



August 31, 2021

Rep. Lord Allan Velasco
Speaker
House of Representatives
Batasan Hills, Quezon City

Dear Speaker Velasco:

We, the undersigned officers of the Joint Foreign Chambers and Philippine business groups, write to request your support for the immediate passage of the Electric Vehicles and Charging Stations Act.

The approval of a substitute bill by the joint meeting of the Committees on Energy, Transportation and Ecology on May 12 is a commendable action that allows the measure to proceed to debate and approval in plenary. And with the approval on 3rd Reading by the Senate on May 31 of SB 1382, the work of the House to assure enactment of this reform in a timely manner has become easier.

A JFC letter (attached) sent on June 24, 2020 addressed to you as former chair of the Energy Committee advocated a law that (1) establishes a national EV energy policy framework to promote the EV industry in the Philippines (2) provides support for critical infrastructure to encourage EV use, and (3) incentivizes more rapid adaption of vehicles and charging stations in the Philippines. The bill will enable the Philippines to join the global shift to electric vehicles.

More countries are setting target dates for bans on the sale of new fuel-based vehicles by as early as 2025. This includes Norway (by 2025), the United Kingdom (by 2030), India (by 2030), Canada (by 2035), Japan (by 2035), Thailand (by 2035), and Taiwan (by 2040). Singapore has introduced incentives for purchasers of EVs – including an “early-adopter” rebate incentive scheme – and an aggressive expansion of charging stations from 1,600 to 23,000 by 2030. And South Korea recently increased subsidies for EVs and aims to build over 30,000 additional charging stations in 2021.

Most recently on August 5, US President Biden signed an executive order “calling for all new passenger car sales to be of electric vehicles powered by batteries and fuel cells or plug-in electric hybrids by the end of the decade, and on August 9 the US Senate approved a massive infrastructure bill that includes \$7.5 billion to create charging stations across the US to help spur EV adoption.

This policy shift has encouraged major car manufacturers to invest more in EVs. Aside from EVs being less complex to build, manufacturers are steering away from the traditional internal combustion engine to avoid fines and to take part in the “growing political determination to end CO2 emissions” from old technology vehicles.

In the first quarter of 2021, several manufacturers announced plans to substantially reduce carbon emissions by completely phasing out vehicles using internal combustion engines: Volvo (by 2030), Jaguar Land Rover (by 2025 for Jaguar only – by 2036 for Land Rover), and General Motors (by 2035). In April 2021, Honda said that by 2040 “every new car it sells will be either an electric or fuel cell vehicle.” In May 2021, Ford increased its budget for EV towards a 40% share in global sales by 2030.

In ASEAN it is estimated that EVs will comprise 20% of all vehicles by 2025. Attachment A shows the EV adoption targets, as well as available and targeted number of charging station infrastructure available in ASEAN-6. The Philippines has the least number of publicly accessible charging stations. The bill before Congress begins to support the building of EV infrastructure necessary to effectively promote the use and adoption of electric vehicles in the country.

Indonesia and Thailand hope to establish EV production hubs. Both countries have established manufacturing hubs and the two largest domestic auto markets in ASEAN. The RCEP will create a huge free trade market for new EV models by existing firms. The Philippines should be able to benefit from this opportunity to manufacture, if not complete electric vehicles, then at least components in its supply chain, such as electric batteries and electric vehicle parts. Already the country for years has been a major exporter of automotive wire harnesses.

Passage of the e-Vehicles and Charging Stations Act will support the DTI’s promotion of the sector and provide a policy roadmap for promoting not just the use but also the manufacturing and importation of EV and EV parts.

Aside from the economic benefit of the measure, the health and environmental benefits of shifting to EV in the Philippines as stated in our July 2020 letter are more relevant than ever. There is also increased interest among Filipinos in alternative sustainable transportation, including electric bikes for use on new urban bike lanes.

Greater adoption of greener transport solutions should be among the lessons learned and reforms adopted in the post-pandemic period. Immediate passage of the bill will provide the Philippine government with the framework to implement the right policies towards encouraging the utilization of e-vehicles and the establishment of the industry in the country.

With our best regards,


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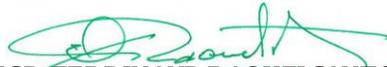
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cc: Chairperson Juan Miguel Arroyo, House Committee on Energy
Chairperson Glona Labadlabad, House Committee on Ecology
Chairperson Edgar Mary Sarmiento, House Committee on Transportation
Chairperson Sherwin Gatchalian, Senate Committee on Energy
Secretary Ramon Lopez, Department of Trade and Industry
Secretary Luzverfeda Pascual, Presidential Legislative Liaison Office
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Attachments: as stated.