

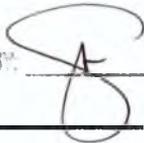
NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 DEC -5 P1:16

SENATE

S. No. 1583

RECEIVED BY: 

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
PROVIDING FOR THE COMPULSORY REGISTRATION OF HEAVY EQUIPMENT**

EXPLANATORY NOTE

Infrastructure spending, with the highest economic multiplier effect on GDP, is our nation's greatest hope in reinvigorating the country's economy post-crisis. As such, it is necessary that all bases are covered with regard to the procedures of implementing such projects, not the least of which is the compulsory registration of heavy equipment.

Aside from generating substantial income for the Government, the compulsory registration of heavy equipment could curb, if not totally eliminate, the practice of unscrupulous contractors who leave projects unfinished or, after merely obtaining the initial mobilization fee for a particular infrastructure project, completely disappear.

This proposed measure would also prevent the practice of leasing the same heavy equipment to two or more different contractors who simultaneously work on different projects on the same dates but at different sites. Such practices cause the delay of most infrastructure and public works projects. It would further prevent any, if not all, misrepresentation by the contractors with regard to ownership of heavy equipment, thereby helping the Government Bids and Awards Committee (BAC) in the determination and compliance of pre-qualification requirements.

With the compulsory registration of heavy equipment, owners/lessors and leases of heavy equipment will be properly identified, and these unscrupulous contractors will be blacklisted for good. It is high time that this standard be implemented for the benefit of our economy.

The immediate passage of this measure is necessary to achieve a rational registration scheme for heavy equipment and curtail the unscrupulous practices of contractors.

In view of the foregoing, the urgent approval of this bill is earnestly sought.


RAMON BONG REVILLA, JR.

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

Chapter I

GENERAL PROVISIONS

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4 Section 1. *Short Title.* – This Act shall be known as the "*Heavy Equipment*
5 *Registration Act*".

6 Sec. 2. *Declaration of Policy.* – It is the declared policy of the State to promote
7 the ideals of good governance in all its branches, departments, agencies, subdivisions,
8 and instrumentalities, including government-owned and controlled corporations, and
9 local government units.

10 Sec. 3. *Scope and Application.* – This Act shall apply to all heavy equipment,
11 regardless of source, origin, ownership and usage in construction, logging, mining,
12 quarrying, waste management, dredging, shipping, manufacturing, ship building,
13 airport operations, seaport operations, agriculture and other services industries.

14 Sec. 4. *Definition of Terms.* – For purposes of this Act, the following terms or
15 words and phrases shall mean or be understood as follows:

- 16 a. *Heavy Equipment* refers to heavy-duty vehicles, specially designed for
17 executing construction tasks, most frequently, the ones involving earth moving.
18 They are also known as construction equipment, earth movers, engineering
19 vehicles, or just plain equipment;

- 1 b. *Civil Engineering* refers to the professional engineering discipline that deals with
2 the design, construction and maintenance of the physical and natural built
3 environment, including works such as bridges, roads, canals, dams and
4 building. Civil Engineering is the oldest engineering discipline after military
5 engineering, and it was defined to distinguish it from military engineering. It is
6 traditionally broken into several sub-disciplines including environmental
7 engineering, geotechnical engineering, structural engineering, transportation
8 engineering, water resources engineering, materials engineering, coastal
9 engineering, surveying, and construction engineering. Civil engineering takes
10 place on all levels: in the public sector from municipal through national levels,
11 and in the private sector from individual homeowners to international
12 companies;
- 13 c. *Construction Engineering* refers to the planning and management of the
14 construction of structures such as highways, bridges, airports, railroads,
15 buildings, dams, and reservoirs. Construction of such projects requires
16 knowledge of engineering and management principles and business
17 procedures, economics, and human behavior. Construction engineers engage
18 in the design of temporary structures, quality assurance and quality control,
19 building and site layout surveys, on site material testing, concrete mix design,
20 cost estimating, planning and scheduling, safety engineering, materials
21 procurement, selection of equipment, and cost engineering and budget control;
- 22 d. *Construction* refers to the fields of architecture and civil engineering,
23 construction is a process that consists of the building or assembling of
24 infrastructures;
- 25 e. *Leasing* refers to a common method by which contractors acquire their Heavy
26 Equipment, usually from companies specialized in the field of Construction
27 Equipment or Lease. Leasing transactions are typically divided into finance
28 leasing and operating leasing;
- 29 f. *Dredging* refers to an excavation activity or operation usually carried out at
30 least partly underwater, in shallow sea or freshwater areas with the purpose of
31 gathering up bottom sediments and disposing of them at a different location,
32 mostly to keep waterways navigable;

- 1 g. *Logging* refers to the process in which trees are cut down for forest
2 management and timber;
- 3 h. Mining refers to the extraction of valuable minerals or other geological materials
4 from the earth, usually (but not always) from one body, vein or (coal) seam;
- 5 i. *Quarrying* refers to taking rock from the ground or hills, either by digging with
6 machines or by breaking up the rock with explosives;
- 7 j. *Waste Management* refers to the collection, transport, processing, recycling or
8 disposal of waste materials;
- 9 k. *Ship Building* refers to the construction of ships which normally takes place in
10 a specialized facility known as a shipyard;
- 11 l. *Shipping* refers to the physical process of transporting goods and cargo on
12 maritime vessels;
- 13 m. *Manufacturing* includes all steps necessary to convert raw materials,
14 components, or parts into finished goods that meet a customer's expectations
15 or specifications. Manufacturing commonly employs a man-machine setup with
16 division of labor in a large-scale production;
- 17 n. *Airport Operations* include businesses operating international, national or civil
18 airports or public flying fields. It also includes operators supporting airports
19 (except special food services contractors), offering services such as aircraft
20 refueling, aircraft parking, rental of hangar space, air traffic control services,
21 baggage handling services, cargo handling services and others;
- 22 o. *Port Operations* refer to task-organized unit, located at the seaport; of
23 embarkation and/or debarkation under the control of the landing force support
24 party and/or combat service support element, that assists and provides support
25 in the loading and/or unloading and staging of personnel, supplies, and
26 equipment from shipping;
- 27 p. *Lifting Capacity* refers to the rated load of a material handling lifting device
28 applied as a uniformly distributed load. It may also refer to the load capacity of
29 a lifting beam, scissor lift, or any other type of load-bearing material handling
30 equipment;
- 31 q. *Output Capacity* refers to the extent to which an enterprise or a nation actually
32 uses its installed productive capacity. Thus, it refers to the relationship between

- 1 actual output that is produced with the installed equipment and the potential
2 output which could be produced with it, if capacity was fully used;
- 3 r. *KvA is kilovolt Ampere pr KWA;*
- 4 s. *CIAP refers to the Construction Industry Authority of the Philippines which is*
5 *an attached agency to the Department of Trade and Industry (DTI), as provided*
6 *for by Presidential Decree No. 1746;*
- 7 t. *DTI refers to Department of Trade and Industry;*
- 8 u. *ACEL refers to Associate Carriers and Equipment Lessors, Inc;*
- 9 v. *LTO refers to Land Transportation Office; and,*
- 10 w. *Marina refers to the Maritime Industry Authority.*

11 12 **Chapter II**

13 **REGISTRATION SYSTEM**

14 *Sec. 5. Registration Office.* – This Act directs the Construction Industry
15 Authority of the Philippines (CIAP) to undertake the duties, functions and
16 responsibilities of the mandatory heavy equipment registration system for all heavy
17 equipment in the Philippines, except those provided under Section 9 of this Act.

18 *Sec. 6. Types of Registration.* – This Act provides for the mandatory registration
19 of heavy equipment as to (a) initial, (b) renewal, (c) transfer and (d) leasing
20 registration.

21 *Sec. 7. Initial Ownership Registration.* — All heavy equipment covered by this
22 Act shall be duly registered with the CIAP upon acquisition with valid proof of
23 ownership. Such acquisition covers the initial ownership as well as any subsequent
24 change of ownership. All heavy equipment imported into the Philippines by any foreign
25 entity, government or private, for its own or lease to others, shall be duly required to
26 be registered under this provision.

27 *Sec. 8. Amendment of Registration.* – In case of change of ownership, engine
28 or motor and body number, if applicable, the details of such change must be duly
29 reported to the CIAP.

30 *Sec. 9. Exclusions.* – The following forms of Heavy Equipment shall not be
31 covered by this Act:

- 1 a. Motorized Equipment already subject to registration by the Land Transportation
2 Office (LTO), such as but not limited to, Dump Trucks; Stake Trucks; Truck
3 Tractors; Flatbed Trailers; Goose-neck Flatbed Trailers; Transit Mixers; and
4 Concrete Pumps on Trucks;
- 5 b. Motorized and non-motorized Equipment already subject to registration by the
6 MARINA, such as but not limited to, Dredgers and Flat Barges;
- 7 c. Motorized Equipment with a power rating of less than 50 Horsepower; and
- 8 d. Stationary and Mobile Plant and Equipment, such as but not limited to, Concrete
9 Batching Plants; Asphalt Batching Plants; Rock Crushing Plants; Aggregates
10 Screening Systems; Cement Silos; Fly Ash Silos; Fuel Tanks; Tower Cranes;
11 Construction Site Elevator System; Moving Platforms.

12 *Sec. 10. Registration Fees.* – The CIAP shall set the necessary registration fees
13 covering ownership registration and leasing registration of heavy equipment, to cover
14 the cost of processing, inspection and maintenance of the heavy equipment
15 registration system. From time to time, the CIAP may reset the Schedule of
16 Registration fees to ensure that such are in tune with the current costs.

17 *Sec. 11. Implementing Rules and Regulations (IRR).* – Within sixty (60) days
18 from the promulgation of this Act, the necessary rules and regulations for the proper
19 implementation of its provisions shall be formulated by the CIAP, DPWH, DOTC, DOLE
20 and DTI. The said rules and regulations shall be approved by the Secretary of Trade
21 and Industry, as Chairman of the CIAP. For a period not later than thirty (30) days
22 upon the approval of the IRR, the standard forms for Heavy Equipment owner
23 registration and leasing registration shall be formulated and approved.

24 *Sec. 12. Offenses and Penalties.* – Without prejudice to the provisions of
25 Republic Act No. 3019, otherwise known as the “*Anti-Graft and Corrupt Practices Act*”
26 and the penal laws, any public officers who commit any of the following acts shall
27 suffer the penalty of imprisonment of not less than six (6) years and one (1) day, but
28 not more than fifteen (15) years:

- 29 1. Delaying, without justifiable cause, the ownership registration or leasing
30 registration or amendment thereof being applied for by a registrant;

1 2. Unduly influencing or exerting undue pressure on any official or employee of
2 the CIAP to take a particular action which favors or tends to favor a particular
3 registrant;

4 1. Willful violation of the IRR of this Act that would provide for the Owner
5 Registration or Leasing Registration of a non-existent Heavy Equipment;

6 2. Willful violation of the IRR of this Act that would provide for the double or
7 multiple Owner Registration or Leasing Registration of a Heavy Equipment;

8 3. Issuance of Certification of Owner Registration or Leasing Registration
9 contrary to the information recorded in the Owner Registry and Leasing
10 Registry.

11 When any of the following acts is done in collusion with private individuals, the
12 private individual/s shall likewise be liable for the offense.

13 In addition, the public officer involved shall suffer the penalty of temporary
14 disqualification from public office, while the private individual/s shall be permanently
15 disqualified from transacting business with the government.

16 *Sec. 13. Repealing Clause.* – Any law, presidential decree or issuance, executive
17 order, letter of instruction, administrative order, proclamation, charter, rule or
18 regulation and/or parts thereof contrary to, or consistent with, the provisions of this
19 Act are hereby repealed, modified or amended accordingly.

20 *Sec. 14. Separability Clause.* – If any provision of this Act is declared invalid or
21 unconstitutional, the other provisions not affected shall remain in full force and effect.

22 *Sec. 15. Effectivity Clause.* – This Act shall take effect fifteen (15) days following
23 its publication either in the *Official Gazette* or in at least two (2) newspapers of general
24 circulation in the Philippines.

Approved