


SENATE

'13 JUL -4 AIO :14

S. No. 446

RECORDED BY: 

Introduced by Senator Ralph G. Recto

Explanatory Note

There are 83.25 Million (90%) of our 92.34 Million¹ population who constitute the riding public. On the other hand, the total number of motor vehicles registered with the Land Transportation Office (LTO) in 2012 reached 7.46 Million, of which 969,784 (13%)² are public utility vehicles.

Our nation's transport system relies heavily on the road network which handles approximately 90% of passenger movement and 50% of freight movement,³ serving priority production areas and population centers.

It seems that the 31,242.377 kilometers of our national roads⁴ particularly those in Metro Manila cannot handle the increasing volume of motor vehicles and riding public. Furthermore, traffic accidents and flooding due to poor road infrastructures add to the problem of road congestion in our major cities.

A sound infrastructure system is one of the most important assets of a country. An extensive road network is crucial to economic and social development.⁵

Under the second pillar of the Global Competitiveness Index⁶, the Philippines ranks a mediocre 113th out of 142 countries for the overall quality of its infrastructure and with a value of 3.4. Similarly, it ranks 100th in the quality of roads with a value of 3.1 wherein 7 is considered as extensive and efficient by international standards while 1 is extremely underdeveloped.

Based on the 2013 Budget of Expenditures and Sources of Financing, the balance from the collections from Motor Vehicle User's Charge (MVUC) as of December 31, 2011 amounts to P8.82 Billion while the estimated revenues for 2013 amounts to P11.38 Billion.⁷

This measure's main objective is to integrate President Benigno Simeon C. Aquino's Social Contract with the Filipino People, as more particularly provided in the Philippine Development Plan 2011-2016's third strategy "to invest massively in infrastructure"

In order to balance the interests of stakeholders, this bill seeks to amend R.A. No. 8794, otherwise known as the MVUC Act. It aims to optimize the use of the MVUC Fund by allocating a portion of the monies collected from vehicles to the construction, improvement and rehabilitation of our mass transit system. Under this proposed measure, the 80% Special Road Support Fund is reduced to 25% while the 7.5% Special Road Safety Fund and 7.5% Special Vehicle Pollution Control Fund

¹ National Statistics Office, "2010 Census of Population and Housing Highlights, 4 April 2012", <http://www.census.gov.ph/content/2010-census-population-and-housing-reveals-philippine-population-9234-million> (accessed 11 March 2013)

² Land Transportation Office. Annual Report 2012. 25 January 2013.

³ National Economic and Development Authority, *NEDA MTPDP 2004-2010: Chapter 6: Infrastructure (2004)* http://www.neda.gov.ph/plans_and_reports/MTPDP/Updated_MTPDP%202004%20to%202010.pdf

⁴ Department of Public Works and Highways. 2010 Road Network: National Road Length by Classification, Surface Type and Condition

⁵ Road Board Annual Report 2008, p. 10.

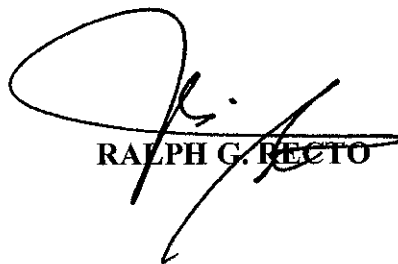
⁶ 2011 World Economic Forum, "The Global Competitiveness Report 2011 – 2012"

⁷ Department of Budget and Management, "Budget of Expenditures and Sources of Financing (Tables): Fiscal Year 2013"

were repealed so that the 5% Special Local Road Fund is increased to 25% and 50% goes to the Special Mass Transit System Support Fund.

The approval of this bill will address the need to improve transportation infrastructure in our country including much delayed mass transport systems that would translate into increased productivity and a healthier Philippine population.

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



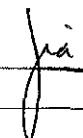
RALPH G. RECTO

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AN ACT
CREATING THE SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND,
REALLOCATING THE DISPOSITION OF MONIES COLLECTED FROM THE
MOTOR VEHICLE USER'S CHARGE, AMENDING FOR THE PURPOSE SECTIONS 7
AND 8 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 7 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. 7. *Disposition of Monies Collected.* - All monies collected under this Act
4 shall be earmarked solely and used exclusively (1) for road maintenance and the
5 improvement of road drainage AND[,] (2) for the [installation of adequate and efficient
6 traffic lights and road safety devices, and (3) for air pollution control.]
7 CONSTRUCTION/ IMPROVEMENT/ REHABILITATION OF OUR MASS TRANSIT
8 SYSTEM, INCLUDING THE ACQUISITION OF ROAD RIGHT-OF-WAY FOR
9 SUCH PROJECTS.

10 All such monies collected shall be deposited in [four (4)] THREE (3) special trust
11 accounts in the National Treasury, namely: (1) Special Road Support Fund; (2) Special
12 Local Road Fund; AND (3) [Special Road Safety Fund; and (4) Special Vehicle Pollution
13 Control Fund.] SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND. The
14 distribution of collections under this Act shall be as follows:

15 1. TWENTY FIVE PERCENT (25%) [Eighty percent (80%)] shall be allotted to
16 and placed in the Special Road Support Fund;

17 2. TWENTY FIVE (25%) [Five percent (5%)] shall be allotted to and placed in
18 the Special Local Road Fund; AND

19 [3. Seven and one-half percent (7.5%) shall be allotted to and placed in the
20 Special Road Safety Fund; and]

21 [4. Seven and one half percent (7.5%) shall be allotted to and placed in the
22 Special Vehicle Pollution Control Fund.]

1 3. FIFTY PERCENT (50%) SHALL BE ALLOTTED TO AND PLACED IN
2 THE SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND.

3 The Special Road Support Fund[,] AND the Special Local Road Fund [and the
4 Special Road Safety Fund] shall be under the DPWH, whereas the [Special Vehicle
5 Pollution Control Fund] SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND shall
6 be under the DOTC.

7 “x x x.”

8 **SEC. 2.** Section 8 of R.A. No. 8794 is hereby amended to read as follows:

9 “SEC. 8. The [four (4)] THREE (3) special funds established under this Act shall
10 be distinct and separate from and in addition to any appropriation authorized and granted
11 yearly to the DPWH and the DOTC to cover expenditures for the identified objects of
12 expenditures under this Act. Congress shall continue to appropriate an amount in the
13 General Appropriations Act for road maintenance of the DPWH AND
14 CONSTRUCTION, IMPROVEMENT AND REHABILITATION OF THE MASS
15 TRANSIT SYSTEM OF THE DOTC: *Provided, however,* That any savings for each year
16 out of such appropriation shall revert to the General Fund. Any savings from the special
17 funds created herein shall accrue to these respective special funds.”

18 **SEC. 3. *Implementing Rules and Regulations.*** - The secretaries of the DPWH and the
19 DOTC shall jointly promulgate the necessary implementing rules and regulations within sixty
20 (60) days from the effectivity of this Act: *Provided,* That the secretary of the DPWH shall
21 prepare the portion of their implementing rules and regulation pertaining to the Special Road
22 Support Fund and the Special Local Road Fund, and the Secretary of the DOTC shall prepare the
23 portion of the implementing rules and regulation pertaining to the Special Mass Transit System
24 Support Fund.

25 **SEC. 4. *Separability Clause.*** If any provision of this Act is declared unconstitutional or
26 invalid, other parts or provision hereof not affected thereby shall continue to be in full force and
27 effect.

28 **SEC. 5. *Repealing Clause.*** All other laws, orders, decrees, issuances, circulars, rules and
29 regulations or parts thereof which are inconsistent with any of the provisions of this Act are
30 hereby repealed or modified accordingly.

31 **SEC. 6. *Effectivity Clause.*** This Act shall take effect fifteen (15) days from the date of
32 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

 Approved,