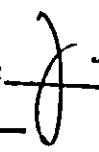


SIXTEENTH CONGRESS )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )

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SENATE

RECEIVED BY: 

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COMMITTEE REPORT NO. 472

Submitted by the Committees on Energy and on Cooperatives on  
FEB 02 2016.

Re: House Bill No. 6080

Recommending its approval with amendments.

Sponsor: Senator Sergio Osmeña III

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MR. PRESIDENT:

The Senate Committees on Energy and on Cooperatives to which were referred House Bill No. 6080, introduced by Representatives Umali, Masongsong, Paduano, Relampagos, Sakaluran, Dayanghirang, et. al, *entitled:*

**"AN ACT**

**MODIFYING THE QUALIFICATIONS FOR, AND CREATING A SCREENING COMMITTEE IN THE ELECTION OR APPOINTMENT OF THE DIRECTORS AND OFFICERS OF ELECTRIC COOPERATIVES, AMENDING FOR THE PURPOSE SECTIONS 26-A AND 26-B OF PRESIDENTIAL DECREE NO. 269, AS AMENDED BY REPUBLIC ACT NO. 10531, OTHERWISE KNOWN AS THE NATIONAL ELECTRIFICATION ADMINISTRATION REFORM ACT OF 2013."**

have considered the same and have the honor to report it back to the Senate with the recommendation that the attached H.B. No. 6080 be approved with amendments, *to wit:*

1. On page 2 beginning line 9 up to line 10, before the word office, delete the word "ABOVE" and in lieu thereof, insert the phrase "HIGHER THAN" before the phrase "THE POSITION OF BARANGAY CAPTAIN";
2. On the same page, line 10, delete the word "CAPTAIN" and replace it with "CHAIRMAN";
3. On the same page, line 13, after the word "elections", insert the phrase "FOR POSITIONS HIGHER THAN BARANGAY CHAIRMAN";

4. On the same page, line 18, between the article "the" and the conjunction "or", delete the word "use" and replace it with "SALE";
5. Still on page 2, line 22, between the word "management" and the preposition "of", delete the phrase "and operations" and after the word "cooperatives" delete the word "are" and replace it with "IS";
6. On the same page, beginning line 23 up to line 25, after the word "viability", delete the phrase "AND THE INDEPENDENCE OF THE BOARD AND OFFICERS OF ELECTRIC COOPERATIVES IS UPHELD. The NEA shall.";
7. On the same page, line 28, delete the word "CREATE" and after the phrase "A SCREENING COMMITTEE IN EACH", delete the words "of the";
8. On the same page, line 29, delete the letter "S" from the word "COOPERATIVES" and delete the word "DISTRICT";
9. Still on page 2 beginning line 29 up to line 30, before the phrase "WHICH SHALL BE COMPOSED OF THE FOLLOWING:", insert the phrase "IS HEREBY DIRECTED TO BE ESTABLISHED BY ITS BOARD OF DIRECTORS,";
10. On page 3, beginning line 1 up to line 3, delete the entire letter "A" and replace it with a new provision to read as follows: "(A) A REPRESENTATIVE FROM THE ACADEME AS CHAIRPERSON;
11. Still on page 3, line 4, insert the article "A" before the word "REPRESENTATIVE" and after the word "COMMUNITY", insert the phrase "WHO MUST BE A MEMBER OF THE PHILIPPINE CHAMBER OF COMMERCE AND INDUSTRY (PCCI) OF THE PROVINCE OR CITY WHERE THE CONCERNED ELECTRIC COOPERATIVE IS LOCATED;
12. On the same page 3 and line 5, delete the entire letter C;
13. On the same page, line 6, replace letter (D) with letter (C ) and insert the article "A" before the word "REPRESENTATIVE ';
14. On the same page, line 8, delete letter (E) and replace it with letter (D) and insert the article "A" before the word "REPRESENTATIVE and after the word "COMMUNITY" insert the phrase "WITHIN ITS FRANCHISE AREA."
15. Still on page 3, line 9, delete the phrase "REPRESENTATIVES FROM THE PRIVATE SECTOR" and in lieu thereof, insert the phrase "THE MEMBERS OF THE SCREENING COMMITTEE before the phrase "SHALL BE";
16. On the same page, beginning line 10 up to line 11, after the word "APPOINTED" delete the phrase "BY THE CHAIRPERSON" and before the phrase "UPON NOMINATION BY THEIR RESPECTIVE GOVERNMENT ACCREDITED ORGANIZATIONS, " insert the word "BASED";

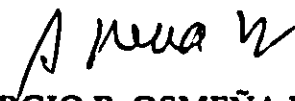
17. On the same page, beginning line 11 up to line 13, after the phrase "THE CHAIRPERSON SHALL", delete the word "ALSO" and after the phrase "APPOINT ONE OF THE "delete the phrase "PRIVATE SECTOR REPRESENTATIVES" and in lieu thereof, insert the phrase " SAID NOMINEES" before the phrase "AS VICE CHAIRPERSON.";

18. On the same page, beginning line 25 up to line 26, after the preposition "in" delete the phrase "ANY FIELD OF EXPERTISE OR PROFESSION" and replace it with the word "MANAGEMENT.";

19. On page 4, line 4, insert the phrase "FOR THE LAST TWELVE (12) MONTHS IMMEDIATELY" before the phrase "preceding the election or appointment";

20. Lastly on the same page , line 10, before the phrase "years immediately preceding the election or appointment", delete "five (5)" and replace it with THREE (3);

Respectfully submitted:

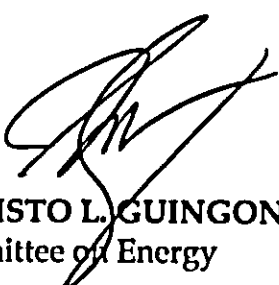
  
SERGIO R. OSMEÑA III  
Chair, Committee on Energy

MANUEL "LITO" M. LAPID  
Chair, Committee on Cooperatives

**VICE CHAIRPERSON:**


FERDINAND R. MARCOS, JR.  
Member, Committee on Energy

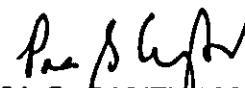
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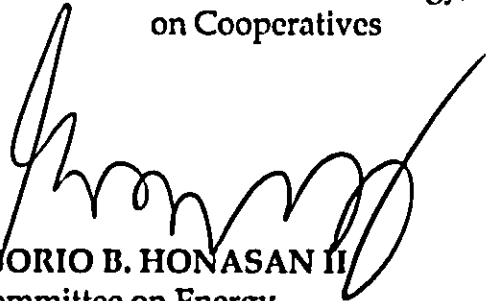
**MARIA LOURDES NANCY S. BINAY**  
Committee on Energy, Committee on  
Cooperatives

**RAMON BONG REVILLA, JR.**  
Committee on Cooperatives



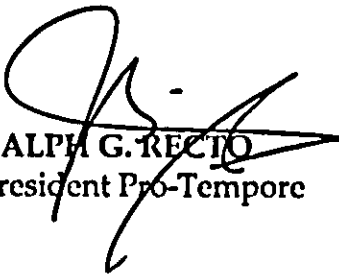
**JINGGOY EJERCITO ESTRADA**  
Committee on Energy

**JOSEPH VICTOR G. EJERCITO**  
Committee on Energy, Committee  
on Cooperatives



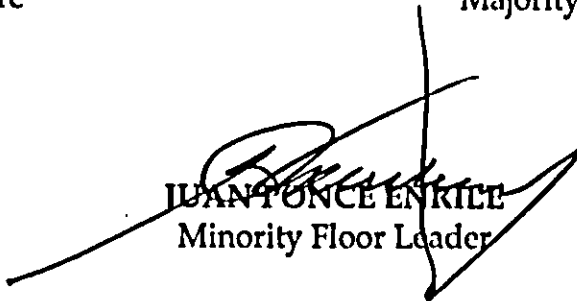
**GREGORIO B. HONASAN II**  
Committee on Energy

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President Pro-Tempore

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Majority Floor Leader



**JUAN PONCE ENRILE**  
Minority Floor Leader

**FRANKLIN M. DRILON**  
Senate President  
Pasay City

CONGRESS OF THE PHILIPPINES  
SIXTEENTH CONGRESS  
*Third Regular Session*

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## HOUSE OF REPRESENTATIVES

II. No. 6080

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BY REPRESENTATIVES UMALI (R.), MASONGSONG, PADUANO, RELAMPAGOS, SAKALURAN, DAYANGHIRANG, CATAMCO, LOBREGAT, RAMIREZ-SATO, SALIMBANGON, ACHARON, DIMAPORO (I.), MATUGAS, ONG, SACDALAN, CAMINERO, ROQUE, BATAOIL, SALVACION, ARENAS, ALVAREZ (F.), MACROHON-NUÑO, FLORES, GATCHALIAN (S.), DEL ROSARIO (A.G.), HERNANDEZ, AMANTE, VILLANUEVA, AGYAO, GARCIA (G.), AUMENTADO, LEACHON, YU, ARNAIZ, CABILAO, GUIAO, HARESCO, GARAY, DALOG, GORRICETA, BAUTISTA, IWAY, UY (J.), ACOSTA-ALBA, LEONARDIA, ALIPING, RODRIGUEZ (O.), ABUEG, LAGMAN, MENDOZA (M.), TEJADA, BELMONTE (J.), DATOCABE, BELLO (S.), TINIO, ROMUALDO AND CHIPECO, PER COMMITTEE REPORT No. 850

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AN ACT MODIFYING THE QUALIFICATIONS FOR, AND CREATING A SCREENING COMMITTEE IN THE ELECTION OR APPOINTMENT OF THE DIRECTORS AND OFFICERS OF ELECTRIC COOPERATIVES, AMENDING FOR THE PURPOSE SECTIONS 26-A AND 26-B OF PRESIDENTIAL DECREE NO. 269, AS AMENDED BY REPUBLIC ACT NO. 10531, OTHERWISE KNOWN AS THE "NATIONAL ELECTRIFICATION ADMINISTRATION REFORM ACT OF 2013"

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

1           SECTION 1. Section 26-A of Presidential Decree No. 269, as amended,  
2 otherwise known as the "National Electrification Administration Decree", shall  
3 be amended to read as follows and the subparagraphs renumbered accordingly:

4                   "SEC. 26-A. *Independence of the Board of Directors and*  
5                   *Officers of Electric Cooperatives. - To ensure the long-term*

1 business and economic viability of electric cooperatives, the  
 2 management, operations and strategic planning of electric  
 3 cooperatives shall, as much as practicable, be insulated from local  
 4 politics.

5 "Towards this end, no person shall be elected or appointed as  
 6 an officer or be eligible to run as a board member of an electric  
 7 cooperative if:

8 "(a) [such] THE person [or his or her spouse] holds any  
 9 [public] ELECTIVE office ABOVE THE POSITION OF BARANGAY  
 10 CAPTAIN;

11 "(b) [such] THE person or [his or her] THE PERSON'S spouse  
 12 has been a candidate in the last preceding local or national  
 13 elections;

14 "x x x

15 "(g) such person is employed by or financially interested in a  
 16 competing enterprise or a business selling electric energy or  
 17 electrical hardware to the cooperative or doing business with the  
 18 cooperative, including the use or rental of poles."

19 SEC. 2. Section 26-B of Presidential Decree No. 269, as amended by  
 20 Republic Act No. 10531, is hereby further amended to read as follows:

21 "SEC. 26-B. *Fit and Proper Rule.* - To ensure that the  
 22 management and operations of electric cooperatives are carried out  
 23 with due regard to its economic viability AND THE INDEPENDENCE  
 24 OF THE BOARD AND OFFICERS OF ELECTRIC COOPERATIVES IS  
 25 UPHIELD, the NEA shall [prescribe, pass upon and review the  
 26 qualifications and disqualifications of individuals appointed or  
 27 elected to electric cooperatives and disqualify those found unfit.]  
 28 CREATE A SCREENING COMMITTEE IN EACH OF THE ELECTRIC  
 29 COOPERATIVES DISTRICT WHICH SHALL BE COMPOSED OF THE  
 30 FOLLOWING:

1           “(A) REGIONAL DIRECTOR OF THE CDA OR THE DULY  
2 AUTHORIZED REPRESENTATIVE OF THE REGIONAL DIRECTORS,  
3 AS CHAIRPERSON;

4           “(B) REPRESENTATIVE FROM THE BUSINESS COMMUNITY;

5           “(C) REPRESENTATIVE FROM THE ACADEME;

6           “(D) REPRESENTATIVE FROM THE CIVIL SOCIETY BASED IN  
7 THE REGION; AND

8           “(E) REPRESENTATIVE FROM THE RELIGIOUS COMMUNITY.

9           “REPRESENTATIVES FROM THE PRIVATE SECTOR SHALL BE  
10 APPOINTED BY THE CHAIRPERSON, UPON NOMINATION BY THEIR  
11 RESPECTIVE GOVERNMENT ACCREDITED ORGANIZATIONS. THE  
12 CHAIRPERSON SHALL ALSO APPOINT ONE OF THE PRIVATE  
13 SECTOR REPRESENTATIVES AS VICE CHAIRPERSON.

14           “[A candidate's] THE SCREENING COMMITTEE SHALL  
15 CONSIDER THE integrity, experience, education, competence and  
16 probity [shall be considered] in determining whether [he or she]  
17 THE CANDIDATE shall be fit and proper to become a director or  
18 officer of the electric cooperative.

19           “[For this purpose, the minimum qualifications of a] A  
20 director or officer of the electric cooperative shall [be as follows]  
21 MEET THE FOLLOWING QUALIFICATIONS:

22           “(a) [He or she is] MUST BE a Filipino citizen;

23           “[(b) He or she is a graduate of a four(4)-year course;]

24           “(D) MUST BE ABLE TO READ AND WRITE;

25           “(C) MUST POSSESS A FIVE (5)-YEAR EXPERIENCE IN ANY  
26 FIELD OF EXPERTISE OR PROFESSION;

27           “[c] (D) [He or she is between] MUST BE AT LEAST  
28 twenty-one (21) [and seventy (70)] years old[,] on the date of  
29 election;



1           “[d] (E) [He or she is] **MUST BE** of good moral character;

2           “[(e)] (F) [He or she is] **MUST BE** a member of the electric  
3 cooperative in good standing [for the last five (5) years  
4 immediately] preceding the election or appointment;

5           “[(f)] (G) [He or she is] **MUST BE** an actual resident and  
6 consumer in the district [that he or she seeks] to **BE** represented for  
7 at least two (2) years immediately preceding the election; and

8           “[(g)] (H) [He or she has] **MUST HAVE** attended at least two  
9 (2) Annual General Membership Assemblies (AGMA) for the last  
10 five (5) years immediately preceding the election or appointment.

11           “The NEA may, after due notice to the board of directors and  
12 officers of the electric cooperative, disqualify, suspend or remove  
13 any director or officer, who commits any act which renders him  
14 unfit for the position.”

15           **SEC. 3. *Implementing Rules and Regulations.*** – Within sixty (60) days  
16 from the effectivity of this Act, the NEA shall formulate the necessary rules and  
17 regulations to implement this Act.

18           **SEC. 4. *Separability Clause.*** – If any part or section of this Act is  
19 declared unconstitutional, such declaration shall not affect in any manner other  
20 parts or sections hereof.

21           **SEC. 5. *Repealing Clause.*** – All laws, decrees, proclamations,  
22 issuances, or ordinances that are contrary to or inconsistent with the provisions  
23 of this Act are hereby amended, repealed or modified accordingly.

24           **SEC. 6. *Effectivity.*** – This Act shall take effect fifteen (15) days after  
25 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,