



AMCHAM PHILIPPINES

The American Chamber of Commerce of the Philippines, Inc.



USAID GRANTEE
Regulatory Reform Support Program for
National Development (RESPOND)

SPECIAL REFORM LEGISLATION DISCUSSION SERIES:

OPEN ACCESS IN DATA TRANSMISSION ACT

JULY 16, 2020 | 9:00 AM - 11:00 AM | ZOOM VIDEO CONFERENCING





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SPECIAL REFORM LEGISLATION DISCUSSION SERIES:

OPEN ACCESS IN DATA TRANSMISSION ACT

Co-hosted by the AmCham Legislative and Information and Communications Technology Committees

REMARKS BY PROJECT DIRECTOR JOHN D. FORBES

- Welcome and recognitions
- Recording and media access
- Program comments
- Legislative priorities
- Video clips of NEDA Usec. Edillon and DPWH Sec. Villar



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PRIORITY BILLS OF PHILIPPINE BUSINESS GROUPS AND JFC (18TH CONGRESS)

1. Public Service Act amendments

2. Tax Reform Package 2: CITIRA/CREATE
3. Foreign Investment Act amendments
4. Retail Trade Act amendments
5. Apprenticeship Program Reform
6. Build Operate Transfer Law amendments
7. Freedom of Information Act
8. Bank Secrecy Law amendments
9. Foreign equity restriction amendments to the Constitution
10. Tax Reform Package 3: Property Valuation and Assessment
11. Tax Reform Package 4: Capital Income and Financial Taxes
12. Open Access in Data Transmission Act
13. Water Department Act
14. Farm Entrepreneurship Act
15. PEZA Act amendments
16. Agri-Agra law amendments
17. Holiday Rationalization Act
18. National Disaster Risk Reduction and Management Authority Act
19. National Land Use Act
20. National Traffic and Congestion Crisis Act
21. Philippine Contractors Accreditation Board amendments
22. PhilPorts Act (amend PPA Charter)
23. Water Regulatory Commission Act
24. CAAP Act amendments
25. CA 541 amendments
26. National Transportation Safety Board Act
27. Philippine Airports Authority Act



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RESPOND PROJECT PRIORITY BILLS

Passage of:

- a) **Open Access in Data Transmission Act**
- b) Philippine Ports Authority (PPA) Reform
- c) Philippine Airports Development Corporation (PADC)
- d) Electric Vehicles Law

Amendment of:

- a) **Public Service Act (PSA)**
- b) Retail Trade Act (RTA)
- c) Foreign Investment Act (FIA)
- d) Foreign Equity Restrictions in the Constitution
- e) Civil Aviation Authority of the Philippines (CAAP) Charter
- f) Contractors' License Law
- g) Government Procurement Reform Act (repeal Flag Act and RA 5183)
- h) Commonwealth Act No. 541



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AMCHAM RESPOND LEGISLATION DISCUSSION SERIES







- 1) Public Service Act (January 29)
- 2) Foreign Investment Act amendments and Foreign Equity Restrictions in the Constitution (February 26)
- 3) Open Access in Data Transmission Act (July 16)
- 4) Electric Vehicles and Charging Stations Act (July 21)
- 5) Retail Trade Act Amendments (TBA)
- 6) TBA



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SPECIAL REFORM LEGISLATION DISCUSSION SERIES:
ELECTRIC VEHICLES AND CHARGING STATIONS ACT


JULY 21, 2020 | 9:30 AM - 11:30 AM | ZOOM VIDEO CONFERENCING

 SENATOR SHERWIN GATCHALIAN Chairman, Senate Committee on Energy	 EDMUNDO ARAGA President, E-vehicle Association of the Philippines
 USEC. RAFAELITA ALDABA Undersecretary, Department of Trade and Industry Competitiveness and Innovation Group	 REP. GLONA LABADLABAD (Invited) Chairperson, House Committee on Ecology
 DIRECTOR PATRICK AQUINO Director, Energy Utilization Management Bureau, Department of Energy	 REP. LORD ALLAN VELASCO (Invited) Chairperson, House Committee on Energy

The event is co-hosted by the AmCham Legislative and Energy and Power Committees, in partnership with the USAID RESPOND project administered by the UP Public Administration Research and Extension Services Foundation, Inc.

For questions pertaining to this program please contact Ms. Sarah Gomez or Ms. Bea Baldozono, Advocacy and Research Specialists at 7793-1485 loc. 222 or email them at sarah@amchamphilippines.com or bea@amchamphilippines.com

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JOINT FOREIGN CHAMBERS OF THE PHILIPPINES

American Chamber of Commerce of the Phils., Inc. • Australian-New Zealand Chamber of Commerce of the Phils.
Canadian Chamber of Commerce of the Phils., Inc. • European Chamber of Commerce of the Phils., Inc.
Japanese Chamber of Commerce & Industry of the Phils., Inc. • Korean Chamber of Commerce of the Phils., Inc.
Philippine Association of Multinational Companies Regional Headquarters, Inc.

June 16, 2020

Dr. Karl Kendrick Chua
Acting Secretary
National Economic Development Authority
No. 12 Escriva Drive, Ortigas Center,
Pasig City, MM 1605

Dear Acting Secretary Chua:

We would like to congratulate you on taking on the important yet heavy responsibilities as the country's chief economic planner, especially during a time of extreme challenge as a result of the COVID-19 pandemic.

As with your predecessors, we hope we will have the opportunity to confer with you in person soon. Until we are able to meet at your office, we would be pleased to arrange a video conference.

In the meantime, we would like to add our support to four legislative reforms that AmCham's Senior Advisor John Forbes recommended during your recent consultation with the Foundation for Economic Freedom on June 10:

1. Foreign Investment Act amendments (passed by House, pending 2nd R in Senate)
2. Public Services Act amendments (passed by House, pending CR in Senate)
3. Retail Trade Act amendments (passed by House, pending CR in Senate)
4. Open Access in Data Transmission bill (pending CR in House)

In the absence of amendments to the foreign equity restrictions in the Constitution, the above reforms would substantially demonstrate to the foreign investment community a Philippine commitment to structural reform in the country's foreign investment regime. Among 69 countries included in the OECD FDI Regulatory Restrictiveness Index, the Philippines is rated last and most restrictive at 69th.

In addition, the policy of reducing FDI restrictions, expressed in Point #3 of the Socioeconomic Agenda in May 2016, would be partially fulfilled with their enactment.

The 11th Foreign Investment Negative List (FINL) (EO 64) issued October 28, 2018 contained very limited "tweaks," in the words of then-Secretary Pernia. The FINL for which NEDA is the secretariat, was usually issued every two years, in order to record legal changes in regulated foreign ownership in the country.

JFC letter to NEDA Secretary Chua (June 16, 2020)

"...we support to four legislative reforms that AmCham's Senior Advisor John Forbes recommended during your recent consultation with the Foundation for Economic Freedom:

1. Foreign Investment Act amendments (passed by House, pending 2nd R in Senate)
2. **Public Services Act amendments (passed by House, pending CR in Senate)**
3. Retail Trade Act amendments (passed by House, pending CR in Senate)
4. **Open Access in Data Transmission Act (pending committee report in House and hearing in Senate)"**

Full letter can be accessed at: <http://www.investphilippines.info/arangkada/jfc-letter-to-neda-expressing-support-for-economic-liberalization-bills/>



SPECIAL REFORM LEGISLATION DISCUSSION SERIES:

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Broadband
Policy Brief No. 4
February 2016

LEGISLATIVE RECOMMENDATIONS IN THE ARANGKADA BROADBAND POLICY BRIEF (FEBRUARY 2016)

- **Adopt an open access model**
- Amendment of RA 7925 (Public Telecommunications Policy Act)
- Amendment of CA 146 (Public Service Act)
- Creation of a DICT
- NTC reorganization bill

Agribusiness Power Tourism Creative Industries Seaports and Shipping Roads and Rail Water Manufacturing



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HOW DIGITAL CONNECTIVITY IN THE PHILIPPINES COMPARES TO VIETNAM*

Factor	Vietnam	Philippines	Source	*
Broadband speed (ranking)	59th of 174	110th of 174	Speedtest Global Index (April 2020)	
Number of cell sites	90,000+	17,850	Globe (2019)	
ICT adoption	41st of 141	88th of 141	WEF Global Competitiveness Report 2019	

*Part of a larger matrix being developed by AmCham-RESPOND comparing the Philippines to Vietnam in 135 key factors important to investors



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“As [we transition] to a more decentralized, distributed, and redundant data transmission regime, it is necessary to create a more relevant regulatory environment that will govern and focus on the Internet and data transmission services. [The Open Access in Data Transmission Act] will further lower barriers and costs to entry of new players especially in certain segments which do not need stringent requirements.”

- Explanatory note of Senate Bill 45 (authored by Senators Recto and Poe)



OPEN ACCESS IN DATA TRANSMISSION ACT

RELEVANT RECENT QUOTES

“The Philippines is the only country in the ASEAN region that still requires a franchise from Congress as the first step in obtaining a license to build and operate a network. Global best practice points to having administrative license issued by either the industry regulator or ministry in charge of ICT.”
(World Bank, June 2020)

“The Economic Team is supporting the Open Access in Data Transmission bill, which seeks to lower barriers to entry in the telecommunications industry to pave the way for better and cheaper Internet.” (Acting Socio-economic Planning Secretary Chua, economic briefing, July 10, 2020)

“We are after the lowest possible price for the best possible service. By promoting the open access for data and internet, we want the most coverage that can be felt by all barangays that have not been able to connect well.” (Acting Socio-economic Planning Secretary Chua, economic briefing, July 10, 2020)