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January 5, 2015

HON. JUAN EDGARDO ANGARA

Acting Chairman Committee on Labor and Employment Philippine Senate Pasay City

Dear Senator Angara:

We write to express our support on the attached version of the National Apprenticeship Reform bill approved by the House of Representatives on second reading. This bill deserves urgent consideration by the Congress in view of the extremely high unemployment rates among young Filipinos.

Regrettably, the level of investment - both foreign and domestic - has for too long been insufficient to create sufficient good jobs to meet the growing supply of young workers in the country. If this growing crisis for the young people of the country continues without the government providing solutions, their future would be bleak forcing many to seek work abroad, others to remain idle and dependent and perhaps increasingly engage in criminality, banditry and rebellion.

The Technical Education and Skills Development Authority for almost two decades has administered an apprenticeship program that can be the basis for one part of the solution to the challenge of increasing employment for Filipino youth. The current program allows apprentices to be trained by a private firm for up to six months and to receive a fee of 75% of the applicable minimum wage. Approximately 25,000 apprentices have participated in this program. Such a small number over 20 years indicates the importance of reforming the program so that it can provide a means to better long-term jobs for much larger numbers of young Filipinos - perhaps in the millions.

As the counterpart Senate bill is pending second reading, we request your support to resume deliberation in order to pass the bill this 16^{th} Congress. We would also recommend adoption of the Senate of the amendment made by the House Labor Committee on Section 11 (c) of the Committee Report pertaining to the requirement for the Apprenticeship Contract to include "training allowances prescribed by industry subsectors through tripartite consultations which in no case shall start below seventy-five percent (75%) of the applicable minimum wage". The requirement is modified with the phrase, "Provided, however, that, contributions to the training allowance by government agencies and/or non-governmental organizations shall be considered in computing the 75%".

Thank you very much and we look forward to continued partnership with you in the future.

RHICKE JENNINGS

President

American Chamber of Commerce of the Philippines Inc.

JULIAN PAYNE

President

Canadian Chamber of Commerce of the Philippines, Inc.

MICHAEL RAEUBER

President

European Chamber of Commerce of the Philippines, Inc.

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Korean Chamber of Commerce of the Philippines, Inc.

IAN PORTER

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EDGARDO LACSON

President

Employers Confederation of the Philippines

TETSUO TOMINO

President

Japanese Chamber of Commerce & Industry of the Philippines, Inc.

SHAMEEM QURASHI

President

Philippine Association of Multinational Companies Regional Headquarters, Inc.

cc: Hon. Karlo Alexei Nograles- Chairperson, House Labor Committee Hon. Rosalinda Baldoz- Secretary, Department of Labor & Employment