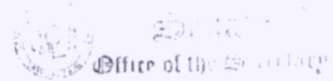


EIGHTEENTH CONGRESS OF THE }
REPUBLIC OF THE PHILIPPINES }
First Regular Session }



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SENATE
S.B. No. 491

RECEIVED BY

A handwritten signature in black ink, appearing to be a stylized letter 'J' or similar, written over a horizontal line.

INTRODUCED BY **SENATOR VICENTE C. SOTTO III**

**AN ACT REGULATING THE USE OF TREATMENT TECHNOLOGY FOR
MUNICIPAL AND HAZARDOUS WASTES, REPEALING FOR THE
PURPOSE SECTION 20 OF REPUBLIC ACT NO. 8749, ENTITLED "THE
PHILIPPINE CLEAN AIR ACT OF 1999"**

EXPLANATORY NOTE

Landfills in Metro Manila are reaching their maximum capacity and may no longer accommodate the tons of trash in the coming years. This problem is due to the lack of planning and efficient waste treatment method.

One of the effective and sustainable waste treatment technologies that are being adopted by many countries all over the world is the Waste-to-Energy (WTE) incineration method. Waste-to-Energy (WTE) or energy-from-waste is the process of generating energy in the form of electricity and/or heat from the incineration of waste.¹ Europe is said to be the largest market for WTE technologies (47.6%), while Japan dominates 60% of Asia-Pacific WTE market for incineration. However, China has been growing their capacity since 2011. It is said that biological WTE will grow at an average

¹ <https://www.renewableenergyworld.com/articles/2014/01/an-independent-engineering-evaluation-of-waste-to-energy-technologies.html>

rate of 9.7% as it becomes more commercially feasible.² The said method does not only reduce the mountains of waste in landfills but also generate energy as well in doing so.

However, no matter how ideal and beneficial this system is, the Philippines cannot adhere to the WTE system because of the ban on incineration in Section 20 of Republic Act No. 8749. Thus, Section 20 of the said law is being repealed to allow regulated thermal and other treatment technologies for the disposal of municipal and hazardous wastes, or for the processing of any material for fuel.

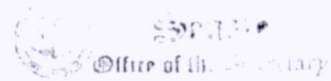
Also, this bill imposes specific standards of thermal treatment units and levies responsibility to the owners and operators of such. Different incentives such as fiscal, non-fiscal, grants and financial assistance programs shall also be provided to the registered enterprises that will be investing in waste treatment facilities.

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


VICENTE C. SOTTO III

² <https://www.prescouter.com/2017/10/waste-to-energy-technologies-available/>

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

- 1 SECTION 1. *Title.* – This Act shall be known and referred to as the
2 “Regulation of Waste Treatment Technology Act”.
- 3 SECTION 2. *Regulation of Waste Treatment Technology.*– Thermal and other
4 treatment technologies for the disposal of municipal and hazardous wastes,
5 or for the processing of any material for fuel, whether for commercial use or
6 not, shall be designed and operated to meet the standards established by
7 this Act and its implementing rules and regulations: *Provided*, That these
8 technologies shall be fitted with equipment that will continuously monitor,
9 record and make publicly available the reported data on their emissions or
10 air pollutant concentrations: *Provided, however*, That units that recover
11 energy shall be prioritized: *Provided further*, That thermal treatment units

1 shall treat wastes at a temperature of not less than eight hundred fifty
2 degrees centigrade (850°C).

3 SECTION 3. *Role of the Department of Environment and Natural Resources*
4 *(DENR)*. – The DENR shall be primarily responsible for the implementation
5 and enforcement of this Act. It shall likewise promote the use of state-of-the-
6 art, environmentally sound and safe technologies for the handling,
7 treatment, thermal or non-thermal destruction, utilization, and disposal of
8 residual wastes.

9 SECTION 4. *Role of Local Government Units (LGUs) in Setting Up Treatment*
10 *Facilities*. – The LGUs are hereby mandated to promote, encourage and
11 implement in their respective jurisdiction a comprehensive solid waste
12 management plan that includes waste segregation, recycling and
13 composting.

14 The establishment of treatment facilities shall be facilitated by LGUs
15 within a region, province, or strategically clustered LGUs in consonance
16 with their respective ten (10) year solid waste management plans made
17 consistent with the national solid waste management framework established
18 pursuant to Republic Act No. 9003, otherwise known as the “Ecological
19 Solid Waste Management Act of 2000”. The solid waste management plans
20 of all the LGUs shall be subjected to the approval of the National Solid
21 Waste Management Commission (NSWMC).

22 SECTION 5. *Role of the National Solid Waste Management Commission*. -
23 Pursuant to the provisions of Republic Act No. 9003, the NSWMC shall
24 ensure the establishment of a comprehensive solid waste management plan
25 in all LGUs, which plan shall incorporate waste segregation, recycling and
26 composting, and disposal. The NSWMC shall approve or deny the plan, or
27 supplemental disposal plan of all LGUs, which may carry out treatment
28 projects, within ten (10) working days from its submission. The Department
29 of Science and Technology (DOST) shall likewise process the application of

1 said projects for the necessary technology verification within the same
2 period. However, for new technology, the DOST shall have twenty (20)
3 working days from the receipt of the application of said projects to process
4 the verification. In all cases, the approving body shall put in writing the
5 reasons for either approving or denying the plan.

6 SECTION 6. *Responsibility of Owner and Operator.* – Responsibility for
7 compliance with the standards promulgated for the establishment and
8 operation of waste treatment facilities shall rest with the owner and/or
9 operator thereof. If by contract the operator is bound to be held primarily
10 and solely responsible for compliance with the standards, the same shall not
11 relieve the owner of the requirement to exercise due diligence to assure that
12 the required compliance by operators are met. In the event that the
13 ownership of the facility is transferred to another person, the previous owner
14 shall notify the new owner of the standards and the conditions set for the
15 operation of said facility, and the laws and regulations that the new owner
16 or operator has to comply with. The standards for operation of waste
17 treatment facility may be made more stringent by five percent (5%):
18 Provided, That the same shall be effected ten (10) years following the
19 commencement of the operation of the facility established after the effectivity
20 of this Act.

21 SECTION 7. *Incentives.* – (a) Fiscal Incentives.- The following tax incentives
22 shall be granted to registered enterprises which shall invest in waste
23 treatment facilities:

24

25 (1) Income Tax Holiday.- Within the first seven (7) years of its
26 operations, the treatment facility shall be exempt from income tax
27 levied by the national government.

28

29 (2) Tax and Duty Exemption on Imported Capital Equipment and
30 Vehicles.- Within the first ten (10) years of operations, registered
31 enterprises which invested in the treatment facility shall enjoy tax

1 and duty free importation of machinery, equipment, vehicles and
2 spare parts used for setting up the treatment facility: *Provided*,
3 That the importation of such machineries, equipment, garbage
4 collection vehicles, and spare parts shall comply with the following
5 conditions:

6 (i) They are not manufactured domestically in sufficient
7 quantity, of comparable quality and reasonable prices;

8 (ii) They are reasonably needed and will be used exclusively
9 by the registered enterprise in the manufacture of its
10 products, unless prior approval of the Board is secured
11 for the par-time utilization of said equipment in a non-
12 registered activity to maximize usage thereof or the
13 proportionate taxes and duties are paid on the specific
14 equipment and machinery being permanently used for
15 non-registered activities; and

16 (iii) The importation of such machinery, equipment, vehicle
17 and spare parts has been approved by the Board of
18 Investments (BOI) of the Department of Trade and
19 Industry (DTI).

20 *Provided, further*, That the sale, transfer or disposition of
21 such machinery, equipment, vehicle and spare parts
22 within five (5) years from the date of acquisition shall be
23 prohibited, without prior approval of the BOI, otherwise
24 the registered enterprise and the vendee, transferee, or
25 assignee shall be solitarily liable to pay twice the amount
26 of tax and duty exemption given it.

27 (3) Tax Credit on Domestic Equipment. – a tax credit equivalent to
28 one hundred percent (100%) of the amount of the value added tax
29 and customs duties that would have been paid on the machinery,

1 equipment, components, parts and material has these items been
2 imported shall be given to a contract holder who purchases
3 machinery, equipment, components, parts and materials:
4 *Provided*, That such are directly needed and shall be used
5 exclusively by the waste treatment facility.

6 (4) Tax and Duty Exemption of Donations, Legacies and Gifts.- All
7 legacies, gifts and donations to LGUs, enterprises or private
8 entities, including nongovernment organizations (NGOs) for the
9 support and maintenance of the program for setting up of
10 treatment technologies shall be exempt from all internal revenue
11 taxes and customs duties, and shall be deductible in full from the
12 gross income of the donor for income tax purposes.

13 (b) Non-Fiscal Incentives.- LGUs, enterprises or private entities availing of
14 tax incentives under this Act shall also be entitled to applicable non-fiscal
15 incentives provided for under the Omnibus Investment Code.

16 The NSWMC shall provide incentives to businesses and industries
17 that are engaged in the treatment of wastes which are registered with the
18 NSWMC and have been issued the required Environmental Compliance
19 Certificate (ECC) in accordance with the guidelines established by the
20 NSWMC. Such incentives shall include simplified procedures for the
21 importation of equipment, spare parts, new materials, and supplies, and for
22 the export of processed products.

23 c) *Financial Assistance Program* – Government financial institutions such as
24 the Landbank of the Philippines (LBP), Development Bank of the Philippines
25 (DBP), Government Service Insurance System (GSIS), and such other
26 government institutions providing financial services shall, in accordance
27 with and to the extent allowed by the enabling provisions of their respective
28 charters or applicable laws, accord high priority the extension of financial
29 services to individuals, enterprises, or private entities engaged in putting up

1 treatment facilities: *Provided*, That these institutions shall allocate five
2 percent (5%) of their loan portfolio to waste treatment projects.

3 d) *Extension of Grants to LGUs* – Provinces, cities and municipalities whose
4 treatment facilities plans have been duly approved by the NSWMC or who
5 have been commended by the NSWMC for adopting innovative waste
6 treatment programs may be entitled to receive grants for the purpose of
7 developing their technical capacities toward actively participating in the
8 waste treatment program.

9 e) *Incentives to Host LGUS* - Local government units who host common
10 treatment facilities shall be entitled to incentives as may be determined by
11 the NSWMC.

12 Section. 8. *Fines and Penalties.* – Violations of the provisions of this Act, or
13 the standards or rules and regulations promulgated for treatment facilities
14 shall be fined or penalized under the provisions of P.D. 1586, R.A. 6969,
15 otherwise known as the Toxic Substances and Hazardous and Nuclear
16 Waste Control Act of 1990, R.A. No. 8749, otherwise known as the
17 Philippine Clean Air Act of 1999, R.A. No. 9003, and R.A. 9275, otherwise
18 known as the Philippine Clean Water Act of 2004. For waste-to-energy
19 facilities, the penal schemes established under the Philippine Grid Code and
20 Philippine Distribution Code pursuant to R.A. No. 9136, also known as the
21 Electric Power Industry Reform Act of 2001 shall likewise apply for this
22 purpose.

23 Section. 9. *Implementing Rules and Regulations* – The DENR, in coordination
24 with the NSWMC, Department of Energy, BOI, Bureau of Internal Revenue,
25 the Bureau of Customs, academe or research institutions, and other
26 concerned agencies, shall promulgate the implementing rules and
27 regulations for this Act, within three (3) months after its enactment.

1 Section. 10. *Report to Congress* – The NSWMC shall submit an annual report
2 to the President of the Philippines and to Congress on the status of the
3 disposal management and the use of treatment facilities in the country not
4 later than March 30 of every year following the approval of this Act.

5 Section. 11. *Separability Clause*. – If any part or section of this Act is
6 declared unconstitutional, such declaration shall not affect the other parts
7 or sections of this Act.

8 Section. 12. *Repealing Clause*. — Section 20 of R.A No. 8749 is hereby
9 repealed. Provisions of R.A No. 9003, and other laws, presidential decrees,
10 executive orders, rules and regulations inconsistent with any provisions of
11 this Act shall be deemed repealed or modified accordingly.

12 Section. 13. *Effectivity*. – This Act shall take effect fifteen (15) days after
13 publication in the Official Gazette or in a newspaper of general circulation.

14 Approved.