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



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SENATE

S. No. 611

RECEIVED BY: *[Signature]*

Introduced by Senator Ralph G. Recto

**Explanatory Note**

The Philippine transport system relies heavily on the road network which handles approximately ninety percent (90%) of passenger movement and fifty percent (50%) of freight movement,<sup>1</sup> serving priority production areas and population centers.

According to the 2010 Census of Population, 83.25 Million (90%) of our 92.34 Million population constitute the riding public.<sup>2</sup> 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%)<sup>3</sup> are public utility vehicles.

The National Capital Region (NCR) is the smallest among the 17 administrative regions but has the second largest population with 11.86 Million or 18,648 persons per square kilometer.<sup>4</sup> Together with its neighboring provinces in Central Luzon and CALABARZON, these three comprise more than one third (1/3) of the country's population.

The modal choice of Metropolitan Manila's growing population with a growth rate of 2.02%,<sup>5</sup> the 2.032 million registered motor vehicles, road works, flooding from heavy rains, vehicle breakdowns and road crashes make its roads the third most notorious in traffic congestion.<sup>6</sup> Traffic congestion in Metro Manila is not just a daily annoyance that Filipinos have to endure, it also cost us an estimated P1.5 trillion from fuel and productivity losses over the past 11 years,<sup>7</sup> roughly 800% of the government's total transportation projects for Metro Manila.<sup>8</sup>

National Center for Transportation Studies (NCTS) Director Jose Regin Regidor said in his recent study that the government should continue investing in infrastructure development for it to lessen the strain on Metro Manila's burgeoning industries and solve existing and future traffic congestions. He stressed that the best way to solve Metro Manila's traffic situation was the development of the country's train lines.

<sup>1</sup> 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](http://www.neda.gov.ph/plans_and_reports/MTPDP/Updated_MTPDP%202004%20to%202010.pdf)

<sup>2</sup> 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)

<sup>3</sup> Land Transportation Office. Annual Report 2012. 25 January 2013.

<sup>4</sup> National Nutrition Council. National Capital Region Profile. <http://www.nnc.gov.ph/component/k2/itemlist/category/89>

<sup>5</sup> 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>

<sup>6</sup> Yahoo News. Manila: World's third worst city for driving, says study. <http://ph.news.yahoo.com/manila--world-s-third-worst-city-for-driving--says-study.html> (Accessed 24 June 2013)

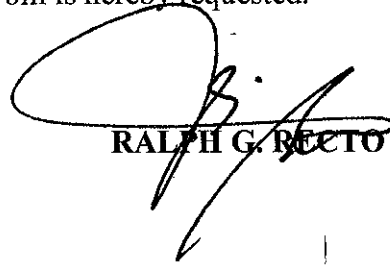
<sup>7</sup> Rouchelle R. Dinglasan. GMA News Network. "DOTC seeks solution to Manila traffic as losses mount", 03 October 2012. <http://www.gmanetwork.com/news/story/276678/economy/business/dotc-seeks-solution-to-manila-traffic-as-losses-mount> (Accessed 24 June 2013)

<sup>8</sup> Jose Regin F. Regidor. NCTS. Revisiting The Costs of Traffic Congestion in Metro Manila and Their Implications. 2012.

In order to balance the interests of stakeholders, this bill seeks to amend R.A. No. 8794, otherwise known as the Motor Vehicle User's Charge (MVUC) Act by allocating monies collected from the motor vehicles registered in the NCR to the construction, improvement and rehabilitation of the mass transit system in the Greater Metro Manila Area (GMMA)<sup>9</sup> while utilizing the monies collected from the motor vehicles registered in the remaining sixteen (16) administrative regions in addressing their pollution control and road infrastructure needs.

The approval of this bill is expected to benefit both the commuters and motorists in all 17 administrative regions by providing an efficient and effective mass transit system in the GMMA and improving the quality of the road infrastructure system in the other regions.

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



**RALPH G. RECTO**

*m/m*

<sup>9</sup> AusAID Agreement No. 57382. <http://www.ausaid.gov.au/countries/eastasia/philippines/Documents/brace-direct-funding-arrangement-risk-analysis-pds.pdf> (Accessed 26 June 2013)

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SENATE

S. No. 611

RECEIVED BY: *ju*

Introduced by Senator Ralph G. Recto

**AN ACT**  
**CREATING THE SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND TO PROVIDE**  
**ADDITIONAL AND LONG-TERM FUNDING TO PRIORITY MASS TRANSIT**  
**PROJECTS IN THE GREATER METRO MANILA AREA, 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. Short Title.** – This Act shall be known as the “Bawas Traffic Act of 2013”.

2        **SEC. 2.** Section 7 of Republic Act (R.A.) No. 8794 is hereby amended to read as follows:

3                *“SEC. 7. Disposition of Monies Collected. –*

4                **(A)        MOTOR VEHICLE USER'S CHARGE COLLECTIONS**  
5                **FROM MOTOR VEHICLES REGISTERED IN THE NATIONAL**  
6                **CAPITAL REGION (NCR). – THE MONIES COLLECTED FROM**  
7                **THE MOTOR VEHICLES REGISTERED IN THE NATIONAL**  
8                **CAPITAL REGION SHALL BE EARMARKED SOLELY AND USED**  
9                **EXCLUSIVELY FOR THE CONSTRUCTION/ IMPROVEMENT/**  
10               **REHABILITATION OF THE MASS TRANSIT SYSTEM,**  
11               **INCLUDING THE ACQUISITION OF ROAD RIGHT-OF-WAY FOR**  
12               **SUCH PROJECTS IN THE GREATER METRO MANILA AREA**  
13               **(GMMA).**

14               **ALL SUCH MONIES COLLECTED SHALL BE DEPOSITED IN A**  
15               **SPECIAL TRUST ACCOUNT IN THE NATIONAL TREASURY, TO**  
16               **BE KNOWN AS THE SPECIAL MASS TRANSIT SYSTEM**  
17               **SUPPORT FUND WHICH SHALL BE ADMINISTERED BY THE**  
18               **DEPARTMENT OF TRANSPORTATION AND COMMUNICATION**  
19               **(DOTC).**

20               **(B)        MOTOR VEHICLE USER'S CHARGE COLLECTIONS**  
21               **FROM MOTOR VEHICLES REGISTERED IN OTHER REGIONS. -**  
22               **All monies collected FROM MOTOR VEHICLES REGISTERED IN**  
23               **REGIONS OTHER THAN THE NCR [under this Act] shall be**

1 earmarked solely and used exclusively **FOR THE FOLLOWING**  
2 **PROJECTS IN AREAS OTHER THAN THE GMMA:**

3 (1) Road maintenance and the improvement of road drainage;

4 (2) Installation of adequate and efficient traffic lights and road safety  
5 devices; and

6 (3) Air pollution control.

7 All such monies collected shall be deposited in four (4) special trust  
8 accounts in the National Treasury, namely: (1) Special Road Support Fund;  
9 (2) Special Local Road Fund; (3) Special Road Safety Fund; and (4) Special  
10 Vehicle Pollution Control Fund. The distribution of collections under this  
11 Act shall be as follows:

12 1. Eighty percent (80%) shall be allotted to and placed in the Special  
13 Road Support Fund;

14 2. Five percent (5%) shall be allotted to and placed in the Special  
15 Local Road Fund;

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

18 4. Seven and one half percent (7.5%) shall be allotted to and placed in  
19 the Special Vehicle Pollution Control Fund.

20 The Special Road Support Fund, the Special Local Road Fund and the  
21 Special Road Safety Fund shall be under the Department of Public Works  
22 and Highways (DPWH), whereas the Special Vehicle Pollution Control  
23 Fund shall be under the DOTC.

24 Seventy percent (70%) of the Special Road Support Fund shall be used  
25 for the maintenance of, and the improvement of drainage of national  
26 primary roads. The remaining thirty percent (30%) thereof shall be allocated  
27 and used for the maintenance, and improvement of drainage of national  
28 secondary roads throughout the country.

29 The cost of installation of adequate and efficient traffic lights and road  
30 safety devices throughout the country, where such traffic lights and safety  
31 devices are needed, shall be taken from the Special Road Safety Fund.

32 A Road Board to implement the prudent and efficient management and utilization  
33 of the special funds shall be organized by the President of the Philippines. The  
34 Road Board shall be composed of seven (7) members, with the secretary of the  
35 DPWH as *ex officio* head, and the secretaries of the Department of Finance,  
36 Budget and Management, and the Transportation and Communication, as *ex*  
37 *officio* members. The remaining three (3) members shall come from transport and  
38 motorist organizations, which have been in existence and active for the last five  
39 (5) years prior to this Act. They shall be appointed for the term of two (2) years

1 each by the President of the Philippines upon the recommendation of the  
2 secretaries of the DPWH and the DOTC.”

3 **SEC. 3.** Section 8 of R.A. No. 8794 is hereby further amended to read as follows:

4 “SEC. 8. The [four (4)] **FIVE (5)** special funds established under this Act shall be  
5 distinct and separate from and in addition to any appropriation authorized and granted  
6 yearly to the DPWH and the DOTC to cover expenditures for the identified objects of  
7 expenditures under this Act. Congress shall continue to appropriate an amount in the  
8 General Appropriations Act for road maintenance of the DPWH **AND FOR MASS**  
9 **TRANSIT PROJECTS OF THE DOTC:** *Provided, however,* That any savings for each  
10 year out of such appropriation shall revert to the General Fund. Any savings from the  
11 special funds created herein shall accrue to these respective special funds.”

12 **SEC. 4. *Implementing Rules and Regulations.*** The secretary of the DOTC shall  
13 promulgate the necessary implementing rules and regulations pertaining to the Special Mass  
14 Transit System Support Fund within sixty (60) days from the effectivity of this Act.

15 **SEC. 5. *Separability Clause.*** If any provision of this Act is declared unconstitutional or  
16 invalid, other parts or provision hereof not affected thereby shall continue to be in full force and  
17 effect.

18 **SEC. 6. *Repealing Clause.*** All other laws, orders, decrees, issuances, circulars, rules and  
19 regulations or parts thereof which are inconsistent with any of the provisions of this Act are  
20 hereby repealed or modified accordingly.

21 **SEC. 7. *Effectivity Clause.*** This Act shall take effect fifteen (15) days from the date of  
22 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,