

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



Senate
Office of the Secretary

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SENATE

Senate Bill No. 2039

RECEIVED BY: *Ji*

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

Our government works in a system of bureaucracy. In a bureaucracy, the executive branch of the government is divided into sections known as the Department. Each department has its own specific role, task and a sector of our country to attend to. In recent years, there has been a demand for the efficiency and productivity of our government sectors due to economic crisis.

Executive Order No. 546 created the Ministry of Transportation and Communication which was later on renamed to Department of Transportation and Communication. The DOTC is tasked with policy, planning, programming, coordinating, implementing, regulating and administrative entity of the executive branch of government in the promotion, development, and regulation of a dependable and coordinated network of transport and communication systems in the country.

To better serve the people, devolution of powers within the ranks of the DOTC is needed. This bill proposes the separation of the DOTC into two more specific departments to be known as the Department of Transportation (DOT) and the Department of Communication (DOC). Through the proposed separation of the DOTC, each of the Transportation and Communication sectors would be served more efficiently and effectively.

In light of the foregoing, approval of the proposed separation of the Department of Transportation and Communication into the Department of Transportation and the Department of Communication is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

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AN ACT
SEPARATING THE DEPARTMENT OF TRANSPORTATION AND
COMMUNICATION INTO THE DEPARTMENT OF TRANSPORTATION AND
THE DEPARTMENT OF COMMUNICATIONS REDEFINING ITS POWERS,
FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES, THEREBY AMENDING EXECUTIVE ORDER NO. 546

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

CHAPTER 1
GENERAL PROVISIONS

SECTION 1. Declaration of Policy. It is hereby declared the policy of the state to guarantee the efficient and effective provision of the sectors of transportation and communication to the people. It is likewise the policy of the state to recognize the importance and role of the transportation and communication sectors in the development of the country. But in order to ensure a more efficient provision of its services, the devolution of the Department of Transportation and Communication into two (2) separate departments, hereinafter referred to as the Department of Transportation and the Department of Communication, is deemed necessary.

SEC. 2. Creation of the Department of Transportation (DT) and the Department of Communication (DOC). In order to efficiently and effectively address the problems of having a solitary agency manage the Transportation and the Communications sectors, this bill proposes the creation of two (2) distinct departments to be known as: 1) the Department of Transportation (DT) and 2) the Department of Communication (DOC), having separate functions, powers and mandates.

CHAPTER II
THE DEPARTMENT OF TRANSPORTATION

SEC. 3. Mandate. The Department of Transportation shall be the principal policy, planning, programming, coordinating, implementing, regulating and administrative entity of the executive branch of the government in the

promotion, development, and regulation of a dependable and coordinated network of transport systems in undertaking of the following objectives:

- (a) Advance the development of a dependable and coordinated network of Transportation systems;
- (b) Guide government and private investments in the development of the country's inter-modal transport systems in a most sound, effective, and systematic behavior for maximum safety, service, and cost productiveness;
- (c) Impose appropriate measures so that technical, economic and other conditions for the continuing economic feasibility of the transport sector are not endangers and do not encourage distortions in the transport systems;
- (d) Formulate, and implement an integrated approach towards the development of the country's transportation sector, developing and implementing a comprehensive medium and long-term action plans for its development;
- (e) Formulate, enforce and strengthen quality standards for air, land and sea faring vehicles to ensure the best quality of service to the riding public;
- (f) Exercise quasi-judicial and quasi-legislative functions through its bureaus and attached agencies necessary to purse its mandate;
- (g) Exercise other powers and functions and perform such acts as may be deemed necessary, useful, incidental, or auxiliary to accomplish its mandate and objectives.

SEC. 4. Authority and Responsibility. Authority and responsibility of the Department shall be vested in the Secretary of the Department of Education and Transportation. The Secretary shall be assisted by two (2) Assistant Secretaries (one for every bureau of the department), unless otherwise determined by the President of the Republic of the Philippines.

SEC. 5. Powers and Functions. To accomplish its mandate, the Department of Environment shall have the following Powers and Functions:

- (a) Coordinate and oversee all activities of the Department relative to the Transportation sector;
- (b) Formulate and recommend national policies and guidelines for the preparation and implementation of an integrated and comprehensive transportation system at the national, regional and municipal level;
- (c) Manage and establish comprehensive programs for the transportation sector, and for the said purpose, may call on any agency, corporation, or any entity, whose development programs include transportation as an integral part to part to participate in, and assist in the implementation of such programs;

- (d) Regulate, as may be deemed necessary, activities relative to the transportation sector, and prescribed or collect fees in the exercise of such power;
- (e) Issues, reviews and provides direction to transportation research and development programs of the government in coordination with the respective entities concerned;
- (f) Performs such other functions as may be deemed necessary to carry into effect the provisions of this Act;
- (g) Exercise other powers and functions, and perform such acts as may be deemed necessary, useful, incidental or auxiliary to accomplish its mandate and objectives.

SEC. 6. *Organization of the Department.* The Department of Transportation shall be composed of the Department proper made up of the immediate Office of the Secretary, Administrative and Legal Affairs Service, Financial and Comptrollership, Planning services and following attached agencies: 1) Air Transportation Office; 2) Civil Aeronautics Board; 3) EDSA MRT 3 Project; 4) Maritime Industry Authority; 5) METRO, Inc.; 6) Office of Transportation and Cooperatives; 7) Land Transportation Office; 8) Land Transportation Franchising and Regulatory Board, and, 9) PMO Fishing Ports.

SEC. 7. The Bureaus specified in Section 6 of this Act would still have the same functions and powers but will report directly to the Department of Transportation (DT).

CHAPTER III THE DEPARTMENT OF COMMUNICATION

SEC. 8. *Mandate.* The Department of Communication shall be the primary policy, planning, programming, coordinating, implementing, regulating and administrative entity of the executive branch of the government in the promotion, development and regulation of a dependable and coordinating network of communication systems in pursuance of the following objectives:

- (a) Guide the government and private institutions in the development of the country's inter-modal system of communication systems in a most practical effective, and orderly fashion from maximum satisfaction, service, and cost effectiveness;
- (b) Provide, extend and operate by itself or through or together with other entities, private or government, local or national, telephones (landline-based and other cellular phones), telegraph, telex, and other telecommunications services throughout the country whenever economic, social and political development activities warrant the provisions thereof; Provided, however, that the national economic viability of the entire network or components thereof is maintained at reasonable rates;
- (c) Develop an integrated nationwide transmission system by itself or through or together with other entities in accordance with national and

international telecommunications service standards to meet all communication service requirements including: among others, radio and television broadcast relaying, leased channel services and data transmission;

- (d) Establish, operate and maintain by itself or through or together with other entities an international switching system for incoming and outgoing international telecommunications services;
- (e) Encourage the development of a domestic telecommunications industry in coordination with the concerned entities, particularly the manufacture of communications/electronics equipment and components to complement and support, as much as possible, the expansion, development, operations and maintenance of nationwide telecommunication network;
- (f) Provide for an efficient, fast and reliable Philippine Postal System for the country;
- (g) Formulate and implement an integrated approach towards the development of the country's communications sector, developing and implementing comprehensive medium and long-term action plans for its development.
- (h) Ensure the efficient functioning of our telecommunications systems, admonish corporations and other entities, if deemed necessary, in the event that the said entities provide sub-par service to their paying customers;
- (i) Exercise other powers and functions, and perform such acts as may be deemed necessary, useful, incidental or auxiliary to accomplish its mandate and objectives.

SEC. 9. Authority and Responsibility. Authority and responsibility of the Department shall be vested in the Secretary of the Department of Communication. The Secretary shall be assisted by three (3) Assistant Secretaries (one for every bureau of the department), unless otherwise determined by the President of the Republic of the Philippines.

SEC. 10. Powers and Functions. To accomplish its mandate, the Department of Environment shall have the following Powers and Functions:

- (a) Coordinate and supervise all activities of the Department relative the Communications sector;
- (b) Formulate and recommend national policies and guidelines for the preparation and implementation of an integrated and comprehensive communications systems at the national, regional and municipal level.
- (c) Manage, as may be deemed necessary, activities relative to the communications sector, and prescribe or collect fees in the exercise of such power;

- (d) Issues, reviews and provide direction to communication research and development programs of the government in coordination with the respective entities concerned;
- (e) Administer and establish a comprehensive and integrate programs for the communications sector, and for the said purpose, may call upon on any agency, corporation, or any other entity, whether private or public, whose development programs include Communications as an indispensable part to participate in, and assist in the implementation of such programs;
- (f) Accomplish such other functions to carry into effect the provisions of this Act.

SEC. 11. *Organization of the Department.* The Department of Communication shall be composed of the Department proper made up of the immediate Office of the Secretary, Administrative and Legal Affairs Service, Financial and Comptrollership, Planning Services and the following attached agencies: 1) Municipal Telephone Project Office; 2) National Telecommunications Commission; and 3) Telecommunications Office.

SEC. 12. The three (3) attached agencies named in Section 11 of this Act and the National Telecommunication would still have the same functions and powers but will report directly to the newly created Department of Communication.

CHAPTER IV APPROPRIATIONS

SEC. 13. *Appropriations.* Such amount as maybe deemed necessary to effectively and efficiently carry out the provisions of this Act is hereby appropriated from the funds of the National Treasury not otherwise appropriated to each of the two (2) departments. Thereafter, such amount as may be deemed necessary for the continued operation and maintenance of the two (2) Departments shall be included in the General Appropriations Act. Funds would be appropriated to ensure the effective discharge of the two (2) Department's powers and functions.

CHAPTER V MISCELLANEOUS PROVISIONS

SEC. 14. *Transitory Provisions.* In accomplishing the acts of reorganization herein prescribed, the following transitory provisions shall be complied with, unless otherwise provided elsewhere in this Act:

- (a) The transfer of a government unit shall include the functions, appropriations, funds, records, equipment, facilities, chosen in action, rights, other assets, and liabilities, in any, who of the separated unit as well as the personnel thereof, as may be necessary, who shall in a hold-over capacity, continue to perform their respective duties and responsibilities and receive corresponding salaries and benefits.

These personnel from the separated unit whose positions are not included in the Department's new position structure and staffing pattern approved and prescribed by the Secretary or who are not reappointed shall be deemed separated from the service and shall be entitled to the benefits.

- (b) The transfer of functions which results in the separation of the government unit that exercised them shall include the appropriates, funds, records, equipment, facilities, rights, other assets and personnel as may be the proper discharge of the transferred functions. The separated units remaining appropriations and funds, including its liabilities, if any, shall be allocated to such appropriate units as the Secretary shall determine or unless otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations.

SEC. 15. *New Structure and Pattern.* Upon approval of this proposed bill, the officers and employees of the Department shall, in a holder capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the government service.

SEC. 16. *Periodic Performance Evaluation.* The Department of Transportation (DT) and the Department of Communication (DOC) are hereby required to formulate and enforce a system of measuring and evaluating periodically and objectively the performance of their respective Departments and submit the same bi-annually to the President of the Republic of the Philippines

SEC. 17. *Place to Transact Business.* The existing offices of the Department of Transportation and Communication would, for the time being, still be in use but will be divided into the Department of Transportation and Department of Communication until such time when a separate office shall have been made and/or upon the discretion of the officials concerned.

SEC. 18. *Promulgation of Rules.* Each Secretary of the Department of Transportation and the Department of Communications shall promulgate the necessary implementing details to carry out the organization's respective mandate and other transitory matters that needs to be taken of the assure the orderly implementation of this Act.

SEC. 19. *Regulatory Fees.* The Department of Transportation and the Department of Communication may impose fees in ways duly approved and provided for by the law for accomplishing its functions and mandate.

SEC. 20. *Separability Clause.* If, for any reason, any portion or part of this Act is declared unconstitutional or invalid, the rest of the provisions not affected thereby shall remain in full force and effect.

SEC. 21. *Repealing Clause.* All laws, presidential decrees, executive orders, letters of instruction, rules and regulations or parts thereof inconsistent

with the provisions of this Act are hereby repealed or modified accordingly. Other sections of the Executive Order No. 546 not affected shall remain in full force and effect.

SEC. 22. *Effectivity.* This act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,