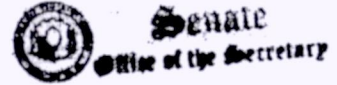


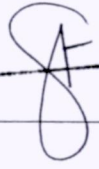
EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



'19 SEP 16 P1:35

SENATE

S. No. 1049

RECEIVED BY: 

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Introduced by Senator Ralph G. Recto

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**AN ACT**  
**CREATING THE SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND**  
**AMENDING FOR THE PURPOSE SECTION 7 OF REPUBLIC ACT NO. 8794, AS**  
**AMENDED**

EXPLANATORY NOTE

There are approximately 96.47 million (90%) out of our 107.19 million<sup>1</sup> population who constitute the riding public. On the other hand, the total number of motor vehicles registered with the Land Transportation Office (LTO) in 2018 reached 11.59 million, of which 970,470 (8%)<sup>2</sup> are public utility vehicles.

Our nation's transport system relies heavily on the road network which handles roughly ninety percent (90%) of passenger movement and fifty percent (50%) of freight movement,<sup>3</sup> serving priority production areas and population centers.

Since the passage of Republic Act 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 the 2019 Budget of Expenditures and Sources of Financing, the balance of the collections from Motor Vehicle User's Charge (MVUC) as of December 31, 2017 amounts to P28.13 Billion while the estimated revenues for 2019 amounts to P13.93 Billion.<sup>4</sup>

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<sup>1</sup> Popcom.gov.ph (accessed 15 July 2019)

<sup>2</sup> Land Transportation Office. Annual Report 2018. (accessed 15 July 2019)

<sup>3</sup> National Economic and Development Authority, *NEDA MTPDP 2004-2010: Chapter 6: Infrastructure (2004)*

<sup>4</sup> Department of Budget and Management, "Budget of Expenditures and Sources of Financing (Table B.15): Fiscal Year 2019"

The increase in number of motor vehicles has corollarily increased the MVUC collections. However, it has also made the traffic situation in our country worse. According to reports, Metro Manila may soon become "uninhabitable" if roads and other infrastructure are not upgraded immediately as the volume of vehicles sold is expected to surge to 500,000 by 2020.<sup>5</sup>

The cost of traffic in Metro Manila, quantified by wasted time, fuel and lost human productivity, was estimated at P3.5 billion a day in 2017 and projected to rise to as much as P5.4 billion daily by 2035.<sup>6</sup>

This measure seeks to amend the MVUC Act by realigning funds from the MVUC for the construction, improvement and rehabilitation of our mass transit system. While total elimination of traffic congestion would be challenging, persistent efforts to improve the country's mass transport systems would certainly be a factor in easing traffic and translate into benefits such as increase in productivity, cleaner environment and a healthier population.

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 road network, road safety, health and environment, excessive energy consumption and limited mobility for non-drivers.

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



**RALPH G. RECTO**

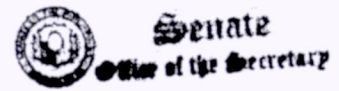
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<sup>5</sup> Richard Mercurio. "Traffic can make Metro Manila uninhabitable in 4 years"  
<http://www.philstar.com/headlines/2016/01/04/1539050/traffic-can-make-metro-manila-uninhabitable-4-years>  
(accessed 14 July 2019).

<sup>6</sup> Partners in Nation Building. JICA Annual Report 2018. (accessed 14 July 2019).

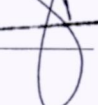




SENATE

'19 SEP 16 P 1 :35

S. No. 1049

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

**AN ACT  
CREATING THE SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND AMENDING  
FOR THE PURPOSE SECTION 7 OF REPUBLIC ACT NO. 8794, AS AMENDED**

*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 "Special Mass  
2 Transit System Support Fund Act".

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

5 "Sec. 7. *Disposition of Monies Collected.*— All monies collected under this  
6 Act shall be [~~remitted to the National Treasury under a special account in the~~  
7 ~~General Fund to be~~] earmarked solely **AND USED EXCLUSIVELY** for the  
8 construction, [~~upgrading, repair,~~] **IMPROVEMENT**, and rehabilitation of  
9 [~~roads, bridges, and road drainage~~] **OUR MASS TRANSIT SYSTEM,**  
10 **INCLUDING THE ACQUISITION OF ROAD RIGHT-OF-WAY FOR SUCH**  
11 **PROJECTS** to be included in the annual General Appropriations Act.

12 **ALL SUCH MONIES COLLECTED SHALL BE REMITTED TO THE**  
13 **NATIONAL TREASURY UNDER A SPECIAL ACCOUNT IN THE GENERAL**  
14 **FUND TO BE KNOWN AS THE SPECIAL MASS TRANSIT SYSTEM**  
15 **SUPPORT FUND. THE SAID FUND SHALL BE UNDER THE DEPARTMENT**  
16 **OF TRANSPORTATION (DOTR).**

17 Sec. 3. A new Section 8 is hereby inserted after Section 7 of the same Act to  
18 read as follows:

19 **"SEC. 8. THE SPECIAL FUND ESTABLISHED UNDER THIS ACT**  
20 **SHALL BE DISTINCT AND SEPARATE FROM AND IN ADDITION TO ANY**

1       **APPROPRIATION AUTHORIZED AND GRANTED YEARLY TO THE DOTR**  
2       **TO COVER EXPENDITURES FOR THE IDENTIFIED OBJECTS OF**  
3       **EXPENDITURES UNDER THIS ACT. CONGRESS SHALL CONTINUE TO**  
4       **APPROPRIATE AN AMOUNT IN THE GENERAL APPROPRIATIONS ACT**  
5       **FOR THE CONSTRUCTION, IMPROVEMENT AND REHABILITATION OF**  
6       **THE MASS TRANSIT SYSTEM UNDER THE DOTR: *PROVIDED,***  
7       ***HOWEVER,* THAT ANY SAVINGS FOR EACH YEAR OUT OF SUCH**  
8       **APPROPRIATION SHALL REVERT TO THE GENERAL FUND. ANY**  
9       **SAVINGS FROM THE SPECIAL FUND CREATED HEREIN SHALL ACCRUE**  
10       **TO THIS SPECIAL FUND."**

11       Sec. 4. The succeeding sections of the same Act are hereby renumbered  
12 accordingly.

13       Sec. 5. *Implementing Rules and Regulations.* — The Department of Budget and  
14 Management, in coordination with the Bureau of the Treasury and the DOTr, shall  
15 within sixty (60) days from the effectivity of this Act, promulgate the rules and  
16 regulations to effectively implement the provisions of this Act.

17       Sec. 6. *Separability Clause.* — If any portion or provision of this Act is declared  
18 unconstitutional, the remainder of this Act or any provisions not affected thereby shall  
19 remain in force and effect.

20       Sec. 7. *Repealing Clause.* — Any law, presidential decree or issuance, executive  
21 order, letter of instruction, rule or regulation inconsistent with the provisions of this Act  
22 is hereby repealed or modified accordingly.

23       Sec. 8. *Effectivity Clause.* — This Act shall take effect after fifteen (15) days  
24 following its complete publication in the *Official Gazette* or in at least two (2)  
25 newspapers of general circulation.

Approved,