

SENATE

P.S. Res. No. 83



Senate
Office of the Secretary

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Introduced by Senator Juan Miguel "Migz" F. Zubiri

RECEIVED ON

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE EXISTENCE AND PROLIFERATION OF UNLICENSED AND UNREGISTERED COURIER AND FREIGHT FORWARDERS, WITH THE END IN VIEW OF PROTECTING THE CONSUMERS, AND THE SAFETY AND SECURITY OF THE GOODS BEING DELIVERED THROUGH THESE COURIER AND FREIGHT FORWARDING SERVICE PROVIDERS

WHEREAS, with the growth of e-commerce industry, it results to the increase in demand for courier and freight forwarding service providers. Such services, in order to protect the consuming public, are regulated by the Department of Information and Communications Technology - Postal Regulations Division (DICT-PRD), the Department of Trade and Industry – Fair Trade Enforcement Bureau (DTI-FTEB), and the Civil Aeronautics Board (CAB), for courier, sea freight and air freight services, respectively;

WHEREAS, at present there are only three hundred fifty-four (354) airfreight forwarders with Certificate of Authority to Operate issued by the CAB, seven hundred sixty-nine sea freight forwarders accredited by DTI-FTEB, and one hundred thirteen couriers accredited by the DICT-PRD;

WHEREAS, the above numbers of accredited and licensed couriers and freight forwarders are too small to cater to the logistical needs of the whole country with the increasing logistics demands of e-commerce. In the survey conducted by We Are Social, a global conversation agency which provides social media marketing and communications services to international organizations, showed that the total value of consumer goods that were sold on e-commerce market in 2018 amounted to US\$840 million with a yearly increase of 22%;

WHEREAS, the total Philippine e-commerce revenues for electronics and media alone is projected to reach US\$2 billion in 2019, and to illustrate Lazada and Shopee, two of the Philippines' top e-commerce websites, garner no less than twenty-five million (25,000,000) and fourteen million (14,000,000) visitors per month, respectively;

WHEREAS, with the continued and rapid increase in e-commerce, demand for couriers and freight forwarders is also projected to increase, unfortunately, the gap is now being filled up by many unlicensed and unregistered service providers which can normally be availed through websites and/or applications (App) on mobile phones and tablets;

WHEREAS, today, there are many unlicensed couriers and freight forwarders that operate illegally, without securing necessary licenses/permits from said regulatory

agencies, and without following applicable laws and administrative regulations. These unlicensed and unregulated or "colorum" couriers and freight forwarders continue to operate and offer their services to the consuming public unchecked and without being penalized for their illegal business operations;

WHEREAS, while this on-demand App delivery provides convenience to the customer and seller, it poses a greater risk on the security of the shipment and, when applicable, the collection of payment. Because of inadequate regulation, the buyer and seller are placed at the mercy of the courier and delivery App owner on whether they can recover any compensation in case of loss, damage, or pilferage of the shipment;

WHEREAS, the operations of these colorum couriers and forwarders can also be utilized as a tool for illegal activities. There have been reported cases on this, such as the Grab delivery service which was used by criminals as a channel for selling and distributing drugs. The illegal activity was discovered when a Grab driver brought a package of party drugs to the police station after the refusal of the shipper to open said package. In another instance, a transport network vehicle service (TNVS) driver was arrested while delivering a package containing illegal drugs to the doorstep of the consignee;

WHEREAS, if this state of unlicensed and unregulated couriers and forwarders continues, the consuming public will continue to be at risk in terms of the safety and security of shipments, unreasonable and unchecked delays, losses, pilferages and/or damage. In such cases, many shippers/consignees are left hanging and cannot recover their lost, damaged, or pilfered shipments, primarily because these colorum operators conduct business outside of governmental monitoring and regulation;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved by the Senate to direct the appropriate Senate Committees to conduct an investigation, in aid of legislation, on the existence and proliferation of unlicensed and unregistered courier and freight forwarders, with the end in view of protecting the consumers, and the safety and security of the goods being delivered through these courier and freight forwarding service providers.

Adopted,



JUAN MIGUEL "MIGZ" F. ZUBIRI