLACE, AND THE STATUS OF THEIR CONCURRENT IMPLEMENTATION AND ADMINISTRATION BY THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA) AND THE NATIONAL ELECTRIFICATION ADMINISTRATION (NEA), AS WELL AS BY THE BUREAU OF INTERNAL REVENUE (BIR) AND LOCAL GOVERNMENT UNITS (LGUS)

WHEREAS, Republic Act No. 10531 was approved in 7 May 2013, which amended Presidential Decree No. 269, in order to "empower and strengthen the National Electrification Administration (NEA)", but also to "empower and enable electric cooperatives to cope with the changes brought about by the restructuring of the electric power industry";

WHEREAS, RA 10531 clarified and strengthened the supervisory and disciplinary powers of the NEA over electric cooperatives, regardless of the primary registration of the latter, finally settling the delineation of jurisdiction between the NEA and the Cooperative Development Authority (CDA);

WHEREAS, in order to pursue the policy objectives, the said law provided for a set of special incentives, as listed under Section 32-A thereof, for electric cooperatives that comply with the "financial and operational standards set by the NEA" and that are "managed effectively and efficiently";

WHEREAS, the Philippine Cooperative Code of 2008 (RA No. 9520) also provided for the general set of incentives and privileges for all cooperatives, as listed under Articles 60, 61, and 62 thereof, most important of which are the tax exemption privileges;

WHEREAS, if the clear common intention of the two (2) laws is to encourage and foster the growth and development of the cooperative sector by creating a conducive business and regulatory atmosphere for them;

WHEREAS, logic dictates that compliant electric cooperatives can be qualified to simultaneously avail of both sets of incentives provided for under RA 10531 and RA 9520;

WHEREAS, a reasonable, harmonized and reassuring system of incentives for electric cooperatives is crucial to rationalize and balance the effects of a strengthened regulatory environment for the electric cooperatives in the country;

WHEREAS, a viable and effective incentive scheme for electric cooperatives will ultimately benefit the consumers and the public in the form of improved services and also substantial reduction in the electricity rates of their member-consumers;

NOW, THEREFORE, BE IT RESOLVED, that the Senate direct the Committee on Cooperatives to conduct an inquiry, in aid of legislation, about the availment of the separate incentive schemes for electric cooperatives under RA 10531 and RA 9520, the procedures and mechanisms in place, and the status of their concurrent implementation and administration by the Cooperative Development Authority (CDA) and the National Electrification Administration (NEA), as well as the efforts, actions and mechanisms of the Bureau of Internal Revenue (BIR) and local government units (LGUs) in helping to create an enabling environment for the availment of the these incentives and privileges under the two laws.

Adopted,


FERDINAND R. MARCOS, JR.