



HOUSE OF REPRESENTATIVES

H. No. 6893

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GARCIA (G.), AGGABAO, SALON, OAMINAL, RELAMPAGOS,
BARBERS, ANGARA-CASTILLO, ESCUDERO, FORTUN,
PRIMICIAS-AGABAS AND TAMBUNTING, PER COMMITTEE
REPORT NO. 549

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"

*Be it 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
2 as the "Regulation of Waste Treatment Technology Act".

3 SEC. 2. *Regulation of Waste Treatment Technology.* –
4 Thermal and other treatment technologies for the disposal of
5 municipal and hazardous wastes, or for the processing of any
6 material for fuel, whether for commercial use or not, shall be
7 designed and operated to meet the standards established in this Act
8 and its implementing rules and regulations: *Provided*, That these
9 technologies shall be fitted with equipment that will continuously
10 monitor, record and make publicly available the reported data on
11 their emissions or air pollutant concentrations: *Provided, however*,
12 That units that recover energy shall be prioritized: *Provided*,
13 *further*, That entities utilizing units shall incorporate in their
14 facilities or operations proper materials recovery program:
15 *Provided, finally*, That thermal treatment units shall treat wastes
16 at a temperature of not less than eight hundred fifty degrees
17 centigrade (850°C).

18 SEC. 3. *Role of the Department of Environment and Natural*
19 *Resources (DENR).* – The DENR shall be primarily responsible for
20 the implementation and enforcement of this Act. It shall likewise

1 promote the use of state-of-the-art, environmentally-sound and safe
 2 technologies for the handling, treatment, thermal or nonthermal
 3 destruction, utilization, and disposal of residual wastes.

4 SEC. 4. *Role of Local Government Units (LGUs) in Setting Up*
 5 *Treatment Facilities.* – The LGUs are hereby mandated to
 6 promote, encourage and implement in their respective jurisdiction a
 7 comprehensive solid waste management plan that includes waste
 8 segregation, recycling and composting.

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

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

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

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

23 SEC. 7. *Incentives.* – (a) Fiscal Incentives. – The following
 24 tax incentives shall be granted to registered enterprises which shall
 25 invest in waste treatment facilities:

1 (1) Income Tax Holiday. – Within the first seven (7) years of
2 its operations, the treatment facility shall be exempt from income
3 taxes levied by the national government.

4 (2) Tax and Duty Exemption on Imported Capital Equipment
5 and Vehicles. – Within the first ten (10) years of operations,
6 registered enterprises which invested in the treatment facility shall
7 enjoy tax and duty free importation of machinery, equipment,
8 vehicles and spare parts used for setting up the treatment facility:
9 *Provided*, That the importation of such machineries, equipment,
10 garbage collection vehicles, and spare parts shall comply with the
11 following conditions:

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

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

21 (iii) The importation of such machinery, equipment, vehicle
22 and spare parts has been approved by the Board of Investments
23 (BOI) of the Department of Trade and Industry (DTI).

24 *Provided, further*, That the sale, transfer or disposition of
25 such machinery, equipment, vehicle and spare parts within five (5)
26 years from the date of acquisition shall be prohibited, without prior
27 approval of the BOI, otherwise, the registered enterprise and the

1 vendee, transferee, or assignee shall be solidarily liable to pay twice
2 the amount of tax and duty exemption given it.

3 (3) Tax Credit on Domestic Equipment. – A tax credit
4 equivalent to one hundred percent (100%) of the amount of the
5 value-added tax and customs duties that would have been paid on
6 the machinery, equipment, components, parts and materials had
7 these items been imported shall be given to a contract holder who
8 purchases machinery, equipment, components, parts and materials:
9 *Provided*, That such are directly needed and shall be used
10 exclusively by the waste treatment facility.

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

18 (b) Non-Fiscal Incentives. – LGUs, enterprises or private
19 entities availing of tax incentives under this Act shall also be
20 entitled to applicable non-fiscal incentives provided for under the
21 Omnibus Investments Code.

22 The NSWMC shall provide incentives to businesses and
23 industries that are engaged in the treatment of wastes which are
24 registered with the NSWMC and have been issued the required
25 Environmental Compliance Certificate (ECC) in accordance with
26 the guidelines established by the NSWMC. Such incentives shall
27 include simplified procedures for the importation of equipment,

1 spare parts, new materials, and supplies, and for the export of
2 processed products.

3 (c) Financial Assistance Program. – Government financial
4 institutions such as the Land Bank of the Philippines (LBP),
5 Development Bank of the Philippines (DBP), Government Service
6 Insurance System (GSIS), and such other government institutions
7 providing financial services shall, in accordance with and to the
8 extent allowed by the enabling provisions of their respective
9 charters or applicable laws, accord high priority in the extension
10 of financial services to individuals, enterprises, or private
11 entities engaged in putting up treatment facilities: *Provided,*
12 That these institutions shall allocate five percent (5%) of their
13 loan portfolio to waste treatment projects.

14 (d) Extension of Grants to LGUs. – Provinces, cities and
15 municipalities whose treatment facilities plans have been duly
16 approved by the NSWMC or who have been commended by the
17 NSWMC for adopting innovative waste treatment programs may be
18 entitled to receive grants for the purpose of developing their
19 technical capacities toward actively participating in the waste
20 treatment program.

21 (e) Incentives to Host LGUs. – LGUs who host common
22 treatment facilities shall be entitled to incentives as may be
23 determined by the NSWMC.

24 SEC. 8. *Fines and Penalties.* – Violations of the provisions of
25 this Act, or the standards or rules and regulations promulgated for
26 treatment facilities shall be fined or penalized under the provisions
27 of Presidential Decree No. 1586; Republic Act No. 6969, otherwise

1 known as the “Toxic Substances and Hazardous and Nuclear
2 Wastes Control Act of 1990”; Republic Act No. 8749, otherwise
3 known as the “Philippine Clean Air Act of 1999”; Republic Act
4 No. 9003; and Republic Act No. 9275, otherwise known as the
5 “Philippine Clean Water Act of 2004”. For waste-to-energy
6 facilities, the penal schemes established under the Philippine
7 Grid Code and Philippine Distribution Code pursuant to
8 Republic Act No. 9136, also known as the “Electric Power
9 Industry Reform Act of 2001” shall likewise apply for this
10 purpose.

11 SEC. 9. *Implementing Rules and Regulations.* – The DENR,
12 in coordination with the NSWMC, Department of Energy, BOI,
13 Bureau of Internal Revenue, Bureau of Customs, academe or
14 research institutions, and other concerned agencies, shall
15 promulgate the implementing rules and regulations for this Act,
16 within three (3) months after its enactment.

17 SEC. 10. *Annual Report.* – The NSWMC shall submit an
18 annual report to the President of the Philippines and to Congress on
19 the status of the disposal management and the use of treatment
20 facilities in the country not later than March 30 of every year
21 following the approval of this Act.

22 SEC. 11. *Separability Clause.* – If any part or section of this
23 Act is declared unconstitutional, such declaration shall not affect
24 the other parts or sections of this Act.

1 SEC. 12. *Repealing Clause.* – Section 20 of Republic Act
2 No. 8749 is hereby repealed. Provisions of Republic Act No. 9003,
3 and other laws, presidential decrees, executive orders, rules and
4 regulations inconsistent with any provision of this Act shall be
5 deemed repealed or modified accordingly.

6 SEC. 13. *Effectivity.* – This Act shall take effect fifteen (15)
7 days after its publication in the *Official Gazette* or in a newspaper
8 of general circulation.

Approved,

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