

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 2241

INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

EXPLANATORY NOTE

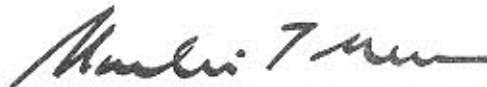
The purpose of this bill is to institutionalize the road roll-on/roll-off terminal system.

The reason for this is obvious. Given our archipelagic structure, the only way we can provide access to and from these fragmented islands for whatever purposes, proprietary or otherwise, is by setting in place said system.

Indeed, the State has the obligation to integrate the various Islands through a seamless system of land and sea transport that forms part of the nation's road network thereby reducing the cost of inter-island transportation through the establishment of an efficient and cost-effective Road Roll-on/Roll-off Terminal System (RRTS).

The development of the RRTS will serve a number of important purposes – e.g. promote tourism; boost regional trade and commerce; facilitate the effective implementation of the agro-fisheries modernization and food security programs; and, provide an integrated mechanism to inter-island transportation of self-powered vehicles.

This bill therefore is a long time coming. Now that we have the resource capability and technical know how, the bill should be immediately enacted into law so that we can finally begin ease up commerce and other activities, involving inter-island transportation.



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AN ACT
INSTITUTIONALIZING THE ROAD ROLL-ON/ROLL-OFF TERMINAL
SYSTEM, AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. – This Act shall be known as the "*Road Roll-on/Roll-off Terminal Systems Act*".

SECTION 2. Declaring of Policies and Objectives. – It is hereby declared to be the policy of the State to integrate the various Islands through a seamless system of land and sea transport that forms part of the nation's road network thereby reducing the cost of inter-island transportation through the establishment of an efficient and cost-effective Road Roll-on/Roll-off Terminal System (RRTS).

It is further declared to be the policy of the State to promote private sector and local government units (LGUs) participation in the establishment of new policies to develop RRTS and the construction and operation of its facilities.

Corollary to these policies, the development of the RRTS is aimed to promote tourism; boost regional trade and commerce; facilitate the effective implementation of the agro-fisheries modernization and food security programs; and, provide an integrated mechanism to inter-island transportation of self-powered vehicles.

SECTION 3. Definition of terms. – For purposes of this Act, the following terms are hereby defined as follows:

- a) Roll-on/Roll-off or RORO Operations - shall refer to the method of loading and discharging of self-powered motor vehicles driven on their own wheels by their owners or drivers between ship and shore via a ramp, and where the physical possession and control of the rolling cargo or vehicle is not transferred to a cargo handler or to the shipping company or its agents;
- b) Self-Powered Vehicles – shall refer to any vehicle provided with its own motive power;
- c) RORO ships - shall refer to a ship type or design duly approved for RORO operations;
- d) Road-RORO Terminal System (RRTS) - shall refer to the network of roads and RORO terminals all over the country, regardless of the distance covered and linked by RORO ships;
- e) RORO Ship Terminals – shall refer to ship terminals, which cater basically to RORO ships servicing passenger buses and private vehicles;

- f) Lane Meter (L.M.) – shall refer to a unit by means of which the deck/s on a RORO ship are measured where one (1) meter of deck with a width of 2.5 to 3.0 meters shall constitute one lane meter;
- g) Road network – consist of the national and local roads linking RORO terminals.

SECTION 4. *Integration of the RRTs with the Road Network.* – To the extent permitted by law, the RRTS shall link to the nation's road system and shall not be burdened by transport procedures and costs, unless otherwise provided by law.

For purposes of this Act, the following RORO terminals are hereby designed as part of the RRTS:

- a) Western Nautical Highway:
 - Dipolog – Dumaguete City
 - Bacolod – Ilo-ilo City
 - Caticlan, Aklan – Roxas, Or. Mindoro
 - Calapan – Batangas City
- b) Central Nautical Highway:
 - Claveria, Masbate – Pantao, Albay
 - Aroroy, Masbate – Boca Engano, Burias Island, Masbate
 - San Remegio, Cebu City – Placer, Masbate
 - Dumaguete – Samboan
 - Toledo – San Carlos
 - Tubigon, Bohol – Cebu City
 - Mambajao, Camiguin – Jagna, Bohol
 - Guinsiliban, Camiguin – Balingoan, Misamis Oriental
- c) Eastern Nautical Highway:
 - Surigao City – Liloan, Southern Leyte
 - Naval, Biliran – Cataingan, Masbate
- d) And such other RORO terminals as determined by the DOTC, the private sector and/or the Local Government Units (LGUs) under this Act, *Provided further*, that the Maritime Industry Authority (MARINA) shall designate as part of RRTS all RORO shipping routes established under this section.

SECTION 5. *Lead Agency for the Implementation of the RRTS.* – The Department of Transportation and Communications (DOTC) is tasked to oversee, coordinate and evaluate the implementation of all initiatives under this Act. All departments, bureaus, offices and other government agencies and instrumentalities, including government-owned and/or controlled corporations (GOGC) and LGUs shall extend full cooperation, support and assistance to the DOTC regarding all matters and requests specifically related to and covered this Act.

SECTION 6. *Issuance of Authority to Operate.* – For the operation of an RRTS facility, the following shall be required for the issuance of the Authority to Operate:

- a) A Certificate of Public Convenience (CPC) issued by the MARINA shall be required for the operation of ROR ships in accordance with Republic Act No.9295; and

- b) A clearance to develop, a Permit to Construct and a Certificate of Registration issued by the Philippine Ports Authority (PPA) shall be required in accordance with existing guidelines.

All port authorities, MARINA and LGUs, as applicable, shall issue the permits/authority to operate necessary for the construction and operation of RRTS facilities within thirty (30) days from date of application.

SECTION 7. RRTS Requirements. – In the establishment of RRTS facilities, the proponents shall comply with the requirements provided for under existing rules and regulations and implemented by concerned agencies set forth in the Implementing rules and Regulations (IRR) of this Act: *Provided*, that all port authorities, MARINA, and other concerned government agencies shall ensure that the RRTs shall be covered by reduced and simplified documentary requirements: *Provided however*, that no clearance shall be required of motor vehicles using the RRTS except that the owners or operators of RORO ships shall comply with the reporting requirements under Section 11 of the Anti-Carnapping Act of 1972, and other applicable laws.

SECTION 8. a) The RRTS charges may be collected once as a toll or separately consisting of the following components:

- 1) A terminal fee levied by the RORO terminal operator on vehicles and passengers for the use of the terminal: *Provided*, That the terminal fee is calculated based on the total weight of vehicle and cargo, and collected once for every RORO link;
- 2) A RORO freight levied by the RORO ship operator on self-powered vehicles based on lane meter;
- 3) A passenger fare levied by the RORO ship operator on passengers; and,
- 4) A berthing fee levied by the RORO terminal operator on the RORO ship for mooring or berthing at the RORO terminal.

b) The DOTC shall ensure that all port authorities in the country shall apply uniform terminal fees.

c) No other fees and charges shall be collected except those provided under this Act. Fees and charges not otherwise provided herein, but are collected and levied prior to the approval of this law, shall cease to be imposed immediately upon the effectivity of this Act: *Provided* that LGU's shall not collect any form of fees against passengers in RRTS ports and cargoes passing through or unloaded in their territories in the guise of tolls, wharfage or taxes and other charges.

SECTION 9. Applicability of the RRTS Toll. – the RRTS toll shall be applicable to:

- a) All self-powered vehicles loaded and discharged on their on wheels by their owners or drivers between ship and shore via ramp;
- b) All ships to the extent that they are actually engaged in RORO operations; and
- c) All ports and terminals that cater to RORO operations.

SECTION 10. Private Commercial Terminals. – All port authorities shall ensure that RORO terminals established and constructed through private investments shall be operated as private commercial terminals. All port authorities shall likewise take concrete steps to privatize operation and

management of state-owned RORO terminals within a period of five (5) years to attract investments in the RRTS: *Provided*, That private non-commercial ports shall be allowed to convert in private commercial ports.

SECTION 11. *Environment and Business-Related requirements of the RRTS.* – Where all the Legal, technical and environmental requirements have been complied with, relative to the development, construction and operation of RRTS facilities, the Department of environment and Natural Resources (DENR) shall issue Environmental Compliance Certificates within a period of forty –five (45) days therefrom, and the proper government agency shall enter into foreshore lease agreements within a period of ninety (90) days therefrom and whenever necessary, secure from PPA or other regulatory agencies, a permit in cases where reclamation is involved. Local Government Units shall issue the necessary permits for the operation of the RRTS facilities within three (3) days from the date of application thereof.

SECTION 12. *Role of LGUs.* – The following are the roles of the LGUs in the RRTS:

- a) To establish, operate and manage RRTS terminals using its own funds, or Build-Operate-and-Transfer (BOT), or in joint venture with the private sector or another LGU;
- b) To invest in a RORO ship: *Provided*, That operations thereof shall be undertaken by a private shipping entity;
- c) To formulate policies affecting the operation of RRTS terminals in the locality, in coordination with the DOTC, and including those provided under section 8 (b) of this Act;
- d) To support the RRTS by providing access roads to and from the RORO terminal, and maintaining existing local roads and bridges used by the RRTS; and
- e) To ensure the smooth and efficient flow of goods and services within the RRTs through proper area planning and consistent with the approved comprehensive land use plan.

SECTION 13. *Financing, Shipbuilding and Safety Support for RRTS.* – Government and private financial institutions shall make available financing to eligible projects and qualified borrowers under the RRTS with reasonable and simplified requirements, as well as concessionary interest rates. The Department of Foreign Affairs (DFA) and the Department of Finance (DOF) are hereby mandated to likewise negotiate for loan packages/Official Development Assistance (ODA) to serve as sources of financing for the local construction of RORO ships to be required in the operationalization of the RRTS.

SECTION 14. *Incentive Programs.* – The RORO ship and terminal operators shall be entitled to the incentives provided under Executive Order No. 226, otherwise known as the "Omnibus Investments Code of 1987" as well as those provided under Republic Act No.9295, otherwise known as the "Domestic Shipping Development Act of 2004".

The incentives granted under this Act shall be subject to review and/or amendment every three (3) years.

SECTION 15. *Joint Congressional Oversight Committee on RRTS.* – There is hereby created a Joint Congressional Oversight Committee on RRTS to monitor and oversee the implementation of this Act. The committee shall be composed of five (5) Senators and five (5) Representatives to be appointed by the Senate President and the Speaker of the House of Representatives,

respectively. The Oversight Committee shall be co-chaired by a Senator and a Representative designated by the Senate President and the Speaker of the House of Representatives, respectively.

The mandate given to the Joint Congressional Oversight Committee under this Act shall be without prejudice to the performance of the duties and functions by the respective existing oversight committees of the Senate and the House of Representatives.

SECTION 16. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act, the DOTC shall formulate and promulgate the rules and regulations to implement effectively the provisions of this Act.

SECTION 17. *Separability Clause.* – If any provision or section of this Act or the Application thereof to any person or circumstance is held to be invalid, the other provisions or sections of this Act, and the application of such provision or section to other persons or circumstances, shall not be affected.

SECTION 18. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations or parts thereof as are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

SECTION 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,