

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

13 JUL 10 19 58

SENATE

S. No. 720

RECEIVED BY: *ja*

Introduced by Senator Ralph G. Recto

### Explanatory Note

The total number of motor vehicles registered with the Land Transportation Office (LTO) in 2011 reached 7.14 Million,<sup>1</sup> of which a meager 218 units<sup>2</sup> are clean energy vehicles (CEVs).

More than 500,000 diesel-fueled jeepneys, buses, trucks and other vehicles in our urban areas are responsible for about 70% of the total black carbon emissions in our country. Climate Change Commissioner Heherson Alvarez stated in his speech in the 2013 Sustainable Development Summit in New Delhi that an estimated 5,000 annual premature deaths due primarily to respiratory diseases including acute and chronic bronchitis, acute lower respiratory infection (ALRI) and pneumonia, and cardiovascular diseases from exposure to air pollution make up 12% of all deaths in Metro Manila, the highest in any region in the Philippines. Commissioner Alvarez also said that our country spends over USD 400 million in direct costs per year on health expenses caused by pollution<sup>3</sup> or about 79% of the Motor Vehicle User's Charge (MVUC) collection as of December 31, 2012.<sup>4</sup>

Alarming death rates, pollution and climate change effects call for the promotion of CEVs to achieve a healthy environment.

Thus, this bill seeks to amend R.A. No. 8794, by exempting clean energy vehicles from the MVUC in order to encourage motorists to shift to clean energy sources of fuel. By promoting Clean Energy Vehicles, we can increase fuel savings, provide better air quality and improve health conditions.

With the foregoing considered, the approval of this bill is hereby requested.

  
RALPH G. RECTO

*mjma*

<sup>1</sup> Land Transportation Office (LTO). Comparative Annual Report 2010; 2011; 2012. 24 January 2013.

<sup>2</sup> LTO data as of October 2011

<sup>3</sup> Jerry E. Esplanada. Philippine Daily Inquirer. "Diesel-powered Motor Vehicles Blamed for Most of PH's Air Pollution." 05 February 2013. <http://newsinfo.inquirer.net/353117/diesel-powered-motor-vehicles-blamed-for-most-of-phs-air-pollution> (Accessed on June 4, 2013)

<sup>4</sup> Land Transportation Office. Annual Report 2012. 25 January 2013.

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AN ACT

**EXEMPTING CLEAN ENERGY VEHICLES FROM THE MOTOR VEHICLES USER'S CHARGE AMENDING FOR THE PURPOSE SECTION 2 OF REPUBLIC ACT NO. 8794, OTHERWISE KNOWN AS THE "MOTOR VEHICLE USER'S CHARGE ACT OF 2000"**

*Be it enacted by the Senate and the House of Representative of the Philippines in Congress assembled:*

1           **SECTION 1.** Section 2 of Republic Act (R.A.) No. 8794, otherwise known as the  
2 "Motor Vehicle User's Charge Act of 2000," is hereby amended to read as follows:

3           "SEC. 2. *Coverage.*- In lieu of the registration fee under Section 8 of Republic  
4 Act No. 4136, as amended by Batas Pambansa Bilang 74, and the Private Motor Vehicle  
5 Tax under Executive Order No. 43, series of 1986, there is hereby imposed on every  
6 motor vehicle, whether for hire or for private use, including government motor vehicles,  
7 as more fully provided in Section 3 hereof, a Motor Vehicle User's Charge (MVUC)  
8 which shall be collected from and paid by the owner of the motor vehicle[.]"  
9           **PROVIDED,** THAT ALL CLEAN ENERGY VEHICLES (CEVS) SHALL BE EXEMPT  
10 FROM THE PAYMENT OF MVUC. FOR PURPOSES OF THIS ACT, CLEAN  
11 ENERGY VEHICLES SHALL MEAN ANY VEHICLE USING CLEAN ENERGY  
12 SOURCES SUCH AS BUT NOT LIMITED TO: ELECTRIC, HYBRID, SOLAR,  
13 WIND, HYDROGEN FUEL CELL, COMPRESSED NATURAL GAS OR LIQUEFIED  
14 NATURAL GAS, METHANE AND LIQUEFIED PETROLEUM GAS, OTHER THAN  
15 CONVENTIONAL SOURCES OF ENERGY LIKE PETROLEUM AND GASOLINE  
16 FOR PROPULSION.

17           **SEC. 2. *Repealing Clause.*** All other laws, orders, decrees, issuances, circulars, rules and  
18 regulations or parts thereof which are inconsistent with any of the provisions of this Act are  
19 hereby repealed or modified accordingly.

20           **SEC. 3. *Effectivity Clause.*** This Act shall take effect fifteen (15) days from the date of  
21 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,