NINETEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 10508

EXPLANATORY NOTE

This bill seeks to establish a Local Economic Road Development (LERD) Program under the Department of Public Works and Highways (DPWH).

While the paved ratio for national roads under purview of DPWH is already 97% huge gaps exist among local economic roads which are within the purview of local government units (LGUs). Based on available 2020 DPWH Philippine Road Network data, the paved ratio of local roads are as follows – 36% for provincial roads, 62% for city roads, 33% for municipal roads, and 7% for barangay roads. Considering the enormous opportunity cost the economy incurs for not addressing the road gaps, this Bill seeks to pursue the implementation of a 'Local Economic Road Development' (LERD) Program under the DPWH. Under the LERD Program, DPWH shall prioritize and fund the construction of 'local economic roads' – i.e., provincial, city, and municipal roads. With increased internal revenue allotment (IRA) under the Mandanas-Garcia Ruling, LGUs can focus its resources of other important infrastructure projects needed by the communities like water, barangay road development – especially those leading to tourism sites and agricultural areas.

The establishment and implementation of the LERD Program will ensure seamless connection of provincial, municipal, and city roads with the national highways that supports trade, tourism, and agricultural activities. Other economic benefits include: (a) reduced transport cost, travel time, and road accidents through the improvement of the road system; (b) enhanced supply chain, network development, economies of scale and broader multiplier effect; and (c) fast-tracking of the economic recovery initiatives of the national government.

Pursuant to the Revised Administrative Code of 1987, it is the policy of the State to maintain an engineering and construction arm and continuously develop its technology for the purposes of ensuring the safety of all infrastructure facilities and securing for all public works and highways the highest efficiency and the most appropriate quality in construction through the Department of Public Works and Highways (DPWH).

Hence, the approval of this bill is earnestly sought.

RUFUS B. RODRIGUEZ

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AN ACT
ESTABLISHING THE LOCAL ECONOMIC ROAD DEVELOPMENT (LERD) PROGRAM UNDER THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS, AND FOR OTHER PURPOSES

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

SECTION 1. This Act shall be known as the "Local Economic Road Development (LERD) Act".

SEC. 2. *Declaration of Policy.* - The State recognizes the economic contributions of the provinces, cities, and municipalities in spurring regional and countryside development. Towards this end, the State shall provide the necessary funding for the establishment of infrastructure and roads for the development of all provinces, cities, and municipalies to achieve their prime mandate.

SEC. 3. *Local Economic Road Development Program.* - The Department of Public Works and Highways (DPWH) shall establish a Local Economic Road Development (LERD) Program that shall undertake the construction of local road projects allocated directly to the identified provinces, cities, and municipalities in the country.

Under the LERD Program, 'local economic road' development shall include provincial, city, and municipal roads. The funding for the construction of these local economic roads shall be included in the budget of DPWH corresponding to at least Php 175 billion per year for four (4) years upon the enactment of this Bill.

SEC. 4. *Planning, Evaluation and Assessment*. – The DPWH, in coordination with the provincial, city and municipal government units and the local development councils, shall identify the road gaps that will be included in the list of priority Local Economic Roads (LER) that will be included in the annual budget of DPWH. For the LERD Program, DPWH shall utilize the institutional framework and the vetting process it adopted for the TRIP and ROLL-IT convergence programs.

SEC. *5. Implementation,Monitoring and Supervision.* – The LERD Program shall implemented by DPWH. However, monitoring and supervision of the projects under the LERD program shall be undertaken jointly by the DPWH and concerned LGUs.

SEC. 6. *Implementing Rules and Regulations.* – DPWH shall promulgate the necessary rules and regulations to implement the provisions of this Act.

SEC. 7. *Appropriations.* – The Secretary of the Department of Public Works and Highways shall immediately include in the Department's programs the implementation of the Act, the funding of which shall be included in the annual General Appropriations Act.

SEC. 8.*Effectivity.* – This act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,