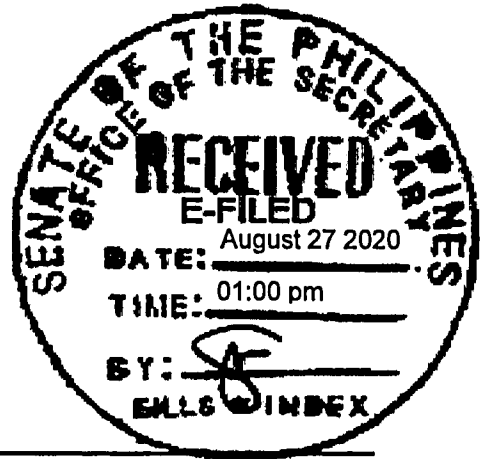


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE

S. No. 1798



Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
PROVIDING FOR THE COMPULSORY REGISTRATION OF HEAVY EQUIPMENT**

EXPLANATORY NOTE

Infrastructure spending, with the highest economic multiplier effect on GDP, is our nation's greatest hope in reinvigorating the country's economy post-crisis. As such, it is necessary that all bases are covered with regard to the procedures of implementing such projects, not the least of which is the compulsory registration of heavy equipment.

Aside from generating substantial income for the Government, the compulsory registration of heavy equipment could curb, if not totally eliminate, the practice of unscrupulous contractors who leave projects unfinished or, after merely obtaining the initial mobilization fee for a particular infrastructure project, completely disappear.

This proposed measure would also prevent the practice of leasing the same heavy equipment to two or more different contractors who simultaneously work on different projects on the same dates but at different sites. Such practices cause the delay of most infrastructure and public works projects. It would further prevent any, if not all, misrepresentation by the contractors with regards to ownership of heavy equipment thereby helping the Government Bids and Awards Committee (BAC) in the determination and compliance of pre-qualification requirements.

With the compulsory registration of heavy equipment, owners/lessors and leases of heavy equipment will be properly identified, and these unscrupulous contractors will be blacklisted for good. It is high time that this standard be implemented for the benefit of our economy.

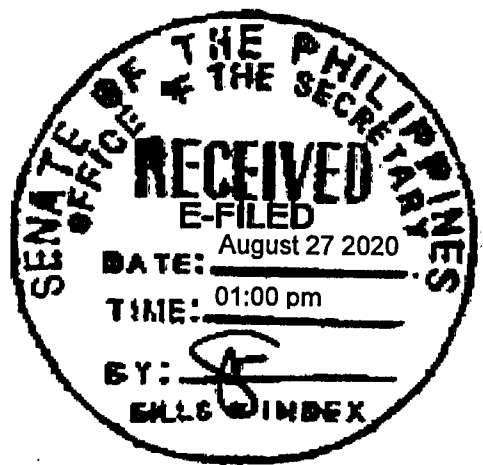
The immediate passage of this measure is necessary to achieve a rational registration scheme for heavy equipment and curtail the unscrupulous practices of contractors.

In view of the foregoing, the urgent approval of this bill is earnestly sought.


RAMON BONG REVILLA, JR.

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Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
PROVIDING FOR THE COMPULSORY REGISTRATION OF HEAVY EQUIPMENT**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

ARTICLE I

GENERAL PROVISIONS

- 1 Section 1. *Short Title.* – This Act shall be known as the "Heavy Equipment
2 Registration Act".
- 3 Sec. 2. *Declaration of Policy.* – It is the declared policy of the State to promote
4 the ideals of good governance in all its branches, departments, agencies, subdivisions,
5 and instrumentalities, including government-owned and/or controlled corporations,
6 and local government units.
- 7 Sec. 3. *Scope and Application.* – This Act shall apply to all heavy equipment,
8 regardless of source, origin, ownership and usage in construction, logging, mining,
9 quarrying, waste management, dredging, shipping, manufacturing, ship building,
10 airport operations, seaport operations, agriculture and other services industries.
- 11 Sec. 4. *Definition of Terms.* – For purposes of this Act, the following terms or
12 words and phrases shall mean or be understood as follows:
- 13 a) *Heavy Equipment* – refers to heavy-duty vehicles, specially designed for
14 executing construction tasks, most frequently, ones involving earth moving. They

1 are also known as construction equipment, earth movers; engineering vehicles, or
2 just plain equipment.

3 b) *Civil Engineering* – is a professional engineering discipline that deals with
4 the design, construction and maintenance of the physical and natural built
5 environment, including works such as bridges, roads, canals, dams and building.
6 Civil Engineering is the oldest engineering discipline after military engineering, and
7 it was defined to distinguish it from military engineering. It is traditionally broken
8 into several sub- disciplines including environmental engineering, geotechnical
9 engineering, structural engineering, transportation engineering, water resources
10 engineering, materials engineering, coastal engineering, surveying, and
11 construction engineering. Civil engineering takes place on all levels: in the public
12 sector from municipal through national levels, and in the private sector from
13 individual homeowners through to international companies.

14 c) *Construction Engineering* – concerns the planning and management of
15 the construction of structures such as highways, bridges, airports, railroads,
16 buildings, dams, and reservoirs. Construction of such projects requires knowledge
17 of engineering and management principles and business procedures, economics,
18 and human behavior. Construction engineers engage in the design temporary
19 structures, quality assurance and quality control, building and site layout surveys,
20 on site material testing, concrete mix design, cost estimating, planning and
21 scheduling, safety engineering, materials procurement, selection of equipment, and
22 cost engineering and budget control.

23 d) *Construction* – in the fields of architecture and civil engineering,
24 construction is a process that consists of the building or assembling of
25 infrastructures.

26 e) *Leasing* – is a common method by which contractors acquire their Heavy
27 Equipment, usually from companies specialized in the field of Construction
28 Equipment or Lease. Leasing transactions are typically divided into finance leasing
29 and operating leasing.

30 f) *Dredging* – is an excavation activity or operation usually carried out at
31 least partly underwater, in shallow sea or freshwater areas with the purpose of

1 gathering up bottom sediments and disposing of them at a different location, mostly
2 to keep waterways navigable.

3 g) *Logging* – is the process in which trees are cut down for forest
4 management and timber.

5 h) *Mining* – is the extraction of valuable minerals or other geological
6 materials from the earth, usually (but not always) from one body, vein or (coal)
7 seam.

8 i) *Quarrying* – is taking rock from the ground or hills, either by digging with
9 machines or by breaking u the rock with explosives.

10 j) *Waste Management* – is the collection, transport, processing, recycling or
11 disposal of waste materials.

12 k) *Ship Building* – is the construction of ships which normally takes place
13 in a specialized facility known as a shipyard.

14 l) *Shipping* – is the physical process of transporting goods and cargo on maritime
15 vessels.

16 m) *Manufacturing* – includes all steps necessary to convert raw materials,
17 components, or parts into finished goods that meet a customer's expectations or
18 specifications. Manufacturing commonly employs a man-machine setup with
19 division of labor in a large-scale production.

20 n) *Airport Operations* – include businesses operating international, national
21 or civil airports or public flying fields. It also includes operators supporting airports
22 (except special food services contractors), offering services such as aircraft
23 refueling, aircraft parking, rental of hangar space, air traffic control services,
24 baggage handling services, cargo handling services and others.

25 o) *Port Operations* – A task-organized unit, located at the seaport. Of
26 embarkation and/or debarkation under the control of the landing force support
27 party and/or combat service support element, that assists and provides support in
28 the loading and/or unloading and staging of personnel, supplies, and equipment
29 from shipping.

30 p) *Lifting Capacity* – is the rated load of a material handling lifting device
31 applied as a uniformly distributed load. It may also refer to the load capacity of a

1 lifting beam, scissor lift, or any other type of load-bearing material handling
2 equipment.

3 q) *Output Capacity* — refers to the extent to which an enterprise or a nation
4 actually uses its installed productive capacity. Thus, it refers to the relationship
5 between actual output that is produced with the installed equipment and the
6 potential output which could be produced with it, if capacity was fully used.

7 r) *KvA — kilovolt Ampere pr KWA.*

8 s) *CIAP* — the Construction Industry Authority of the Philippines is an
9 attached agency to the Department of Trade and Industry (DTI) as provided for by
10 Presidential Decree No. 1746.

11 t) *DTI* — Department of Trade and Industry.

12 u) *ACEL* — Associate Carriers and Equipment Lessors, Inc.

13 v) *LTO* — Land Transportation Office.

14 w) *Marina* — Maritime Industry Authority.

15
16 ARTICLE II

17
18 REGISTRATION SYSTEM

19
20 *Sec. 5. Registration Office.* — This Act directs the Construction Industry
21 Authority of the Philippines (CIAP) to undertake the duties, functions and
22 responsibilities of the mandatory heavy equipment registration system for all heavy
23 equipment in the Philippines, except those provided in Section 9 of this Act.

24 *Sec. 6. Types of Registration.* — This Act provides for the mandatory
25 registration of heavy equipment as to (a) initial, (b) renewal, (c) transfer and (d)
26 leasing registration.

27 *Sec. 7. Initial Ownership Registration.* — All heavy equipment covered by this
28 Act shall be duly registered with the CIAP upon acquisition with valid proof of
29 ownership. Such acquisition covers the initial ownership as well as any subsequent
30 change of ownership. All heavy equipment imported into the Philippines by any foreign
31 entity, government or private, for its own or lease to others shall be duly required to
32 be registered under this provision.

1 **Sec. 8. *Amendment of Registration.*** – In case of change of ownership, engine
2 or motor and body number, if applicable, the details of such change must be duly
3 reported to the CIAP.

4 **Sec. 9. *Exclusions.*** – The following forms of Heavy Equipment shall not be
5 covered by this Act:

- 6 a) Motorized Equipment already subject to registration by the Land
7 Transportation Office (LTO), such as but not limited to, Dump Trucks; Stake
8 Trucks; Truck Tractors; Flatbed Trailers; Goose-neck Flatbed Trailers;
9 Transit Mixers; and Concrete Pumps on Trucks;
- 10 b) Motorized and non-motorized Equipment already subject to registration by
11 the MARINA, such as but not limited to Dredgers and Flat Barges;
- 12 c) Motorized Equipment with a power rating of less than 50 Horsepower; and
- 13 d) Stationary and Mobile Plant and Equipment, such as but not limited to
14 Concrete Batching Plants; Asphalt Batching Plants; Rock Crushing Plants;
15 Aggregates Screening Systems; Cement Silos; Fly Ash Silos; Fuel Tanks;
16 Tower Cranes; Construction Site Elevator System; Moving Platforms.

17 **Sec. 10. *Registration Fees.*** – The CIAP shall set the necessary registration fees
18 covering ownership registration and leasing registration of heavy equipment, to cover
19 the cost of processing, inspection and maintenance of the heavy equipment
20 registration system. From time to time the CIAP may reset the Schedule of Registration
21 fees to ensure that such are in tune with the current costs.

22 **Sec. 11. *Implementing Rules and Regulations.*** – Within sixty (60) days from
23 the promulgation of this Act, the necessary rules and regulations for the proper
24 implementation of its provisions shall be formulated by the CIAP, DPWH, DOTC, DOLE
25 and DTI. The said rules and regulations shall be approved by the Secretary of Trade
26 and Industry, as Chairman of the CIAP. For a period not later than thirty (30) days
27 upon the approval of the implementing rules and regulations, the standard forms for
28 Heavy Equipment owner registration and leasing registration shall be formulated and
29 approved.

30 **Sec. 12. *Offenses and Penalties.*** – Without prejudice to the provisions of
31 Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act”
32 and the penal laws, any public officers who commit any of the following acts shall

1 suffer the penalty of imprisonment of not less than six (6) years and one (1) day, but
2 not more than fifteen (15) years:

- 3 1. Delaying, without justifiable cause, the ownership registration or leasing
4 registration or amendment thereof being applied for by a registrant.
- 5 2. Unduly influencing or exerting undue pressure on any official or employee of
6 the CIAP to take a particular action which favors or tends to favor a particular
7 registrant.
- 8 3. Willful violation of the Implementing Rules and Regulations of this Act that
9 would provide for the Owner Registration or Leasing Registration of a non-
10 existent Heavy Equipment.
- 11 4. Willful violation of the Implementing Rules and Regulations of this Act that
12 would provide for the double or multiple Owner Registration or Leasing
13 Registration of a Heavy Equipment.
- 14 5. Issuance of Certification of Owner Registration or Leasing Registration
15 contrary to the information recorded in the Owner Registry and Leasing
16 Registry.

17 When any of the following acts is done in collusion with private individuals, the
18 private individual/s shall likewise be liable for the offense.

19 In addition, the public officer involved shall suffer the penalty of temporary
20 disqualification from public office, while the private individual/s shall be permanently
21 disqualified from transacting business with the government.

22 *Sec. 13. Repealing Clause.* – Any law, presidential decree or issuance, executive
23 order, letter of instruction, administrative order, proclamation, charter, rule or
24 regulation and/or parts thereof contrary to or consistent with the provisions of this Act
25 is hereby repealed, modified or amended accordingly.

26 *Sec. 14. Separability Clause.* – If any provision of this Act is declared invalid or
27 unconstitutional, the other provisions not affected shall remain valid and subsisting.

28 *Sec. 15. Effectivity Clause.* – This Act shall take effect fifteen (15) days following
29 its publication in the Official Gazette or in two (2) newspapers of general circulation.

30

31 *Approved,*