

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**THIRTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 4070**



---

Introduced By: **HONORABLE AUGUSTO H. BACULIO**

---

**EXPLANATORY NOTE**

The immediate and efficient development of railway system in the Philippines is a big leap towards an innovative and robust national transportation approach. When rail transport was first introduced in the country in the 1940's, minimal support fund from government was earmarked for its operation and maintenance. So trifling was the assistance and government investment that, few years after its initial venture, rail transport operations were either overtaken by its usefulness and viability or failed to compete with the worlds' rail modernization scheme. While foreign governments pour huge investments into their transport system to provide their citizens fast, efficient, reliable and affordable rail, the Philippines for quite a long period overlooked, if it did not slept over, the essentiality of the rail sector.

The advent of the 21<sup>st</sup> century saw the increase of the need to employ more and more rail infrastructure as the paramount mass transportation option to cater the contemporary lifestyle. At this point, the Government of the Philippines, apparently learning from its earlier oversight now realized to prioritize rail transport development. The present President of the Republic, Gloria Macapagal-Arroyo openly declared her steadfast support and zealous commitment to achieve the expansion and modernization of the rail sector at all cost. However, with a murky economic standing the pronouncement may become yet another political rhetoric.

Hence, this proposed legislation must be passed if we are to ensure the viability and sustainability of rail infrastructure now in-place. This bill seeks to amend Section 7 and Section 8 of Republic Act No. 8794 known as the Motor Vehicle User's Charge Act of 2000 and provides the reapportionment and disposition of the funds collected under that law to include or to benefit the railway sector. Its passage is not just recognition on the vital role for all types of railways in nation building but a sturdy government assurance that it meant business for the rail sector. Specifically, the bill allocates 21% out of the MVUC to be used for the establishment, development, maintenance and improvement of the LRTA, MRT, PNR Railway Lines and all other rail service areas throughout the country. Accordingly, this support fund will greatly contribute to the sound business operation of the rail sector and would be an effective catalyst for socio-economic sustainability.

Finally, approval of this bill is earnestly sought.

  
**REP. AUGUSTO H. BACULIO**

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**THIRTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 4070**

---

Introduced By: **HONORABLE AUGUSTO H. BACULIO**

---

**AN ACT**  
**AMENDING SECTION 7 AND SECTION 8 OF REPUBLIC ACT NO. 8794**  
**OTHERWISE KNOWN AS THE MOTOR VEHICLE USER'S CHARGE**  
**(MVUC) ACT OF 2000 AND FOR OTHER PURPOSES**

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

SECTION 1. Section 7 of Republic Act 8794 is hereby amended as follows:

SECTION 7. *Disposition of Monies Collected.* – All monies collected under this Act shall be earmarked solely and used exclusively (1) for road maintenance and the improvement of road drainage, (2) for the installation of adequate and efficient traffic lights and road safety devices, (3) for air pollution control, **and (4) for railway development, management, operations and maintenance.**

All such monies collected shall be deposited in **five (5)** special trust accounts in the National Treasury, namely: (1) Special Road Support Fund; (2) Special Local Road Fund; (3) Special Road Safety Fund; (4) Special Vehicle Pollution Control Fund; **and (5) Special Railway Trust Fund.** The distribution of collections under this Act shall be as follows:

- (1) Sixty percent (60%) shall be allotted to and placed in the Special Road Support Fund;**
- (2) Five percent (5%) shall be allotted to and placed in the Special Local Road Fund;
- (3) **Seven percent (7%)** shall be allotted to and placed in the Special Road Safety Fund;
- (4) **Seven percent (7%)** shall be allotted to and placed in the Special Vehicle Pollution control fund; and
- (5) Twenty One percent (21%) shall be allotted to and placed in the Special Railway Trust Fund.**

The Special Road Support Fund, the Special Local Road Fund and the Special Road Safety Fund shall be under the DPWH, whereas the Special Vehicle Pollution Control Fund **and the Special Railway Trust Fund** shall be under the DOTC.

Seventy percent (70%) of the Special Road Support fund shall be used exclusively for the maintenance of and the improvement of drainage of national primary roads. The remaining thirty percent (30%) thereof shall be allocated for the maintenance, and improvement of drainage of national secondary roads throughout the country.

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

The Special Local Road Fund shall be apportioned to provincial and city governments in accordance with the vehicle population and size of the road network under their respective jurisdictions, and shall be used exclusively for maintenance of local roads, traffic management and road safety devices.

***The Special Railway Trust Fund shall be used exclusively for the establishment, construction, operation, management, regulation of all types of railways and the development of the Light Rail Transit Authority (LRTA), EDSA-Metro Rail Transit (MRT) and the Philippine National Railways (PNR) and all other railway systems in various service areas throughout the country.***

***Twenty percent (20%) of the Special Railway Trust Fund shall be allocated for the development, maintenance and improvement of railways under the auspices of LRTA. Twenty percent (20%) of the Fund shall be for the development, maintenance and improvement of the railways under the auspices of EDSA-MRT. Thirty percent (30%) shall be allocated for the development of the PNR. Twenty percent (20%) shall be for the development, maintenance and improvement of all other railway systems in various service areas throughout the country and the remaining Ten percent (10%) thereof shall be allocated for consultancy, research, capability-building and administrative requirements of the entire rail operation.***

A Road Board to implement the prudent and efficient management and utilization of the special funds shall be organized by the President of the Philippines. The Road Board shall be composed of **ten (10)** members, with the Secretary of the DPWH as *ex-officio* head, and the Secretaries of the Departments of Finance, Budget and Management, Transportation and Communications, **the LRTA Administrator, General Managers of EDSA-MRT and Philippine National Railways (PNR)** as *ex-officio* members. The remaining three (3) members shall come from transport and motorist organizations, which have been in existence and active for the last five (5) years prior to this Act. They shall be appointed for a term of two (2) years each by the President of the Philippines upon the recommendation of the secretaries of the DPWH and the DOTC.

SEC. 2. Section 8 of the Republic Act No. 8794 is hereby amended as follows:

**SECTION 8. Status of the Special Funds.** – The **five (5)** special trust funds established under this Act shall be distinct and separate from and in addition to any appropriation authorized and granted yearly to the DPWH and the DOTC to cover expenditures for the identified objects of

expenditures under this Act. Congress shall continue to appropriate an amount in the General appropriations Act for road maintenance of the DPWH: *Provided, however,* That any savings for each year out of such appropriation shall revert to the General Fund. Any savings from the special funds created herein shall accrue to these respective special funds.

**SEC. 3. *The newly enhanced Road Board shall within thirty (30) days from the effectivity of this Act, review the existing implementing rules and regulations to carry out the intents and objectives of this Act.***

SEC. 4. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

SEC. 5. Effectivity. - This Act shall take effect immediately following its publication in at least two (2) newspapers of general circulation.

Approved,