

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

23 MAY 22 P 4 :43

RECEIVED BY: _____

SENATE
S. No. 2222

Introduced by Senator MANUEL "LITO" M. LAPID

AN ACT
PROTECTING CONSUMERS FROM UNREASONABLE FEE INCREASES BY
PROVIDING FOR A CONSUMER GROUP REPRESENTATION IN THE
GOVERNING BOARDS OF GOVERNMENT REGULATORY BODIES,
AMENDING FOR THE PURPOSE THEIR RESPECTIVE CHARTERS,
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Bangko Sentral ng Pilipinas (BSP) reported that inflation is expected to remain high in the upcoming months and is anticipated to average at 6.1% this year¹. The 2023 inflation forecast is higher compared to the 4.5% target that was disclosed last December 2022². This is due to several factors, such as but not limited to, uncertainties in the global food market, higher domestic prices of crucial food items which are experiencing supply limitations, elevated oil prices that led to the increase in transportation fares³. Indeed, consumers are the most affected by the persistent rise in the cost of goods and services, compounded by the weakening or devaluation of the peso.

¹

https://www.bsp.gov.ph/SitePages/PriceStability/VisualMPR/MonetaryPolicyReport_February2023.aspx#:~:text=Inflation%20outlook%20leans%20upward%20for%202023%20and%202024.&text=The%20BSP%27s%20latest%20estimates%20show,announced%20in%20December%20last%20year.

² Id.

³

https://www.bsp.gov.ph/SitePages/PriceStability/VisualMPR/MonetaryPolicyReport_February2023.aspx#:~:text=Factors%20that%20could%20cause%20inflation%20to%20exceed%20the%20latest%20forecasts,and%20higher%2Dthan%2Dexpected%20wage

Unfortunately, despite the public's persistent pleas, the government regulatory bodies authorized and approved the said increase.

While some policymakers do engage with stakeholders in the policy-making process, there are still several policies that are authorized without sufficient consultation or consideration of stakeholders.

The lack of adequate consultation mechanisms to ensure effective representation of stakeholders in policy formulation violates the Constitutional mandate. Further, some government regulatory bodies lack provisions requiring public participation in their decision-making processes.

Consumer affairs play a pivotal role in ensuring the welfare and protection of individuals and households in our country. The Philippine government has implemented several laws and regulations to safeguard the rights of consumers, promote fair trade practices, and prevent abuses by businesses. However, to ensure that consumer-related policies truly reflect the needs and concerns of the people, it is essential to have direct representation from consumer groups within government agencies responsible for setting consumer prices.

Appointing a consumer group representative in these agencies will serve multiple purposes. Firstly, it will provide an avenue for consumers to have a voice in decision-making processes, ensuring that their interests are adequately considered. This representative will act as a bridge between the government and consumer organizations, facilitating effective communication and promoting collaboration.

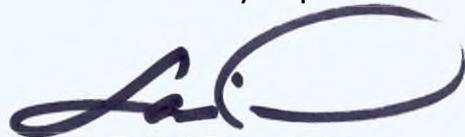
Secondly, a consumer group representative will bring invaluable expertise and insights to the table. These representatives will possess a deep understanding of consumer issues, market dynamics, and the impact of pricing policies on various socio-economic groups. Their knowledge will contribute to more informed and balanced decision-making, promoting fair pricing practices and protecting consumers from unfair market practices.

Thirdly, citizen involvement in consumer affairs is crucial for building trust, transparency, and accountability in government. By involving consumers directly in

the policymaking process, we foster a sense of ownership and empowerment among the people. This not only strengthens the democratic fabric of our society but also enhances the legitimacy and effectiveness of government actions in addressing consumer concerns.

Thus, this bill seeks to fill such gap by the creation of a position for a Consumer Group Representative in applicable government agencies and by the institutionalization of the participatory mechanisms for stakeholders by including at least one representative coming from consumer groups belonging to the sector concerned, amending the charters creating regulatory bodies.

In view of the foregoing, early passage of this bill is earnestly requested.



MANUEL "LITO" M. LAPID

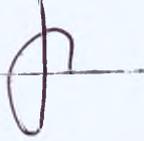
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1 **AN ACT**

2 **PROTECTING CONSUMERS FROM UNREASONABLE FEE INCREASES BY**
3 **PROVIDING FOR A CONSUMER GROUP REPRESENTATION IN THE**
4 **GOVERNING BOARDS OF GOVERNMENT REGULATORY BODIES,**
5 **AMENDING FOR THE PURPOSE THEIR RESPECTIVE CHARTERS,**
6 **AND FOR OTHER PURPOSES**

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

7 **SECTION 1. Short Title.** – This Act shall be known as the "Consumer Group
8 Representation in Regulatory Bodies Act."

9 **SECTION 2. Declaration of Policy.** – Pursuant to the Constitutional mandate that
10 the right of the people and their organizations to effective and reasonable participation
11 at all levels of social, political, and economic decision-making shall not be abridged,
12 and the State shall, by law, facilitate the establishment of adequate consultation
13 mechanisms, the State shall:

14 (a) Prevent the concentration of power and information in a few persons or
15 government organizations;

16 (b) Adopt and implement a policy of full public disclosure of all its transactions
17 involving public interest thereby promoting transparency and accountability;
18 and

1 (c) Ensure the protection and advancement of consumer welfare by mandating the
2 inclusion of consumer group representatives in the Governing Boards of
3 government regulatory bodies.

4 **SECTION 3. *Consumer Group.*** – For purposes of this Act, a consumer group
5 shall refer to a representative organization, registered under the Securities and
6 Exchange Commission, which has been established and organized to cater to a
7 national constituency, and whose mandate includes the protection of the interests and
8 rights of consumers in a specific sector that is being regulated by a government
9 regulatory body.

10 **SECTION 4. *Coverage.*** – The Governing Boards of the following government
11 regulatory bodies shall include at least one (1) member who shall represent the
12 consumer group belonging to the sector being regulated by the government regulatory
13 body concerned:

- 14 (a) Land Transportation and Franchising Regulatory Board, created by
15 Executive Order No. 202, series of 1987;
- 16 (b) Toll Regulatory Board, crated by Presidential Decree No. 1112;
- 17 (c) Energy Regulatory Commission, created by Republic Act No. 9136;
- 18 (d) Manila Waterworks and Sewerage System, crated by Executive Order No.
19 1036;
- 20 (e) Local Water Utilities Administration, created by Presidential Decree No. 198,
21 as amended; and
- 22 (f) National Telecommunications Commission, created by Executive Order No.
23 546.

24 Such member of the respective governing boards of the aforementioned
25 government regulatory bodies shall be called the Consumer Group Representative.

26 The Consumer Group Representative shall perform the same functions, shall
27 have the same voting rights, shall be paid the same salaries, remunerations, and
28 emoluments, and enjoy the same privileges as those enjoyed by the other members
29 of the Governing Board of the government regulatory authority concerned.

1 **SECTION 5. *Qualifications of Consumer Group Representative.*** – The
2 Consumer Group Representative to be appointed should be a natural born citizen of
3 the Philippines, at least thirty (30) years of age, able to read and write, a bona fide
4 member of the Consumer Group which the appointee seeks to represent for at least
5 two (2) years prior to the appointment, and has never been convicted of any
6 administrative, civil, or criminal offense involving moral turpitude.

7 The Consumer Group Representative should have at least five (5) years of
8 known advocacy in the consumer sector the appointee represents.

9 If, at any time during the appointment, the Consumer Group Representative
10 ceases to be a bona fide member of the respective consumer group through expulsion,
11 resignation, or any manner of removal sanctioned by its organizational by-laws, the
12 position of the Consumer Group Representative shall automatically be declared vacant
13 and shall be filled up accordingly by initiating the appointment process as herein
14 provided.

15 **SECTION 6. *Term of Office of the Consumer Group Representative.*** – The
16 term of office of the Consumer Group Representative shall be two (2) years: *Provided,*
17 That, upon the expiration of the term, a member of the consumer group shall serve
18 until a successor shall have been appointed and qualified: *Provided, further,* That an
19 appointment to fill the vacancy that arises prior to the expiration of the term of the
20 Consumer Group Representative shall only be for the unexpired portion of such term:
21 *Provided, finally,* That no member of the Consumer Group shall be appointed for more
22 than two (2) consecutive or partial terms.

23 **SECTION 7. *Appointing Authority.*** – The President of the Republic of the
24 Philippines shall appoint the Consumer Group Representative subject to the
25 qualifications as herein provided, and to the limitations and prohibitions under existing
26 laws and statutes.

27 **SECTION 8. *Implementing Rules and Regulations.*** – Within sixty (60) days
28 after the effectivity of this Act, the Department of Budget and Management and the
29 Department of Trade and Industry, in coordination with the government regulatory

1 agencies as enumerated under Section 4 of this Act, shall formulate the rules and
2 regulations to effectively implement the provisions of this Act.

3 **SECTION 9. *Separability Clause.*** – If, for any reason, any section, subsection,
4 clause, or term of this Act is held invalid or unconstitutional, such parts not affected
5 by such declaration shall remain in full force and effect.

6 **SECTION 10. *Repealing Clause.*** – All existing laws, orders, decrees, rules and
7 regulations, or parts thereof, inconsistent with the provisions of this Act are hereby
8 amended, modified, or repealed accordingly.

9 **SECTION 11. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
10 publication in the *Official Gazette* or in at least two (2) newspapers of general
11 circulation.

12 *Approved,*