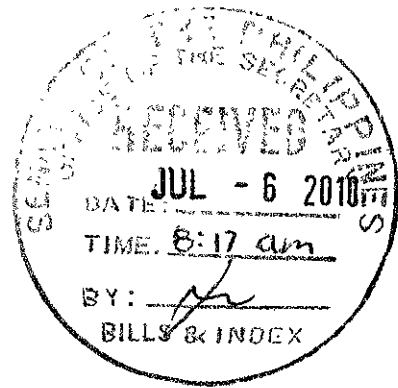


FIFTEENTH Congress of the)
Republic Of the Philippines)
First Regular Session)

SENATE
S.B. No. 164



Introduced by Senator Ramon Bong Revilla, Jr.

EXPLANATORY NOTE

The need to conduct a compulsory registration of heavy equipment is long overdue. It is surprising that despite the compulsory registration of motor vehicles, no such registration for heavy equipment is required under existing laws, rules and regulations in the Philippine setting.

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 they just completely disappear.

This proposed measure would also prevent the practice of leasing the same heavy equipment to two or more different contractors, working 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.

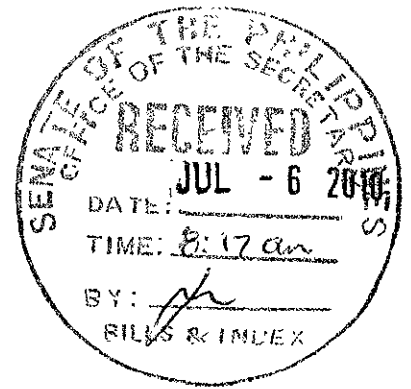
With the compulsory registration of heavy equipment, owners/lessors and leases of heavy equipment will be properly identified and these unscrupulous contractors will be blacklisted for good.

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

Hence, its approval is imperative.


RAMON BONG REVILLA, JR.

FIFTEENTH Congress of the)
Republic Of the Philippines)
First Regular Session)



SENATE
S.B. No. 164

Introduced by Senator Ramon Bong Revilla, Jr.

AN ACT
PROVIDING FOR THE COMPULSORY REGISTRATION OF
HEAVY EQUIPMENT

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

ARTICLE I

GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be known as the “Heavy Equipment Registration Act.”

SECTION 2. Declaration of Policy. - It is the declared policy of the State to promote the ideals of good governance in all its branches, departments, agencies, subdivisions, and instrumentalities, including government-owned and/or controlled corporations, and local government units.

SECTION 3. Scope and Application. – This Act shall apply to all heavy equipment, regardless of source, origin, ownership and usage in construction, logging, mining, quarrying, waste management, dredging, shipping, manufacturing, ship building, airport operations, seaport operations, agriculture and other services industries.

SECTION 4. Definition of Terms. – For purposes of this Act, the following terms or words and phrases shall mean or be understood as follows:

- a. *Heavy Equipment* - refers to heavy-duty vehicles, specially designed for executing construction tasks, most frequently, ones involving earth moving. They are also known as construction equipment, earth movers, engineering vehicles, or just plain equipment.
- b. *Civil Engineering* – is a professional engineering discipline that deals with the design, construction and maintenance of the physical and natural built environment, including works such as bridges, roads, canals, dams and building. Civil Engineering is the oldest engineering discipline after military engineering, and it was defined to distinguish it from military engineering. It is traditionally broken into several sub-disciplines including environmental engineering, geotechnical engineering, structural engineering, transportation engineering, water resources engineering, materials engineering, coastal engineering, surveying, and construction engineering. Civil

engineering takes place on all levels: in the public sector from municipal through to national levels, and in the private sector from individual homeowners through to international companies.

- c. *Construction Engineering* - concerns the planning and management of the construction of structures such as highways, bridges, airports, railroads, buildings, dams, and reservoirs. Construction of such projects requires knowledge of engineering and management principles and business procedures, economics, and human behavior. Construction engineers engage in the design temporary structures, quality assurance and quality control, building and site layout surveys, on site material testing, concrete mix design, cost estimating, planning and scheduling, safety engineering, materials procurement, selection of equipment, and cost engineering and budget control.
- d. *Construction* - in the fields of architecture and civil engineering, construction is a process that consists of the building or assembling of infrastructures.
- e. *Leasing* – is a common method by which contractors acquire their Heavy Equipment, usually from companies specialized in the field of Construction Equipment or Lease. Leasing transactions are typically divided into finance leasing and operating leasing.
- f. *Dredging* – is an excavation activity or operation usually carried out at least partly underwater, in shallow sea or fresh water areas with the purpose of gathering up bottom sediments and disposing of them at a different location, mostly to keep waterways navigable.
- g. *Logging* – is the process in which trees are cut down for forest management and timber.
- h. *Mining* – is the extraction of valuable minerals or other geological materials from the earth, usually (but not always) from one body, vein or (coal) seam.
- i. *Quarrying* – is taking rock from the ground or hills, either by digging with machines or by breaking u the rock with explosives.
- j. *Waste Management* – is the collection, transport, processing, recycling or disposal of waste materials.
- k. *Ship Building* – is the construction of ships which normally takes place in a specialized facility known as a shipyard.
- l. *Shipping* – is the physical process of transporting goods and cargo on maritime vessels.
- m. *Manufacturing* – includes all steps necessary to convert raw materials, components, or parts into finished goods that meet a customer's expectations or specifications. Manufacturing commonly employs a man-machine setup with division of labor in a large scale production.
- n. *Airport Operations* – include businesses operating international, national or civil airports or public flying fields. It also includes operators supporting airports (except special food services contractors), offering services such as aircraft refueling, aircraft parking, rental of hangar space, air traffic control services, baggage handling services, cargo handling services and others.
- o. *Port Operations* – A task-organized unit, located at the seaport of embarkation and/or debarkation under the control of the landing force support party and/or combat

- service support element, that assists and provides support in the loading and/or unloading and staging of personnel, supplies, and equipment from shipping.
- p. *Lifting Capacity* – is the rated load of a material handling lifting device applied as a uniformly distributed load. It may also refer to the load capacity of a lifting beam, scissor lift, or any other type of load-bearing material handling equipment.
 - q. *Output Capacity* – refers to the extent to which an enterprise or a nation actually uses its installed productive capacity. Thus, it refers to the relationship between actual output that is produced with the installed equipment and the potential output which could be produced with it, if capacity was fully used.
 - r. *KvA – kilovolt Ampere pr KWA.*
 - s. *CIAP* – the Construction Industry Authority of the Philippines n attached agency to the Department of Trade and Industry (DTI) as provided for by Presidential Decree No. 1746.
 - t. *DTI* – Department of Trade and Industry.
 - u. *ACEL* – Associate Carriers and Equipment Lessors, Inc.
 - v. *LTO* – Land Transportation Office.
 - w. *Marina* – Maritime Industry Authority.

ARTICLE II

REGISTRATION SYSTEM

SECTION 5. Registration Office. – This Act directs the Construction Industry Authority of the Philippines (CIAP) to undertake the duties, functions and responsibilities of the mandatory heavy equipment registration system for all heavy equipment in the Philippines, except those provided in Section 9 of this Act.

SECTION 6. Types of Registration. – This Act provides for the mandatory registration of heavy equipment as to (a) initial, (b) renewal, (c) transfer and (d) leasing registration.

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

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

SECTION 9. Exclusions. – The following forms of Heavy Equipment shall not be covered by this Act:

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

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

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

ARTICLE III

PENAL CLAUSE

SECTION 12. Offenses and Penalties. – Without prejudice to the provisions of Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act” and the penal laws, any public officers who commit any of the following acts shall suffer the penalty of imprisonment of not less than six (6) years and one (1) day, but not more than fifteen (15) years:

1. Delaying, without justifiable cause, the ownership registration or leasing registration or amendment thereof being applied for by a registrant.
2. Unduly influencing or exerting undue pressure on any official or employee of the CIAP to take a particular action which favors or tends to favor a particular registrant.
3. Willful violation of the Implementing Rules and Regulations of this Act that would provide for the Owner Registration or Leasing Registration of a non-existent Heavy Equipment.
4. Willful violation of the Implementing Rules and Regulations of this Act that would provide for the double or multiple Owner Registration or Leasing Registration of an Heavy Equipment

5. Issuance of Certification of Owner Registration or Leasing Registration contrary to the information recorded in the Owner Registry and Leasing Registry.

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

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

ARTICLE III

FINAL PROVISIONS

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

SECTION 14. SEPARABILITY CLAUSE. – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected shall remain valid and subsisting.

SECTION 15. Effectivity Clause. – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in to (2) newspapers of general circulation.

Approved.