

SENATE
P.S. RES. No. **1343**



Introduced by Sen. Loren Legarda

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE UTILIZATION OF THE FUNDS COLLECTED FROM THE MOTOR VEHICLE USER'S CHARGE UNDER REPUBLIC ACT NO. 8794, WITH THE END IN VIEW OF COMING UP WITH POLICY MEASURES AND/OR AMENDATORY PROVISIONS TO THE LAW THAT WILL HELP CLARIFY AMBIGUITIES IN THE UTILIZATION OF THE SAID FUNDS, ESTABLISH ACCOUNTABILITY AMONG THE AGENCIES TASKED TO MANAGE THE SAME, AND, IN THE FACE OF THE ONGOING GLOBAL ECONOMIC CRISIS, TO ALLOW THE UTILIZATION OF THE SAID FUNDS FOR OTHER GOVERNMENT PROGRAMS THAT WILL RESPOND TO AND PROVIDE FOR THE IMMEDIATE SOCIAL AND ECONOMIC NEEDS OF THE PUBLIC

WHEREAS, Republic Act No. 8794, otherwise known as the Motor Vehicle User's Charge (MVUC), was enacted on June 27, 2000 which imposes a user's charge on owners of all types of motor vehicles;

WHEREAS, RA No. 8794 also created the Road Board which is mandated to implement the management and utilization of the special funds earmarked solely for the purpose of road maintenance and improvement of road drainage, installation of road drainage, traffic light, road safety devices, and air pollution control;

WHEREAS, the Road Board is tasked to monitor the income and expenditure from the four special funds created under RA No. 8794 which are allotted under the following agencies:

- A. Department of Public Works and Highways (DPWH)
 - 1. Special Road Support Fund (Fund 151) - 80%
 - 2. Special Local Road Fund (Fund 152) - 5%
 - 3. Special Road Safety Fund (Fund 153) - 7.5%
- B. Department of Transportation and Communications (DOTC)
 - 1. Special Vehicle Pollution Control Fund (Fund 151) - 7.5%

WHEREAS, based on data submitted by the DPWH during the 2009 budget deliberations, LTO's actual collection out of the MVUC Fund from 2001 to 2008 amounted to P47.774 billion;

WHEREAS, concerns have been raised about the utilization of the MVUC Fund such as the unequal distribution of funds among local government units nationwide as well as misallocation and irregularities in the disposition of the fund. Moreover, the success or effectivity of the road repair or maintenance programs of the government have been questioned time and again as rough roads, potholes, floods, blocked-up drainage and canals continue to be the causes of traffic problems in many parts of the country;

WHEREAS, in their 2007 report on the MVUC, the Commission on Audit noted the following: 1) irregular incurrence of obligations and disbursements by the DPWH or its implementing units; 2) incurrence of overdrafts as the expenditure incurred for the implementation of various projects exceeded allotments received; 3) improper utilization of cash allocation; 4) unliquidated cash advances to officers, employees, other national government agencies as well as fund transfers to local government units; and, 5) misclassifications or erroneous recording of transactions;

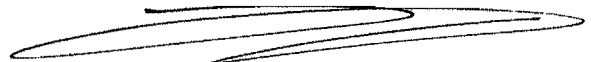
WHEREAS, recently the Road Board has approved the release of P500 million from the road users tax to fund anti-pollution projects, specifically intended for cooperatives and individuals who want to convert to the use of alternative fuels such as compressed natural gas or liquefied petroleum gas (through LTFRB and LTO);

WHEREAS, considering that the MVUC is collected and deposited in a special trust account that is treated apart from the funds allocated in the General Appropriation Act, Congress should exercise its inherent functions to inquire into the implementation of the said law;

WHEREAS, while RA No. 8794 specifically enumerates the general purposes for which the MVUC shall be used, there is a need to review the same in light of the proposals to allocate portions of the fund for other government programs that will enable the Filipino people to cope better with the consequences of the ongoing global economic crisis as well as the devastating effects of climate change;

THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That, the appropriate Senate Committees are directed to conduct an inquiry, in aid of legislation, into the utilization of the funds collected from the Motor Vehicle User's Charge under Republic Act No. 8794, with the end in view of coming up with policy measures and/or amendatory provisions to the law that will help clarify ambiguities in the utilization of the said funds, establish accountability among the agencies tasked to manage the same, and, in the face of the ongoing global economic crisis, to allow the utilization of the said funds for other government programs that will respond to and provide for the immediate social and economic needs of the public.

Adopted ,



LOREN LEGARDA
Senator