

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8652



Introduced by **REP. JEFFERSON F. KHONGHUN**

EXPLANATORY NOTE

The Philippines is currently experiencing an extraordinary surge in fuel prices. These unprecedented hikes, driven by geopolitical tensions and global market volatility, have severely strained the transport sector and contributed to rising consumer prices.

Motorists, commuters, and logistics operators bear the brunt of these costs, as tollway fees add significantly to the overall expense of moving goods and passengers. The combined effect of high fuel prices and toll charges exacerbates inflation, reduces economic mobility, and undermines the general welfare.

The proposed Tollway Fee Reduction Act seeks to provide immediate and sustained relief by mandating a phased reduction of tollway fees, culminating in a seventy percent (70%) reduction within five (5) years. To maximize impact, the measure introduces targeted applications of the full reduction for:

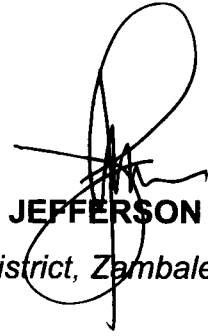
- Class 3 vehicles transporting essential goods and commodities;
- Public Utility Vehicles (PUVs) engaged in passenger transport; and
- Vehicles traveling during off-peak hours to encourage night-time logistics and reduce daytime congestion.

These targeted provisions directly support the general welfare by lowering commuter fares, stabilizing the cost of essential goods, and improving traffic flow.

The bill also provides mechanisms to balance public interest with the sustainability of tollway operations. Compensation measures such as concession extensions, tax credits, and exemptions from government revenue shares ensure that operators maintain financial viability and contractual obligations are respected. Regulatory oversight by the Toll Regulatory Board (TRB) and the Department of Transportation (DOTr) guarantees compliance, transparency, and accountability through implementing rules, public consultations, and annual reporting to Congress.

Finally, the inclusion of a review and sunset clause ensures that the Act remains responsive to evolving economic conditions, allowing Congress to reassess and extend the measure as necessary.

Given the extraordinary increase in fuel prices and its cascading effects on inflation and economic activity, the immediate passage of this measure is earnestly sought.



Rep. JEFFERSON F. KHONGHUN
1st District, Zambales

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AN ACT
MANDATING THE PHASED REDUCTION OF TOLLWAY FEES ON ALL EXPRESSWAYS IN THE PHILIPPINES, PROVIDING MECHANISMS FOR IMPLEMENTATION, FUNDING, AND REVIEW, AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be known as the "Tollway Fee Reduction Act."

SEC. 2. *Declaration of Policy.* - It is the policy of the State to promote the general welfare and ease the financial burden on motorists, commuters, and transport sectors affected by rising fuel costs and inflation. The State recognizes the need to ensure affordable transportation infrastructure while maintaining the sustainability of tollway operations and respecting contractual obligations with concessionaires in accordance with the Constitution and applicable laws.

Accordingly, the government shall implement a phased reduction of up to seventy percent (70%) in tollway fees across all expressways in the Philippines to support economic mobility and reduce transportation costs, subject to fiscal responsibility and periodic review.

SEC. 3. *Coverage.* - This Act shall apply to all toll expressways operating in the Philippines, including those under concession agreements, public-private partnership arrangements, or any other similar agreements authorized by the government.

SEC. 4. *Phased and Targeted Reduction of Toll Fees.* - All tollway operators shall implement a mandatory reduction in approved toll rates in accordance with the following phased schedule and targeted application:

1. Phased Reduction Schedule.

- a. In the first year from the effectivity of this Act, toll rates shall be reduced by fifty percent (50%).
- b. In the second year, toll rates shall be reduced by sixty percent (60%).

- c. From the third to the fifth year, toll rates shall reflect the mandated seventy percent (70%) reduction.

2. Targeted Application of the Seventy Percent (70%) Reduction.

Notwithstanding the phased schedule above, a mandatory seventy percent (70%) reduction shall immediately apply to the following:

- a. Class 3 Vehicles (Trucks and Logistics) transporting essential goods and commodities;
- b. Public Utility Vehicles (PUVs) engaged in the carriage of passengers; and
- c. Vehicles traveling during off-peak hours (10:00 PM to 5:00 AM), to encourage night-time logistics and decongest daytime traffic.

3. Uniform Implementation.

The reduced toll rates shall apply uniformly across all toll plazas and electronic toll collection systems, subject to the classifications and time-based conditions herein provided.

SEC. 5. *Regulatory Oversight.* - The Toll Regulatory Board (TRB), in coordination with the Department of Transportation (DOTr), shall:

- a. Ensure compliance by all tollway operators;
- b. Adjust toll matrices to reflect the mandated reduction;
- c. Conduct public consultations with motorists, transport groups, and concessionaires prior to the issuance of IRR; and
- d. Submit an annual report to Congress on compliance, financial impact, and recommendations for adjustments.

SEC. 6. *Compensation and Sustainability Mechanisms.* - To ensure the continued viability of expressway operations and the safety of the motoring public, the mandated toll reduction shall be balanced through the following compensatory measures:

a. Automatic Concession Extension: For every year the mandated reduction is in effect, the Toll Regulatory Board (TRB) shall grant an automatic extension of the operator's Concession Agreement. The duration of the extension shall be calculated based on the Net Present Value (NPV) of the revenue foregone, ensuring the operator maintains its original contracted Internal Rate of Return (IRR).

b. Toll Reduction Tax Credits (TRTC): Tollway operators shall be entitled to a Tax Credit Certificate equivalent to fifty percent (50%) of the annual revenue loss resulting from this Act. These credits may be used to offset Corporate Income Tax, Value Added Tax (VAT), or other national internal revenue taxes.

c. Exemption from Government Share: For the duration of the mandated reduction, the government's share in the gross toll revenues, as provided in existing Supplemental Toll Operation Agreements (STOA), is hereby waived.

SEC. 7. *Penalties.* - Any tollway operator who fails or refuses to implement the mandated reduction shall be subject to:

- a. Administrative fines proportionate to the gravity and duration of non-compliance, as determined by the TRB, without prejudice to other remedies available under law;
- b. Suspension or revocation of toll collection authority; and
- c. Other sanctions provided under existing laws and concession agreements.

SEC. 8. *Review and Sunset Clause.* - This Act shall remain effective for five (5) years, subject to Congressional review and possible extension. The TRB may recommend adjustments to the reduction schedule or percentage, subject to Congressional approval, based on economic and fiscal impact assessments.

SEC. 9. *Implementing Rules and Regulations.* - Within thirty (30) days from the effectivity of this Act, the TRB and DOTr shall promulgate the necessary Implementing Rules and Regulations (IRR) for the proper implementation of this Act.

SEC. 10. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the remaining provisions shall remain in full force and effect.

SEC. 11. *Repealing Clause.* - All laws, decrees, orders, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 12. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,