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SENATE

S. No. 814

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BY: 

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"

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,¹ serving priority production areas and population centers.

According to the 2015 Census of Population, 90.88 Million (90%) of our 100.98 Million population constitute the riding public.² On the other hand, the total number of motor vehicles registered with the Land Transportation Office (LTO) in 2014 reached 8.08 Million, of which 912,584 (11%)³ are public utility vehicles.

Of the country's 18 administrative regions, the National Capital Region (NCR) is the smallest with a land area of 619.5 sq. km. but has the second largest population with 12.88 million or 20,791 persons per square kilometer.⁴ Together with its neighboring provinces in Central Luzon and CALABARZON, these account for about 38.1 percent of the country's population.

The modal choice of Metropolitan Manila's growing population with a growth rate of 1.78%, the 2.22 million registered motor vehicles, road works, flooding from heavy rains, vehicle breakdowns and road crashes make its roads notorious in traffic congestion. Traffic congestion in Metro Manila is not just a daily annoyance that Filipinos have to endure, it also cost us almost P900 billion in 2015, about six times more than the estimated P137.5 billion cost in 2011.⁵

National Center for Transportation Studies (NCTS) Director Jose Regin Regidor said in his study that the government should continue investing in infrastructure

¹ 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

² Philippine Statistics Authority – National Capital Region, "NCR in Figures", <http://www.nso-ncr.ph/> (accessed 6 June 2016)

³ Land Transportation Office. Annual Report 2014. 03 February 2015.

⁴ National Statistics Office, "Highlights of the Philippine Population 2015 Census of Population, May 19, 2016", <https://www.psa.gov.ph/content/highlights-philippine-population-2015-census-population>

⁵ Rey Gamboa. "Make Dream Plan 2030 a Reality",

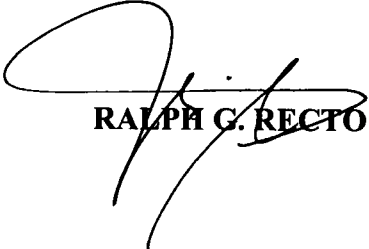
<http://www.philstar.com/business/2016/02/09/1551065/make-dream-plan-2030-reality> (accessed 14 June 2016)

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.⁶

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)⁷ 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 C. RECTO

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⁶ Rouselle Isla. IMoney Philippines. "The Cost of Traffic in Metro Manila", <http://www.imoney.ph/articles/the-cost-of-traffic-in-metro-manila/> (Accessed on 6 June 2016)

⁷ AusAID Agreement No. 57382. <http://www.aisaid.gov.au/countries/eastasia/philippines/Documents/brace-direct-funding-arrangement-risk-analysis-pds.pdf> (Accessed 26 June 2013)

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S. No. 814 RECORDED BY: 

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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 House of Representatives of the Philippines in Congress assembled:

- 1 **SECTION 1. Short Title.** – This Act shall be known as the “Bawas Traffic Act of 2016”.
- 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,