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SENATE

S. No. 621

RECEIVED BY: *ji*

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.

Since the passage of R.A. No. 8794, also known as the "Motor Vehicle User's Charge (MVUC) Act" in June 2000, the road user's tax has been imposed on owners of all types of vehicles, whether for hire, for private or government use. Based on LTO's Annual Report, MVUC Collection as of December 31, 2012 amounts to P9.65 Billion⁴ while the estimated revenue for 2013 amounts to P11.38 Billion.⁵

The increase in the number of motor vehicles has corollarily increased the MVUC collections. However, it has also made the traffic situation in our country worse. In 2011, Cable News Network's (CNN's) travel website, CNNGo.com, named Metro Manila as the world's third worst city for driving.⁶

Department of Transportation and Communications (DOTC) Undersecretary Rene Limcaoco said in the 2012 Philippine Energy and Infrastructure Forum that Metro Manila traffic could cost the Philippine economy USD 3.27 billion annually from productivity losses. He also discussed in the said forum the urgent need to for the government to fast-track the implementation of its transportation-related projects to meet the country's economic goals.⁷

This measure seeks to amend the MVUC Act by realigning funds from the MVUC to the construction, improvement and rehabilitation of our mass transit system. While total reduction of congestion would be impossible, strong efforts to improve the country's much delayed mass transport systems would surely translate into benefits such as increase in productivity, cleaner environment and a healthier population.

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)*"

⁴ Land Transportation Office. Annual Report 2012. 25 January 2013.

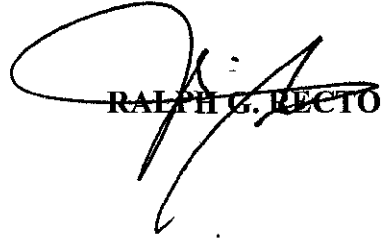
⁵ Department of Budget and Management, "Budget of Expenditures and Sources of Financing (Tables): Fiscal Year 2013"

⁶ 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)

⁷ Paolo G. Montecillo. Philippine Daily Inquirer. PH economy losing \$3.27B in human productivity due to traffic mess. 25 September 2012. <http://newsinfo.inquirer.net/277446/ph-economy-losing-3-27b-in-human-productivity-due-to-traffic-mess>. (Accessed on 25 June 2013).

The approval of this bill will address the need to provide efficient and effective mass transit system in our country. Expansion and improvement of mass transit has been proven to be cost-effective in developed countries since it addresses concerns on traffic and parking congestion, travel time, costs of roadway and parking facility expansion, safety and traffic accidents, road wear, health and environment, long-term vehicle costs to consumers, excessive energy consumption and limited mobility for non-drivers.

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



RALPH G. RECTO

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SENATE

S. No. 621

RECEIVED BY: *jin*

Introduced by Senator Ralph G. Recto

AN ACT
CREATING THE SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND 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 "Special Mass Transit
2 System Support Fund Act of 2013".

3 **SEC. 2.** *Disposition of Monies Collected.* - Section 7 of R.A. No. 8794 is hereby further
4 amended to read as follows:

5 **"SEC. 7.** *Disposition of Monies Collected.* - All monies collected under this Act
6 shall be earmarked solely and used exclusively [(1)] for [road maintenance and the
7 improvement of road drainage, (2) for the installation of adequate and efficient traffic
8 lights and road safety devices, and (3) for air pollution control.] **THE**
9 **CONSTRUCTION/ IMPROVEMENT/ REHABILITATION OF OUR MASS**
10 **TRANSIT SYSTEM, INCLUDING THE ACQUISITION OF ROAD RIGHT-OF-**
11 **WAY FOR SUCH PROJECTS.**

12 All such monies collected shall be deposited in [four (4)] A special trust
13 account[s] in the National Treasury, **TO BE KNOWN AS THE SPECIAL MASS**
14 **TRANSIT SYSTEM SUPPORT FUND.** [namely: (1) Special Road Support Fund; (2)
15 Special Local Road Fund; (3) Special Road Safety Fund; and (4) Special Vehicle
16 Pollution Control Fund. The distribution of collections under this Act shall be as follows:

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

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

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

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

1 The Special [Road] **MASS TRANSIT SYSTEM** Support Fund[, the Special
2 Local Road Fund and the Special Road Safety Fund] shall be under the [DPWH, whereas
3 the Special Vehicle Pollution Control Fund shall be under the] DEPARTMENT OF
4 TRANSPORTATION AND COMMUNICATION (DOTC).

5 [Seventy percent (70%) of the Special Road Support Fund shall be used for the
6 maintenance of, and the improvement of drainage of national primary roads. The
7 remaining thirty- percent (30%) thereof shall be allocated and used for the maintenance,
8 and improvement of drainage of national secondary roads throughout the country.]

9 [The cost of installation of adequate and efficient traffic lights and road safety
10 devices throughout the country, where such traffic lights and safety devices are needed,
11 shall be taken from the Special Road Safety Fund.]

12 A Road Board to implement the prudent and efficient management and utilization
13 of the special funds shall be organized by the President of the Philippines. The Road
14 Board shall be composed of seven (7) members, with the secretary of the [DPWH]
15 **DOTC** as *ex officio* head, and the secretaries of the Department of **PUBLIC WORKS**
16 **AND HIGHWAYS**, Finance, **AND** Budget and Management, [and the Transportation
17 and Communication,] as *ex officio* members. The remaining three (3) members shall
18 come from transport and motorist organizations, which have been in existence and active
19 for the last five (5) years prior to this Act. They shall be appointed for the term of two (2)
20 years each by the President of the Philippines upon the recommendation of the secretaries
21 of the DPWH and the DOTC.”

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

23 “SEC. 8. The [four (4)] special fund[s] established under this Act shall be distinct
24 and separate from and in addition to any appropriation authorized and granted yearly to
25 the [DPWH and the] DOTC to cover expenditures for the identified objects of
26 expenditures under this Act. Congress shall continue to appropriate an amount in the
27 General Appropriations Act for [road maintenance of the DPWH] **THE**
28 **CONSTRUCTION, IMPROVEMENT AND REHABILITATION OF THE MASS**
29 **TRANSIT SYSTEM OF THE DOTC**: *Provided, however,* That any savings for each
30 year out of such appropriation shall revert to the General Fund. Any savings from the
31 special funds created herein shall accrue to these respective special funds.”

32 **SEC. 4. Implementing Rules and Regulations.** The Secretary of the DOTC shall
33 promulgate the necessary implementing rules and regulations within sixty (60) days from the
34 effectivity of this Act.

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

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

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

Approved,