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SENATE

RECEIVED BY: 

S. B. No. 1032

Introduced by Senator JOEL "TESDAMAN" VILLANUEVA

**AN ACT
REQUIRING THE IMPLEMENTATION BY BRAND OWNERS OF
MANAGEMENT PLANS THAT PROVIDE REFUND VALUES FOR
CERTAIN BEVERAGE CONTAINERS**

EXPLANATORY NOTE

There is a need to improve the waste disposal management of beverage containers. Excessive production and use of beverage containers can impose environmental and health risks to both humans and animals. The government needs to strengthen existing mechanisms for effective disposal of beverage containers by institutionalizing the active participation of both the industry and consumers in reusing and recycling beverage containers.

This bill mandates the beverage industry to prepare, submit, and implement a management plan that sets out an effective disposal mechanism and accounting of beverage containers. The bill also seeks to further encourage proper disposal of beverage containers among consumers by institutionalizing a refund-deposit mechanism. This mechanism mandates the monetary compensation of individuals who will return beverage containers to designated sites, thus creating incentives for proper disposal among the general public.

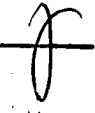
Early and immediate passage of this bill is earnestly sought.


SENATOR JOEL VILLANUEVA



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BEVERAGE CONTAINERS**

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

1 **SECTION 1. Short Title.** – This Act shall be known as the "Beverage Container
2 Disposal Act."
3

4 **SEC. 2. Definition of Terms.** – For purposes of this Act, the following terms are
5 hereby defined:
6

7 a) **Beverage** refers to non-alcoholic or alcoholic carbonated or non-carbonated
8 liquid that is intended for human consumption.
9

10 b) **Beverage container** refers to those constructed primarily of metal, glass,
11 plastic, or paper (or a combination of those materials) and has a capacity of
12 not more than 1 gallon of liquid.
13

14 c) **Beverage container agency** refers to the following:
15 1) brand owner; or
16 2) an entity appointed by the brand owner to act as an agent on behalf of
17 the brand owner.
18

19 d) **Brand owner** refers to a person that owns the trademark for, manufactures,
20 distributes, or imports for resale in interstate commerce, a beverage sold in a
21 beverage container.
22

- 1 e) **Department** means the Department of Environment and Natural Resources
2
3 f) **Management plan** refers to the document submitted in accordance with
4 Section 5 of this Act.
5
6 g) **Recovery rate** is the percentage obtained by dividing:
7 1) the number of beverage containers of a brand owner returned for a
8 refund under Section 11(b)(2) in a calendar year; by
9 2) the number of beverage containers of the brand owner for which a
10 deposit was collected under Section 11(a) in the calendar year.
11
12 h) **Refund value** means the value of a beverage container determined in
13 accordance with Section 11(b)(2) of this Act.
14
15 i) **Return site** refers to an operation, facility, retail store, or an association of
16 operations, facilities, or retail stores identified in an approved management
17 plan and is operating under contract entered into by the return site
18 and a beverage container agency to collect and redeem empty beverage
19 containers of one (1) or more brand owners.
20
21 j) **Seller** refers to a person that sells a beverage in a beverage container and
22 shall include all members of the supply chain.
23
24 k) **Unbroken beverage container** includes a beverage container that has been
25 opened in a manner in which the beverage container was designed to be
26 opened.
27

28 **SEC. 3. Responsibilities of the Brand Owner** – Each brand owner shall implement
29 an effective redemption, transportation, processing, marketing, and reporting system
30 for the reuse and recycling of used beverage containers of the brand owner.
31 *Provided*, That no brand owner or beverage container agency shall dispose of any
32 beverage container labeled in accordance with Section 4 in any landfill or other solid
33 waste disposal facility.
34

35 **SEC. 4. Beverage Container Labelling** – No brand owner may sell or offer for sale
36 a beverage in a beverage container unless a statement of the refund value of the
37 beverage container, as defined by the implementing rules and regulation, is clearly,
38 prominently, and securely affixed to, printed on, or embossed on the beverage
39 container.
40

41 **SEC. 5. Submission of Management Plan** – Not later than 180 days after the date
42 of enactment of this Act or within 60 days after its due incorporation, each beverage
43 container agency shall submit to the Department:
44

- 45 a) a management plan, in such form as the Department may prescribe, for the
46 collection, transport, reuse, and recycling of beverage containers that the

1 beverage container agency, or that each brand owner represented by the
2 beverage container agency, sells into the domestic market; and
3

- 4 b) a fee, in such amount as the Department may establish by regulation, to cover
5 administrative costs relating to administration of the management plan.
6

7 **SEC. 6. Content of Management Plan –**
8

- 9 a) The management plan submitted under Section 5 of this Act shall contain the
10 following information:

- 11 1) the name, and address for service of process, of the beverage
12 container agency submitting the management plan;
13 2) the name and title of a contact person at the beverage container
14 agency;
15 3) the name and corporate address of each brand owner covered by the
16 management plan;
17 4) a proposed implementation date for the management plan; and
18 5) appropriate documentation of agreements entered into by the beverage
19 container agency and return site operators as will take effect as of the
20 date of implementation of the management plan;
21

- 22 b) The beverage container agency shall also provide in the management plan
23 the description of the following:

- 24 1) ways in which the beverage container agency intends to make the use
25 of return sites convenient for consumers of beverages covered by the
26 management plan in all areas of interstate commerce
27 2) ways in which the beverage container agency intends to achieve, not
28 later than two (2) years after the date of implementation of the
29 management plan, a recovery rate of at least eighty (80) percent; and
30 3) ways in which the beverage container agency will manage beverage
31 containers returned under the management plan in an environmentally
32 responsible manner.
33

- 34 c) Each beverage container agency that submits a management plan under this
35 section shall promptly notify the Department, in writing, of any change in the
36 information provided under Section 6(a) above.
37

38 **SEC. 7. Approval of Management Plan –** The Department shall approve or
39 disapprove each management plan submitted under this section. In determining
40 whether to approve or disapprove a management plan, the Department may return
41 the management plan to the beverage container agency with a request for additional
42 information or with amendments proposed by the Department.
43

44 If the Department disapproves a management plan, the Department shall, not later
45 than sixty (60) days after the date of disapproval, provide to the beverage container

1 agency that submitted the management plan a written explanation of the reasons for
2 disapproval.

3
4 **SEC. 8. Implementation of Management Plan –**

5 a) A brand owner that, on or before the date of enactment of this Act, is selling a
6 beverage in a beverage container, shall:

7 1) not later than 180 days after the date of enactment of this Act, have in
8 effect a management plan that has been approved by the Department;
9 and

10 2) implement the management plan in accordance with the
11 implementation date proposed in the management plan under Section
12 6(a)(4) of this Act.

13
14 b) A brand owner that proposes, after the date of enactment of this Act, to sell a
15 beverage in a beverage container shall:

16 1) have, as of the date on which the brand owner commences the selling
17 of the beverage, a management plan that has been approved by the
18 Department; and

19 2) implement the management plan in accordance with the
20 implementation date proposed in the management plan under Section
21 6(a)(4) of this Act.

22
23 No brand owner shall sell any beverage in a beverage container except as in
24 accordance with subsection (a) or (b), as appropriate; or on or after the
25 implementation date proposed in a management plan of the brand owner under
26 Section 6(a)(4), if the Department has not approved the management plan.

27
28 **SEC. 10. Reporting –** Each beverage container agency the management plan of
29 which is approved and implemented in accordance with this Act shall, not later than
30 March 31 of each year after the implementation date of the management plan,
31 submit to the Department a report that describes the effectiveness of the
32 management plan during the preceding calendar year.

33
34 The report to be submitted by the beverage container agency shall contain the
35 following information:

36
37 a) for each type of beverage container returned, the recovery rate, expressed as
38 a percentage, audited by an entity independent of the beverage container
39 agency; and

40
41 b) annual financial statements, prepared by an entity independent of the
42 beverage container agency, of all deposits received and refunds paid by each
43 brand owner subject to the management plan.

44
45 The Department may make available to the public the information described in this
46 section.

1
2 **SEC. 11. Deposit and Refund**
3

- 4 a) On and after the implementation date of any approved management plan to
5 which a seller is subject, the seller shall collect from each purchaser of a
6 beverage in a beverage container, at the time of sale, a deposit in an amount
7 that is not more than the refund value of the beverage container. *Provided,*
8 That no deposit shall be collected if the beverage in a beverage container is
9 sold for consumption, and is consumed, on the premises of the seller.

10 Any deposit collected shall be indicated on the receipt of the purchaser, if a
11 receipt is given for the purchase.
12

- 13 b) On and after the implementation date of an approved management plan, a
14 beverage container return site covered by the management plan shall:
15 1) accept unbroken beverage containers for return; and
16 2) pay to a person returning beverage containers an amount in cash that
17 is equal to the total of the refund values affixed to, printed on, or
18 embossed on, each container returned by the person.
19

20 A return site shall not be required to accept or pay a refund for a beverage container
21 under this section if, as determined by the return site, the beverage container:
22

- 23 a) is contaminated or, for hygienic reasons, is unsuitable for recycling;
24
25 b) can be reasonably identified as a container that was purchased outside the
26 Philippines; or
27
28 c) cannot be reasonably identified as a container to which this Act applies.
29

30 **SEC. 12. Refund Value –**
31

- 32 a) Effective January 1, 2017, the refund value of a beverage container shall be
33 equal to P10.00.
34
35 b) The refund value of a beverage container under subsection (a) on the date
36 that is five (5) years after the date of enactment of this Act, and every five (5)
37 years thereafter, to reflect changes during those periods in the Consumer
38 Price Index for all published by the Philippine Statistics Authority. *Provided,*
39 That any refund value adjustment made in accordance with this subsection
40 shall be rounded to the nearest 50-cent increment.
41

42 **SEC. 13. Recovery Rates –** In the event that a brand owner that complies with each
43 provision of this Act fails to achieve a recovery rate of at least 80 percent during a
44 calendar year, the Department may require that the beverage container agency of
45 the concerned brand owner pay an amount equal to the difference between:
46

- 1 a) the amount of deposits collected on beverage containers of the brand owner
2 that were sold; and
3
4 b) the amount of refunds paid on those beverage containers.
5

6 **SEC. 14. Penalties** – A beverage container agency that fails to submit a
7 management plan within the time prescribed under this Act shall be subject to a fine
8 ranging from P100,000 to P10,000,000. A corresponding increase in the amount of
9 the imposable fine shall be increased for each day of violation. The Department
10 may, in proper proceedings and upon compliance with due process of law, may
11 suspend or revoke the appropriate environmental licenses of the concerned
12 beverage container agency.
13

14 **SEC. 14. Report by the Department** – Not later than May 31, 2017, and annually
15 thereafter, the Department shall submit to the Congress a report that describes:
16

- 17 a) the recovery rate for beverage containers during the year covered by the
18 report; and
19
20 b) the extent to which beverage container collection is proceeding in accordance
21 with this Act.
22

23 **SEC.15. Transitory Provision** – A special financial support for displaced workers in
24 the solid waste disposal industry shall be allocated and included in the
25 appropriations under the of Technical Education and Skills Development Authority
26 (TESDA) to finance the training programs of displaced workers, to be included in the
27 General Appropriations Acts for the Fiscal Years 2017 to 2018.
28

29 **SEC. 16. Implementing Rules and Regulations.** The Department, in consultation
30 with relevant stakeholders shall issue within sixty (60) days after the effectivity of this
31 Act, the rules and regulations for the effective implementation of this Act.
32

33 **SEC. 17. Separability Clause.** If any provision of this Act or any part thereof shall
34 be declared unconstitutional or invalid, the other provisions, as far as they are
35 separable, shall remain in force and effect.
36

37 **SEC. 18. Repealing Clause.** All laws, decrees, orders, rules and regulations or
38 parts thereof which are inconsistent with the provisions of this Act are hereby
39 repealed, amended or modified accordingly.
40

41 **SEC. 19. Effectivity.** This Act shall take effect fifteen (15) days after its publication
42 in the Official Gazette or in at least two (2) newspapers of general Circulation.
43
44

45 **Approved.**