

FIFTEENTH CONGRESS OF THE REPUBLIC
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SEP 71
OFFICE OF THE SECRETARY

10 JUL -8 11:30

SENATE

S. No. 977

RECEIVED BY: *fl*

Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

In the Philippines, with millions of college students enrolling each semester, affordable access to quality textbooks and supplementary materials remains to be wanting. Under this system, textbook companies and publishing houses have the capability to monopolize the market and control the prices of books needed by our college students. Given the economic conditions that our country is currently facing, many poor Filipinos could hardly afford to buy the books they need in their college education. Furthermore, college students often spend large amount of money to purchase their textbooks and open them only few times during a given school semester. After the semester, the book is stocked in a cabinet and never to be read or reused by another student.

This proposed measure seeks to give spirit to the provisions of our Constitution which seeks to give utmost priority to education in order to foster patriotism and nationalism amongst its constituents and promote total human liberation and development. This measure seeks to reaffirm the provisions of our Constitution which provides that all citizens of this nation have the right to quality education at all levels. Under this bill, the government will establish book rent distribution branches all over the country so that students can rent the books they need instead of buying them, thus reduce their cost of college and post-graduate education.

Under this measure, the State will establish a mechanism that will ensure that poor college and post-graduate students will be provided with affordable quality textbooks and supplemental materials all over the country in order to reduce the cost of their college and post-graduate education. The government will establish the Philippine Textbook Rent Foundation which is tasked to reproduce the books needed by our college students and lend the same to the students through affordable rental fee.

Furthermore, the government will also establish a trust fund which will source the funds to be used to purchase and reproduce the books needed by our college students in order to ensure the sustainability of this program.

In view of the foregoing, immediate passage of this bill is earnestly sought.


MANUEL "LITO" M. LAPID
Senator

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AN ACT
ESTABLISHING THE MECHANISMS TO ENSURE THE AVAILABILITY OF
AFFORDABLE COLLEGE AND POST-GRADUATE TEXTBOOKS AND
SUPPLEMENTAL MATERIALS FOR THE POOR, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be cited as the "***Cheaper Books for the Poor Act of 2010***".

SEC. 2. *Declaration of Policy.* -- It is hereby declared the policy of the State to give priority to education to foster patriotism and nationalism, accelerate social progress and promote total human liberation and development. Towards this end, the State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible and affordable to all.

Towards this end, the State shall establish a mechanism whereby various stakeholders shall work together to identify ways to decrease the cost of college textbooks and supplemental materials for students while protecting the academic freedom of faculty members to provide high quality course materials for their students.

In the pursuit of this policy, the State shall institutionalize a mechanism that will ensure that poor college and post-graduate students will be provided with affordable textbooks and supplemental materials in order lower the cost of higher education. Herewith, the State will establish an institution wherein students can borrow books at an affordable cost or on a loan basis in order to lower the cost of purchasing college and post-graduate textbooks and supplemental materials.

SEC. 3. *Definition of Terms.* – As used in this Act, the following terms shall be construed as follows:

- (1) College and Post Graduate Textbook - The term shall mean a textbook or a set of textbooks used for a course in post secondary and post graduate education at an institution of higher education.
- (2) Publisher - The term “publisher” means a publisher of college textbooks or supplemental materials involved in or affecting interstate commerce.
- (3) Supplemental Material - The term “supplemental material” means educational material published or produced to accompany a college and post graduate textbook.

SEC. 4. *Institutionalization of the Philippine Textbook Rent Foundation (PTRF).* - There is hereby established and institutionalized a Philippine Textbook Rent Foundation (PTRF), herein referred to as the “Foundation” which shall serve as an attached agency of the Department of Education (DepEd) tasked to promote and ensure the availability of affordable and cheaper college and post graduate textbooks to poor Filipino college students.

SEC. 5. *Composition of the Philippine Textbook Rent Foundation (PTRF).* - The Foundation shall be composed of the Secretary of the Department of Education (DepEd) and the Chairman of the Commission on Higher Education (CHED) which shall serve as the co-chair of the Foundation.

The Foundation shall be composed of the following members:

- a) The Secretary of the Department of Interior and Local Government (DILG);
- b) The Secretary of the Department of Science and Technology (DOST);
- c) The Chairperson of the Commission on Filipino Language;
- d) The Director General of the Technical Education and Skills Development Authority (TESDA);
- e) One (1) representative from the duly accredited association of private schools for higher education;
- f) One (1) representative representing the State Colleges and Universities (SUCs) in the country;
- g) One (1) representative from the duly accredited association of textbook publishers and distributors;

- h) One (1) representative from the duly accredited association of private school teachers of higher education;
- i) One (1) representative from the non-governmental organizations (NGOs) involved in the advocacy of "Education For All".

The five (5) members of the Foundation coming from the representatives of the association of private schools for higher education, state colleges and universities (SUCs), association of textbook publishers and distributors, association of private school teachers of higher education, and non-government organization shall be appointed by the President of the Philippines, from a list of three (3) nominees from each sector, who shall serve for a term of three (3) years, and renewable for another term: *Provided*, That the person appointed shall be of good moral character, of unquestionable integrity, and with expertise and experience of a least six (6) years in their respective sector: *Provided, further*, That in the event of a vacancy, the successor appointed to fill the same shall serve only the unexpired portion of the term of the member he/she succeeded.

The members of the Foundation from the government agencies and institutions may designate their permanent representatives who shall have a rank not lower than an assistant secretary or its equivalent to attend meetings. All members of the Foundation shall receive emoluments as may be determined by the Foundation, in accordance with existing budget and accounting rules and regulations.

SEC. 6. Meetings. – The Philippine Textbook Rent Foundation shall meet at least once a month upon a three-day notice signed by the two (2) Chairpersons or as often as necessary upon the written request signed by two-thirds (2/3) of its members.

The presence of a majority of the members of the Foundation shall constitute a quorum in order for it to conduct its business.

SEC. 7. The Philippine Textbook Rent Foundation Secretariat. - The Philippine Textbook Rent Foundation shall establish a Secretariat which shall serve as the technical support staff to effectively implement the provisions of this Act.

Foundation Secretariat shall be headed by an Executive Director who shall be appointed by the Secretary of the Department of Education (DepEd). The Executive Director of the Foundation shall be responsible for the day-to-day operations of the Philippine Textbook Rent Foundation.

SEC. 8. *The Powers and Functions of the Philippine Textbook Rent*

Foundation. - The Philippine Textbook Rent Foundation shall have perpetual succession and shall have all legal powers appertaining to a juridical person, particularly the following power:

- a) to sue and be sued;
- b) to contract and be contracted with;
- c) to hold real and personal property as may be necessary for corporate purposes;
- d) to solicit and receive public and private donations and contributions for purposes of performing their mandated functions;
- e) to accept and receive real and personal property by gift, devise or bequest;
- f) to levy and charge affordable and reasonable fees from the textbooks and supplemental materials that they lease or rent to poor college and post-graduate students;
- g) to adopt a seal and to alter the same at pleasure;
- h) to have offices and conduct its affairs in the Metro Manila area and other parts in the country;
- i) to make and adopt by-laws, rules and regulations not inconsistent with the laws of the Philippines;
- j) to promote the enforcement of this Act, as well as the other applicable national legislations, rules, regulations and standards;
- k) to establish, initiate and coordinate multi-sectoral action plans at the regional and local government unit level to mainstream the advocacy of promoting the accessibility of cheaper books to the students;
- l) to coordinate the implementation and dissemination of information in the Philippine Textbook Rent Foundation Website, as created under this Act, so that the program of the government on cheaper books will be made accessible to the various parts of the country;
- m) to receive donations and grants from international funding institutions, foundations, and multilateral and bilateral foreign donor agencies involved in the promotion and advocacy of "Education For All";
- n) to provide forum and avenue for exchange of information, exchange programs and sharing of best practices on issues relating to the provision of cheaper textbooks to students;
- o) to manage and operate the various branches that will be established in the different local government units in the country in order to make accessible

cheaper textbooks and supplementary materials to poor college and post-graduate students in the country;

- p) to establish a databank which will provide detailed information on the available textbooks for college students in the country; and
- q) to hire and avail of the services of technical experts, consultants and staff in the field of medical tourism and other relevant fields of disciplines for the effective implementation of its mandated duties and functions.

The seal and emblem of the Philippine Textbook Rent Foundation shall be kept in its national office.

SEC. 9. *Information, Education and Communication (IEC).* – The Philippine Textbook Rent Foundation, in coordination with the Department of Education (DepEd) and the Philippine Information Agency (PIA), shall conduct a nationwide information, education and communication (IEC) campaign in order to inform the general public on how to avail of the services and benefits as provided for in this Act.

SEC. 10. *Creation of a National Website.* - The Philippine Textbook Rent Foundation, in coordination with the various stakeholders, is hereby mandated to establish a national website in order to make accessible to the public the services being offered by the Foundation. The Website shall highlight the various packages and services being offered by the foundation and provide the list of accredited branches and distributors of cheaper books so that prospective borrowers can register at the website and avail of services of the Foundation, as envisioned in this Act.

The Philippine Textbook Rent Foundation Website shall also incorporate a market information system which shall be installed for the use and benefit of all the prospective borrowers of college and post-graduate books all over the country.

SEC. 11. *On-Line Textbooks.* – Subject to the provisions of existing laws on intellectual property rights and patents, the Philippine Textbook Rent Foundation shall study the viability and feasibility of placing in the internet the contents of the textbooks so that students can easily log-in and read the contents of the textbook on-line.

Towards this end, the Philippine Textbook Rent Foundation shall make a recommendation to Congress, within three (3) years from the date of the effectivity of this Act, on the needed legislative reforms to make textbooks easily accessible to the poor students on-line.

SEC. 12. *The Philippine Textbook Rent Foundation Trust Fund.* – There is hereby established a Philippine Textbook Rent Foundation Trust Fund, hereinafter referred to as the "Foundation Trust Fund", envisioned exclusively to support the promotion and dissemination of accessible and affordable college and post-graduate books all over the country.

The contribution to the Foundation Trust Fund shall be sourced from the following:

- a) An amount of One Hundred Million pesos (Php100,000,000.00) shall be allotted annually in the annual General Appropriations Act (GAA) for a period of five (5) years starting from the enactment of this Act;
- b) An allocation of at least 25% of the net income of international airports and seaports, to be taken from the share of the National Government under Republic Act No. 7656; and
- c) An amount of Fifty Million pesos (Php50,000,000.00) annually which shall be taken from the Philippine Charity Sweepstakes Office (PCSO).

Government Owned and Controlled Corporations (GOCCs) are hereby authorized to give grants to the Fund at their discretion;

The contributions to the Fund shall be exempt from the donor's tax and the same shall be considered as allowable deductions from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

The Philippine Textbook Rent Foundation shall be the administrator of the Fund. For the sound and judicious management of the Fund, the Foundation shall appoint a government financial institution, with sound track record on fund management, as portfolio manager of the Fund, subject to guidelines promulgated by the Foundation.

The Foundation shall prepare the implementing guidelines and decision-making mechanisms, subject to the following conditions:

- a) No part of the seed capital of the Fund, including earnings thereof, shall be used to underwrite overhead expenses for administration, and

- b) There shall be an external auditor to perform an annual audit of the Fund's performance.

SEC. 13. *Authority to Utilize Funds.* - The Philippine Textbook Rent Foundation is hereby given the power to utilize its funds derived from dues and assessments, donations, contributions and fees charged for services rendered, as well as income from the rentals of books.

SEC. 14. *Appropriation.* - The amount necessary to implement the provisions of this act shall be included and incorporated in the annual general appropriations of the various agencies of the government involved in the implementation of the provisions of this Act.

SEC. 15. *Oversight Powers of the Department of Education (DepEd).* - The Department of Education (DepEd) shall have oversight powers as to the implementation of the provisions of this Act and the conduct of the Philippine Textbook Rent Foundation in the performance of its functions, as provided under this Act.

SEC. 16. *Implementing Rules and Regulations (IRR).* - Within six (6) months from the date of effectivity of this Act, the Department of Education (DepEd) shall promulgate necessary implementing rules and regulations to implement the provisions of this Act.

SEC. 17. *Repealing Clause.* - All Laws, decrees, executive orders, rules and regulations or parts thereof not consistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 18. *Separability Clause.* - If any provision or part of this Act, or the application thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this Act shall not be affected thereby.

SEC. 19. *Effectivity Clause.* - This Act shall take effect fifteen (15) days from the date of its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,