

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitutional Hills, Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2858



INTRODUCED BY HON. REYNALDO V. UMALI

EXPLANATORY NOTE

The indispensability of greater private sector participation in development that has given birth to Republic Act Number 6957, otherwise known as the Build-Operate-Transfer (BOT) Law, has helped propel the economy to unprecedented levels. Presumably, this is the same rationale of the Aquino Administration in vigorously pursuing the so-called Public-Private Partnership (PPP).

Nearly all capital intensive infrastructure developments, when built, have far-reaching economic impact. These infrastructure developments are major sources of viable returns on investment over the short, medium, and the long term, as they are the product of well-studied project feasibility studies.

Bridges, just like roads, ports, harbors, airports, are vital links connecting one province or region to another as in the case of the Mindoro-Batangas Nautical Bridge-Highway Project.

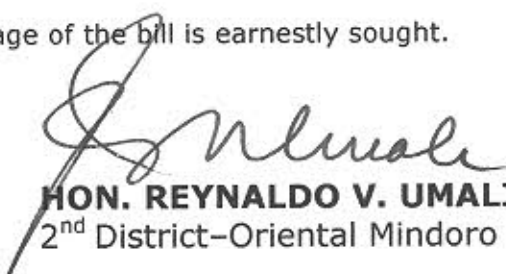
This proposed measure seeks to provide for a way to link the Mindoro Island to the Province of Batangas Province utilizing a 5-kilometer concrete roadway along Verde Island as the ground route of a nautical bridge that spans about 3,000 linear meters from Puerto Galera in Oriental Mindoro to Verde Island and 6,000 linear meters from Verde Island to Ilijan II in Batangas. It is conceived to operate by way of exacting toll charges/fees for land vehicles or other road users traversing Verde Island from Mindoro to Batangas and vice versa.

The other strategy conceived is allowing basic industries or utilities like water, power, oil, and telecommunication facilities to complement its operational framework to serve both Mindoro Island and the Batangas Province. These utilities will be under contract to pay leases, rentals or charges for the use of the nautical bridge-highway.

It is envisioned that if the project is realized, it will trigger a kind of chain reaction consistent with a larger development plan to boost tourism, cause the mushrooming of economic or export processing zones, industrial parks, and similar growth points around MIMAROPA-Batangas growth corridor.

In the light, therefore, of the many plans of government today but hampered by its limited resources, this proposed bill is timely and urgent as it seeks to tap vast resources from the private sector to become a more aggressive partner in high-impact infrastructure development programs.

In view of the foregoing, immediate passage of the bill is earnestly sought.


HON. REYNALDO V. UMALI
2nd District-Oriental Mindoro

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**AN ACT PROVIDING FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE
OF THE MINDORO-BATANGAS NAUTICAL BRIDGE-HIGHWAY, LINKING
MINDORO ISLAND TO BATANGAS CITY, AND PROVIDING FOR ITS
IMPLEMENTATION UNDER THE PROVISION OF REPUBLIC ACT NO. 6957,
OTHERWISE KNOWN AS THE BUILD-OPERATE-TRANSFER (BOT) LAW**

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

SECTION 1. The Project - There is hereby created the "**Mindoro-Batangas Nautical Bridge-Highway**" which shall be financed, constructed, operated and maintained by grantee/offeror/consortium/proponent, under, and by virtue of, Republic Act No. 6957, otherwise known as the Build-Operate-Transfer (BOT) Law. This nautical bridge-highway shall link Puerto Galera, Oriental Mindoro to Ilijan II in Batangas City, passing through the Verde Island.

SEC. 2 Implementing Agency. - The Department of Public Works and Highways (DPWH) shall be the lead implementing agency of this project.

SEC. 3. Definition of Terms. -

- (a) "Grantee/offeror/consortium/proponent" - the private sector entity composed
Of business enterprises, in association with a duly-registered banking institution, that makes public an offer to finance, construct, operate and maintain the Mindoro-Batangas Nautical Bridge-Highway contained in the project prospectus.
- (b) "Duly registered banking institution" - any bank duly organized and registered under and by virtue of Philippines laws.
- (c) "Project Prospectus" - a document outlining in detail the project proposal, its attendant financing scheme and the repayment system in either toll, rental or any other method. It shall disclose in full the feasibility, viability and bankability of said project and shall provide and disclose the methods, technologies and construction systems including the full names of the owners of stockholders of the participating, firms or corporations.

Sec. 4. Terms and Conditions. - The grantee/offeror/consortium/proponent shall finance, construct, operate and maintain the Mindoro-Batangas nautical bridge-highway under the following conditions:

- a) The nautical bridge-highway shall be built in Puerto Galera, Oriental Mindoro to Verde Island on the one end; and from Verde Island to Ilijan II, Batangas on the other end, in accordance with the final engineering survey and feasibility study on the project.
- b) The nautical bridge-highway shall be designed in consideration of the potential for agricultural, commercial and other structural uses, as well as to accommodate such structures that would provide power, water, fuel pipelines, telecommunication or similar utilities, as may be established with the linking of the Mindoro Island and Batangas province.
- c) Out of the toll fees to be imposed by the grantee/offeror consortium/proponent, and leases, rentals or concessions from other utilities, ten percent (10%) of the net proceeds before corporate income tax shall be allocated to put up all-weather structures along the bridge-highway and to reforest areas around the Verde Island concrete roadway interconnecting the two long span bridges;
- d) The grantee/offeror consortium/proponent shall be restricted from securing loans from any Philippine government bank or financial institution that may be used to finance the project;
- e) The toll fees to be charged for use of the nautical bridge-highway shall be determined by the grantee/offeror consortium/proponent and the toll Regulatory Board (TRB), in accordance with tollway rules and regulations under existing laws;
- f) The grantee/offeror/consortium/proponent may allow water, power, fuel pipelines, telecommunications or similar utilities, subject to terms and conditions such as leases, rentals or concessions, to link their goods and services commercially utilizing mixed use of the nautical bridge-highway; and
- g) Fifty (50) years after the operation of said bridge-highway, the grantee shall transfer the title, operation and maintenance of said nautical bridge-highway to the national government.

SEC. 5. Inter-Agency Task Force. - An Inter-agency task force shall be established to evaluate the project based on a criteria that primarily responds to public benefit, public cost, overall impact to the economy, the environment and ecological diversity, and rights and cultures of the indigenous peoples in the area.

This inter-agency task force shall be composed of the respective Secretaries, or their duly-appointed representatives, of the Department of Public Works and Highways (DPWH), as the lead agency, Department of Environment and Natural Resources (DENR), National Economic and Development Authority (NEDA), Department of Trade and Industry (DTI), Department of Energy (DOE), Department of Interior and Local Government (DILG), and such other government agencies that the DPWH, as leading agency, may utilize for the purpose.

SEC. 6. Limitation. - Pursuant to Sec. 4 (d) hereof, no appropriations shall be made to support the grantee/offeror/consortium/proponent for undertaking the implementation of this project, except the defray reasonable administrative expenses for personnel duly appointed to oversee the project.

SEC. 7. Appropriations. - The amount necessary to defray the cost of undertaking and completing the feasibility study for this project shall be charged against the current appropriations of the Department of Public Works and Highways (DPWH).

Thereafter, such sums as may be necessary for the full implementation of this project shall be included in the annual General Appropriations Act.

SEC. 8. Effectivity Clause. - This act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation. Within one (1) month after the effectivity of this Act, the DPWH is hereby directed to implement the project.

Approved.