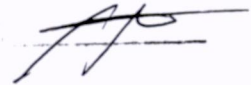


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )

'19 JAN 16 P12:14

SENATE

RECEIVED



S. No. 2152

Introduced by **SENATOR LEILA M. DE LIMA**

**AN ACT  
INSTITUTIONALIZING A GRANT AND FEE PROGRAM TO INCENTIVIZE  
AND PROMOTE THE PROPER RECYCLING OF USED COMPUTERS AND  
TO PROMOTE THE DEVELOPMENT OF A NATIONAL  
INFRASTRUCTURE FOR THE RECYCLING OF USED COMPUTERS**

**EXPLANATORY NOTE**

The Constitution, Article II, Section 15, declares that “[t]he State shall protect and promote the right to health of the people and instil health consciousness among them.” Section 16 of the same further asserts that “[t]he State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.”

This bill seeks to put these declared policies into practice by aiming to reduce the amount of garbage accrued from used and discarded computers thereby minimizing our carbon footprint and helping maintain a balanced ecology for all.

In a consumer-driven, market-oriented economy, newer forms of technology are continuously emerging and are being adopted and utilized at a rapidly increasing pace. These technological innovations have effectively shrunk the world in a digital sense especially with the emergence of social media and high-speed internet connectivity.

These developments have rendered vast intercontinental distances practically moot, as goods, services, and even people are often just a push of a button away, provided one has the means to access the technology in the first place. Subsequently, the technology required to provide consumers with the means to interface with digital reality has also expanded exponentially over the past decade or so as

consumers now have a plethora of available options with which to acquire connectivity.

One such device which has gained widespread social recognition is the personal computer (PC), which traces its colloquial roots to the late-1980s when technology had evolved to the point where it could finally be owned and operated by individuals.

Fast-forward thirty years into the future and the PC remains as popular as ever with a robust two million PCs being shipped to the Philippines in 2017 according to the International Data Corporation (IDC)<sup>1</sup>. According to the same study, the Philippines is the only country in Southeast Asia that still exhibits PC adoption growth with the Philippine PC market expanding at a compound annual growth rate (CAGR) of 3 percent, with its ASEAN neighbors declining at rates around -3 to -12 percent<sup>2</sup>.

Unfortunately, a huge amount of consumption inevitably translates into a huge amount of waste. Previously owned computers declared out-dated and obsolete may eventually be discarded by their owners and replaced with faster and more efficient machines.

Without the proper regulations and procedures, the potentially hazardous and non-biodegradable materials that go into the assembly of these computers may be disposed of in such a way that may cause adverse health effects to people and contaminate the surrounding environment.

Hence, the need for a mechanism to promote the development of a national infrastructure for the proper recycling of used computers.

  
EILA M. DE LIMA

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<sup>1</sup> *IDC Philippines: Changing device usage habits of Filipinos will fuel growth of smartphones and PCs in 2018.* (n.d.). Retrieved from <https://www.idc.com/getdoc.jsp?containerId=prAP43718218>

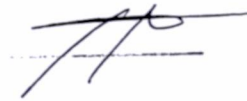
<sup>2</sup> *Ibid.*



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1 AN ACT  
2 INSTITUTIONALIZING A GRANT AND FEE PROGRAM TO INCENTIVIZE  
3 AND PROMOTE THE PROPER RECYCLING OF USED COMPUTERS AND  
4 TO PROMOTE THE DEVELOPMENT OF A NATIONAL  
5 INFRASTRUCTURE FOR THE RECYCLING OF USED COMPUTERS

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

6 SECTION 1. **Short Title.** – This Act shall be known as the “National  
7 Computer Recycling Act of 2018”.

8 Sec. 2. **Declaration of Policy.** – It is hereby declared the policy of the State  
9 to protect and advance the right of the people to a balanced and healthful ecology in  
10 accord with the rhythm and harmony of nature. The State shall also protect and  
11 promote the right to health of the people and instil health consciousness among them.  
12 To this end, the State shall endeavor to institutionalize a computer recycling program  
13 that would minimize the dumping of non-biodegradable and/or hazardous waste  
14 from discarded computer parts.

15 Sec. 3. **Definition of Terms.** – As used in this Act:

16 (A) “*Cathode Ray Tube*” refers to a vacuum tube or picture tube used to  
17 convert an electronic signal into a visual image;

18 (B) “*Central Processing Unit*” or “*CPU*” refers to a case and all of its contents,  
19 such as the primary printed circuit board and its components, additional  
20 printed circuit boards, one or more disc drives, a transformer, interior  
21 wires, and a power cord;

- 1 (C) “*Computer*” refers to an electronic, magnetic, optical, electrochemical, or  
2 other high speed data processing device performing logical, arithmetic, or  
3 storage functions, and may include both a central processing unit and a  
4 monitor, but such term does not include an automated typewriter or  
5 typesetter, a portable hand held calculator, or other similar device;
- 6 (D) “*End-user*” refers to the individual for whom a hardware product is  
7 designed from the developers, installers, and servicers of the product;
- 8 (E) “*Hazardous waste*” refers to substances that are without any safe  
9 commercial, industrial, agricultural or economic usage and are shipped,  
10 transported or brought from the country of origin for dumping or disposal  
11 into or in transit through any part of the territory of the Philippines. It  
12 shall also refer to by-products, side-products, process residues, spent  
13 reaction media, contaminated plant or equipment or other substances  
14 from manufacturing operations, and as consumer discards of  
15 manufactured products;
- 16 (F) “*Monitor*” refers to a separate visual display component of a computer,  
17 whether sold separately or together with a central processing unit, and  
18 includes a cathode ray tube, liquid crystal, or light-emitting diode display,  
19 its case, interior wires and circuitry, cable to the central processing unit,  
20 and power cord;
- 21 (G) “*Non-profit organization*” refers to an organization incorporated as an  
22 entity paying no dividends, governed by trustees who receive no  
23 compensation, and devoting all its income, whether fees or gifts, donation,  
24 subsidies or other forms of philanthropy, to the accomplishment and  
25 promotion of the purposes enumerated in its Articles of Incorporation; and
- 26 (H) “*Secretary*” refers to the Secretary of the Department of Environment  
27 and Natural Resources (DENR).

28 **Sec. 4. *Fee.* –**

- 29 (A) *Requirement.* – Effective one hundred eighty (180) days after the  
30 transmittal to Congress the results of the study conducted under Section  
31 7(A), the Secretary shall require that a fee be assessed on the sale,  
32 including a sale through the Internet or a catalogue, to an end-user of any  
33 computer, monitor, or other electronic device designated by the Secretary



1 under paragraph (C). The Secretary shall establish procedures for the  
2 collection of such fee. The requirement under this section shall not apply to  
3 a sale by an end-user to a subsequent end-user.

4 (B) *Fee Amount.* – The amount of the fee required under subsection (A) shall

5 –

6 (1) Be an amount sufficient to cover the costs of carrying out section  
7 5(A) and paragraph (C) of this section;

8 (2) Be uniform –

9 (a) For each computer with a central processing unit and  
10 monitor integrated in a single device;

11 (b) For each central processing unit;

12 (c) For each monitor; and

13 (d) For each class of other devices designated by the Secretary  
14 under paragraph (C);

15 (3) Not exceed Two Hundred Pesos (₱200.00) per computer, monitor,  
16 or other designated device; and

17 (4) Be clearly indicated on the label, external packing materials, or sales  
18 receipt of the computer, monitor, or device.

19 (C) *Administrative Costs.* – Persons required by the Secretary to collect a fee  
20 under this section may retain three percent (3%) of amounts so collected to  
21 pay the costs of administering the fee collection program.

22 (D) *Exempted Sales.* – Non-profit organizations who engage in the sale of a  
23 used computer, monitor, or any other electronic device shall be exempt  
24 from the fee requirements under this section.

25 (E) *Additional Exemption.* – The Secretary may exempt from the fee  
26 requirements under this section any sale made under a contract or an  
27 arrangement that the Secretary determines is likely to result in the  
28 maximum reuse of significant components of the computer, monitor, or  
29 device, and the disposal of the remaining components –

30 (1) In an environmentally sound and responsible manner;

31 (2) Without violation of any Philippine law; and

32 (3) Without reliance on funding from the government, when the  
33 computer, monitor, or device is no longer of normal use to the end-  
34 user.

1 (F) *Designation of Electronic Devices.* – The Secretary may designate  
2 additional electronic devices to which the fee under paragraph (A) shall  
3 apply if those electronic devices –

4 (1) Contain a significant amount of material that, when disposed of,  
5 would be hazardous waste; and

6 (2) Include one or more liquid crystal displays, cathode ray tubes, or  
7 circuit boards.

8 **Sec. 5. Grants.** –

9 (A) *Uses of Fee Amounts.* – Amounts collected under Section 4 shall be used,  
10 to the extent provided in advance in appropriations Acts, by the Secretary  
11 for –

12 (1) Covering the costs of administration of this Act; and

13 (2) Making grants under paragraph (B).

14 Not more than ten percent (10%) of the funds available pursuant to this Act  
15 for any fiscal year may be used for costs described in paragraph (1).

16 (B) *Grant Purposes.* – The Secretary shall make grants with funds collected  
17 under Section 4 to individuals or organizations, including units of local  
18 government, for –

19 (1) Collecting or processing used computers, monitors, or other  
20 designated devices for recycling purposes;

21 (2) Reusing or reselling such computers, monitors, or devices, or  
22 components thereof; and

23 (3) Extracting and using, or selling for reuse, raw materials from such  
24 computers, monitors, or devices.

25 (C) *Eligibility.* – An individual or organization shall be eligible for a grant  
26 under paragraph (B) only if the individual or organization provides  
27 assurances to the satisfaction of the Secretary that it will carry out the  
28 grant purposes in a manner that complies with all applicable Philippine  
29 environmental and health laws.

30 (D) *Selection Criteria.* – In selecting proposals for grants under paragraph (B),  
31 the Secretary shall consider –

32 (1) The quantity of used computers, monitors, or other designated  
33 devices that will be diverted from landfills;



- 1 (2) The estimated cost per unit of the collection, processing, reuse, or  
2 sale proposed;
- 3 (3) The availability of, and potential for, markets for recycled materials;
- 4 (4) The degree to which the proposal mitigates or avoids harmful  
5 environmental or health effects;
- 6 (5) The degree to which the proposal employs innovative recycling  
7 technologies; and
- 8 (6) The demonstrated history of the grant applicant in disposing of or  
9 providing for the reuse of computers, monitors, or devices in an  
10 environmentally sound and responsible manner without violation of  
11 any law. *Provided*, That the grant applicant is an entity already  
12 engaged in the activities outlined under paragraph (B) prior to the  
13 effectivity of this Act.

14 The Secretary shall ensure that grants are provided to a geographically diverse  
15 group of recipients.

16 Sec. 6. **Consultation.** – In carrying out this Act, the Secretary shall consult  
17 with representatives of the computer manufacturing, retail, and recycling industries,  
18 waste management professionals, environmental and consumer groups, and other  
19 appropriate individuals and organizations, including local government units.

20 Sec. 7. **Study and Reports.** –

21 (A) *Study.* – Within six (6) months after the date of effectivity of this Act, the  
22 Secretary shall conduct a study and transmit the results to Congress, which  
23 shall –

- 24 (1) Identify waste materials in used computers that may be hazardous  
25 to human health or the environment;
- 26 (2) Describe current management of such waste materials;
- 27 (3) Estimate the quantities of such materials that exist or will exist in  
28 the future, including a separate estimate of the quantities of such  
29 materials that are exported to the Philippines;
- 30 (4) Estimate the costs of transporting, collecting, and processing  
31 computers, monitors, and other designated devices;

1 (5) Estimate the demand for materials from recycled computers, and  
2 make recommendations for increasing the markets for such  
3 materials; and

4 (6) Make recommendations for the management of electronic products  
5 containing such waste materials at the end of their useful lives.

6 (B) *Reports.* – Not later than one year after the date of the enactment of this  
7 Act, and annually thereafter for four additional years, the Secretary shall  
8 transmit to the Congress a report on the status of computer recycling. Such  
9 report shall include a description of the amount of fees collected under  
10 Section 4, and a description of the amount of administrative costs paid for  
11 and grants made under Section 5 with funds collected through such fees.

12 **Sec. 8. *Implementing Rules and Regulations.*** - Within ninety (90) days  
13 after the approval of this Act, the Secretary of the DENR shall issue the necessary  
14 rules and regulations for the effective implementation of this Act.

15 **Sec. 9. *Separability Clause.*** – If any provision or part hereof is held invalid  
16 or unconstitutional, the remainder of the law of the provision not otherwise affected  
17 shall remain valid and subsisting.

18 **Sec. 10. *Repealing Clause.*** – Any law, presidential decree or issuance,  
19 executive order, letter of instruction, administrative order, rule or regulation  
20 contrary to, or inconsistent with, the provisions of this Act is hereby repealed,  
21 modified or amended accordingly.

22 **Sec. 11. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after  
23 its publication in at least two (2) newspapers of general circulation.

*Approved,*