

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
1st Regular Session

House Bill No. **4334**



Introduced by **Reps. PANTALEON D. ALVAREZ, RODOLFO C. FARIÑAS**
AND CESAR V. SARMIENTO

EXPLANATORY NOTE

This Bill is an urgent, immediate, and comprehensive response to the Traffic Crisis that is prevalent in the Metropolitan Manila Area, Metropolitan Cebu, and Metropolitan Davao.

The Act is a living, organic enactment. It will pave the way for further legislation aimed at alleviating the land-based traffic crisis not just in the identified Metropolitan Areas but other parts of the country where such crisis may exist.


PANTALEON D. ALVAREZ


RODOLFO C. FARIÑAS


CESAR V. SARMIENTO

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TRAFFIC CRISIS ACT OF 2016
MAKIISA. MAKISAMA. MAGKAISA.

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

Section 1. Title. – This act shall be known as the "Traffic Crisis Act of 2016 *Maki-isa. Makisama. Magka-isa*".

Section 2. Declaration of Policy. – It is hereby declared the policy of the State:

- (a) To adopt responsive, effective, and comprehensive measures that will immediately address the crisis brought about by land traffic congestion and gridlock and shortage of safe, secure, efficient, predictable, integrated, environmentally sound, people oriented, persons-with-disability accessible, and inclusive mass transportation in the Metropolitan Manila Area, Metropolitan Cebu, and Metropolitan Davao;
- (b) To establish a strong primary policy, planning, programming, coordinating, implementing, regulating, enforcement, and administrative authority under the control and supervision of the Department of Transportation vested with exclusive power to control, manage, and regulate land-based traffic and structures in the Metropolitan Manila, Metropolitan Cebu, and Metropolitan Davao;
- (c) To harmonize all traffic rules, regulations, ordinances, issuances, and policies in the Metropolitan Areas to achieve a comprehensive and integrated statutory and regulatory framework for land-based traffic;
- (d) To reform, modernize, and streamline the mass transportation systems to the end of attaining sustainable, organized, predictable, accessible, and safe networks of public transportation;
- (e) To institute a system of responsibility and accountability for all land-based traffic stakeholders, including public officials, public utility operators, road

users, private property owners and business establishments, in the furtherance of mobility within the Metropolitan Areas; and

- (f) To ensure transparency, accountability, and compliance with applicable legal requirements in the procurement, award, and execution of all projects implemented pursuant to this Act and with the objective of alleviating the land-traffic crisis.

Section 3. Definition of Terms. – For purposes of this Act:

- (a) *Cebu Council* shall refer to the Cebu Coordinating Council created under Section 9 of this Act;
- (b) *Covered Agencies* shall refer to the government agencies, offices, bureaus, and units enumerated under Section 5 and any and all other government agencies, bureaus, offices tasked or empowered by law or regulation to control, oversee, regulate or manage any aspect of land-based traffic and/or road use in any or all of the Metropolitan Areas;
- (c) *Davao Administrator* shall refer to the Metropolitan Davao Traffic Administrator;
- (d) *DOTr* shall refer to the Department of Transportation;
- (e) *Metropolitan Manila Area* shall refer to the National Capital Region ("NCR") of the Philippines, composed of the cities of Manila, Quezon, Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, San Juan, Taguig, and Valenzuela and the Municipality of Pateros;
- (f) *Joint Congressional Oversight Committee* or *JOC* shall refer to the committee consisting of members of the House of Representatives and the Senate, to be constituted under Section 11 of this Act;
- (g) *Metropolitan Area(s)* shall refer to any or all, as the case may be, of the three (3) metropolitan areas of the Metropolitan Manila Area, Metropolitan Cebu, and the City of Davao;
- (h) *Metropolitan Cebu* shall refer to the cities of Cebu, Mandaue, and Lapu-Lapu;
- (i) *Metropolitan Davao* shall refer to the City of Davao;
- (j) *Priority Projects* or *Projects* shall refer to the projects identified by the Traffic Chief and certified by the JOC as priority or critical undertakings for the purpose of immediately alleviating and remedying the Traffic Crisis; and
- (k) *Traffic Crisis* shall refer to the prevailing and exponentially worsening: (i) land traffic congestion and gridlock; and (ii) infrastructure and mass transportation shortage and inefficiency in the Metropolitan Areas that have

disrupted the country's economic and social growth and development and is recognized to be of such nature, scope, and magnitude so as to be considered as a national emergency.

Section 4. Coverage of the Act. – The Act shall be limited in scope, application and effectivity to the Metropolitan Areas. The Act shall authorize and apply only to projects, programs, policies, rules, and regulations that will have immediate, significant, and measurable impact on the land-based traffic crisis within the three (3) Metropolitan Areas.

Notwithstanding the limited scope of this Act, the Traffic Chief may implement similar systems and mechanisms provided in this Act in other cities and municipalities which are suffering from a land traffic crisis as defined herein.

Section 5. Reorganization and Covered Agencies. – The Secretary of the DOTr is hereby designated as the *de officio* **Traffic Chief** during the effectivity of this Act, with full power and authority as enumerated in this Act to streamline the management of traffic and transportation and control road use in the identified Metropolitan Areas.

During the effective period of this Act, the Traffic Chief shall have the power of supervision and control over:

- (a) Metropolitan Manila Development Authority ("MMDA");
- (b) Cebu Coordinating Council, as created under Section 9 of this Act;
- (c) Philippine National Police - Traffic Management Group;
- (d) Land Transportation Office ("LTO");
- (e) Land Transportation and Franchising Regulatory Board ("LTFRB");
- (f) Road Board;
- (g) All other executive agencies, bureaus, and offices with roles pertaining to land transportation regulation; and
- (h) Davao Traffic Administrator.

The Traffic Chief, as *alter ego* of the President, shall have power of supervision over all local government units ("LGU") within the Metropolitan Areas.

Such power of control and/or supervision shall be for the sole and limited purpose of implementing the Act and enforcing all rules, regulations, policies, and programs enacted pursuant thereto, harmonizing and enforcing all traffic rules and regulations, implementing a unified traffic system throughout each of the Metropolitan Areas, and carrying out all Priority Projects and programs approved in accordance with the Act.

Primary authority for the implementation of the plans, programs, and Priority Projects pursuant to this Act shall be with the Traffic Chief, subject to delegation to the MMDA, Cebu Council and Davao Administrator, in coordination with the component LGU's, the concerned Covered Agencies, and other relevant national government agencies, where appropriate.

For the purpose of centralizing the control and management of land-based traffic with the Traffic Chief during the effective period of this Act, the President may abolish or create offices; split, group or merge offices; transfer functions, appropriations, equipment, properties, records, and personnel in accordance with existing law, and take such other actions necessary to carry out the purpose herein declared; Provided that: (i) there shall be no resulting diminution of the present salaries and benefits of the personnel of the said agencies; and (ii) any official or employee of the said agencies who may be terminated from employment by reason of the reorganization shall be entitled to such benefits as may be determined by the Office of the President, in coordination with the Commission on Audit ("COA") and Civil Service Commission ("CSC").

Section 6. Traffic Chief. – The Traffic Chief shall have the following powers, authority and functions under and during the effective period of this Act:

- (a) The formulation, coordination, and monitoring of policies, standards, programs and projects to rationalize the existing public transport operations, infrastructure requirements, the use of thoroughfares, and promotion of safe and convenient movement of persons and goods;
- (b) The administration and implementation of all traffic enforcement operations, traffic engineering services, and traffic education programs;
- (c) The power to modify, amend, or expand the functions and authority of any of the Covered Agencies and officers in relation to matters affecting land-based traffic;
- (d) The harmonization of the provisions of the following and any other laws that relate to traffic management, road use, and all rules, regulations, ordinances, and orders duly issued and enacted by the Covered Agencies pursuant to such legislation, to the end of having, in each of the Metropolitan Areas: (i) a single traffic coordinator; (ii) single ticketing system for traffic violations; and (iii) a comprehensive, unified road use plan:
 - 1. R.A. 7160, Local Government Code of 1991;
 - 2. R.A. 6975, Department of the Interior and Local Government Act of 1990;
 - 3. R.A. 7924, MMDA Charter;
 - 4. R.A. 4136, Land Transportation and Traffic Code; and
 - 5. Executive Order 292, as amended, Administrative Code of 1987.
- (e) The implementation of a unified traffic system in each of the Metropolitan Areas to be followed by all component LGU's;

- (f) The enforcement of all traffic laws and regulations in the Metropolitan Areas, including the power to enlist and deputize members of the PNP, traffic enforcers of LGU's, duly licensed security guards, or members of non-governmental organizations to whom may be delegated certain authority, subject to such conditions and requirements as the Traffic Chief may impose;
- (g) The power to review, modify, override, or cancel franchises, concessions, contracts permits, and licenses issued by any of the Covered Agencies or component LGU's, as well as the rules and procedures for awarding such;
- (h) The installation and administration within each of the Metropolitan Areas of a single ticketing system which shall fix, impose, and collect unified, graduating fines and penalties for all kinds of violations of traffic rules and regulations, whether moving or non-moving in nature; and
- (i) The power to confiscate, suspend or revoke driver's licenses in the enforcement of such traffic laws and regulations, the provisions of RA 4136 and PD 1605 to the contrary notwithstanding.

At the Traffic Chief's sound discretion and in the interest of efficiency, he may delegate any of the aforementioned powers and authority to the MMDA, Cebu Council or Davao Administrator.

The Traffic Chief, together with the Undersecretaries, Assistant Secretaries and Directors of the DOTr and MMDA, are required to take public land, rail, maritime and aviation transportation, primarily used by the masses, at least once (1) a week to monitor the traffic crisis during the effectivity of this Act.

Section 7. Rule Making Power. – The Traffic Chief shall have the power to issue, enact, review, harmonize, amend, revise, revoke and/or repeal existing traffic regulations, policies, ordinances, orders, and circulars issued and enacted by the Covered Agencies to promote efficient mobility in the three Metropolitan Areas. Such issuances and enactments shall specifically address, among others:

- (a) Licensing, operation, and regulation of public utility vehicles;
- (b) Testing and licensing of drivers;
- (c) Clearing of sidewalks and side streets;
- (d) Regulation on street parking of vehicles;
- (e) Enforcement of setbacks and construction of driveways, especially on main thoroughfares;
- (f) Establishment and operation of transport terminals and removal of illegal terminals on the road;

- (g) Regulation of: (i) licensing of; and (ii) commencement and operation of businesses with direct negative impact on traffic flow; and
- (h) Closure of or imposition of monetary and other penalties on businesses that consistently or continuously impede traffic for, among others, failure to provide sufficient parking to customers, adequate ingress and egress for public utility vehicles, and required setback.

Section 8. Comprehensive Traffic Rule Handbook. – To further the Act's purposes, the Traffic Chief in coordination with the Covered Agencies, shall enact a comprehensive traffic rules and regulations handbook for the Metropolitan Areas which, among others, identifies traffic-related violations and offenses and imposes corresponding graduated penalties, including but not limited to:

- (a) Reckless driving;
- (b) Obstruction of roads and intersection;
- (c) Counter-flow;
- (d) Lack of or inadequate parking spaces or set-back or drive-way;
- (e) Illegal loading and unloading of passengers or cargo; and
- (f) Such other traffic violations that may be determined by the DOTr secretary to be contrary to the policies set-forth by this Act.

The final list of traffic violations and corresponding penalties shall be certified by the JOC.

Section 9. Cebu Coordinating Council and Metropolitan Davao Traffic Administrator. – There shall be a Cebu Coordinating Council ("Cebu Council") and a Metropolitan Davao Traffic Administrator ("Davao Administrator"). The Cebu Council shall be composed of the local chief executives of Metropolitan Cebu. The Cebu Council and the Davao Administrator shall be the sole, centralized authority for land-based traffic in their respective areas.

Decisions of the Cebu Council shall be by majority vote, provided that a quorum of the component cities is present at a duly constituted meeting of the Council. The Cebu Council shall appoint a Cebu Metropolitan Traffic Coordinator who shall exercise supervision and control over the said council.

Section 10. Traffic Chief and the MMDA, Cebu Council and Davao Administrator. – The MMDA, Cebu Council, and the Davao Administrator, with the approval of the Traffic Chief, shall set the policies concerning land-based traffic and road use in their respective Metropolitan Areas, and coordinate and regulate the implementation of all programs and projects concerning traffic management specifically pertaining to enforcement, engineering, and education. Upon request, all other government agencies, local government units and offices involved with traffic

management and enforcement, including but not limited to, assignment of personnel and logistical support.

At the end of one (1) year from the creation of the Cebu Council and the appointment of the Davao Administrator, the DOTR Secretary shall make a recommendation on whether Congress should create a permanent and separate Development Authority for Cebu and Davao analogous in powers, authority, and functions to MMDA.

Section 11. Joint Congressional Oversight Committee ("JOC"). – During the effectivity of the Act, there shall be a JOC tasked with monitoring the implementation of this Act and the exercise of the authority granted hereunder.

The JOC shall be composed of the following members:

- (a) Senate President;
- (b) Speaker of the House;
- (c) Chairman of Committee on Public Services of the Senate;
- (d) Chairman of Committee on Transportation of the House of Representative;
- (e) Member of Public Service Committee of the Senate; and
- (f) Member of the Transportation Committee of the House of Representatives.

The JOC shall constitute an Executive Committee ("ExeCom"), to be headed by an Executive Director, who will oversee day-to-day coordination with the concerned officials and stakeholders affected by this Act.

The JOC shall have bi-monthly meetings, which will be hosted alternately by the Senate and the House of Representatives. Any action or decision of the JOC as mandated under this Act must be approved by a majority of its members at a duly constituted meeting where a quorum is present throughout.

The Traffic Chief shall submit a monthly report to the JOC on the efficiency and effectiveness of the measures undertaken to implement this Act and alleviate the Traffic Crisis. The JOC shall conduct ocular inspections of the Priority Projects at least once per quarter.

Upon the expiration of the term of the JOC, which shall be conterminous with the effective period of this Act, the JOC shall make a comprehensive report and give recommendations.

Section 12. Formulation of the Decongestion and Transportation Network Reform Plan for Land-Based Traffic or Traffic Management Plan ("TMP"). – The Traffic Chief shall, in consultation with the MMDA, Cebu Council, and/or Davao Administrator, as the case may be, and the affected private stakeholders, formulate a separate TMP for each of the Metropolitan Areas.

The TMP must sufficiently detail the concrete steps to be taken to immediately and effectively alleviate the traffic crisis in the Metropolitan Areas in a measurable/quantifiable manner. The TMP should include the following minimum components:

- (a) Organizational structure allocating the respective duties and responsibilities of the Covered Agencies for traffic management and regulation, including traffic law enforcement;
- (b) Route rationalization of public utility vehicles ("PUV's"), as provided in Section 14 of this Act;
- (c) Coordinated odd-even, number coding, or other vehicle volume reduction scheme throughout the Metropolitan Areas;
- (d) Synchronized truck ban throughout the Metropolitan Areas;
- (e) Creation of a traffic flow system, including identification and designation of one-way streets and U-turn slots;
- (f) Identification of friendship routes and private village/subdivision roads to serve as alternate or secondary routes;
- (g) Designation of PUV terminals, including the relocation of existing and/or removal of illegal terminals;
- (h) Removal of traffic signs and PUV stops which block or encroach upon the right of way to or along major thoroughfares;
- (i) Prohibition against and designation of parking areas on certain roads;
- (j) Clearing of sidewalks and identification of need for elevated crosswalks;
- (k) Comprehensive traffic rules and regulations handbook which identifies traffic-related violations and offenses and imposes corresponding graduated penalties;
- (l) Traffic system for roads leading to airport terminals and ports in the three Metropolitan Areas;
- (m) A system to expedite the reporting and clearing of vehicular accidents, which shall include the admissibility of digital photographs of the accident as sufficient and acceptable basis of any police report and insurance claims;
- (n) A Clark Airport Development Plan, to be developed in coordination with the Clark International Airport, Clark Development Authority, Department of Tourism, POEA, and the Regional Development Council; and

- (o) A recommendation on whether to buy-out MRT3 or to commence negotiations/procurement of a maintenance contract that will be coterminous with the MRT concession period in 2025.

Except for the Route Rationalization plan for public utility vehicles, which must be studied and completed within six (6) months from the date this Act takes effect, the TMP's must be completed within sixty (60) days from the effectivity of this Act. At such time, the Traffic Chief shall present the TMPs to the JOC for its review and approval.

In the event that the JOC disapproves a proposed TMP or is unable to come to a consensus on its approval, the Traffic Chief must submit a revised TMP no later than thirty (30) days from receiving notice of the JOC's disapproval.

The TMP shall be updated at least once every year. The TMP shall be prepared and updated, notwithstanding the lapse of this Act.

Section 13. Friendship Routes. – The Traffic Chief, in coordination with the component LGU's, shall identify the private subdivision or village roads which shall comprise Friendship Routes that shall serve as additional access points and secondary channels for road traffic.

The minimum procedure and standards for the establishment of Friendship Routes are as follows:

- (a) Two public consultations with the affected private village residents;
- (b) Reasonable determination that there are no other available public routes other than the proposed Friendship Route;
- (c) Government must have previously done other measures such as: (i) road clearing; and (ii) side-walk clearing in the contiguous/adjacent public roads; and
- (d) The private road owner may be given the option of imposing toll fees in the form of selling pass-through stickers to pay for road maintenance and security. This is without prejudice to the Government's right to expropriate the private road if it deems to be in the best interest of the public.

The Friendship Routes shall be open to the public only during the effective period of this Act. However, the opening and public use of any such Friendship Route may be extended beyond this period, if such extension is recommended by the Traffic Chief with the concurrence of the JOC; provided that any such extension beyond the lapse of this Act shall be limited to the period approved by the JOC and subject to the minimum procedures and standards set forth in this Section.

Section 14. Route-rationalization for mass transport public utility vehicles PUVs ("Route Rationalization"). – The Route-Rationalization Plan for public utility vehicles ("PUVs") shall be submitted to the JOC within six (6) months

from the effective date of this Act. It shall include the following minimum components:

- (a) Procedure for integration of different transportation modes into a unified public transport infrastructure network;
- (b) Identification of the various primary, secondary, and ancillary routes, with the corresponding determination of the primary and secondary routes' measured capacity based on the passenger demand and the destination of the demand during certain times of the day, with particular focus on traffic rush hours and road size;
- (c) Determination of the size, type, and number of PUV's (including, but not limited to double-decker bus, articulated bus, mini bus, jeepney, AUV, multi-cab, tricycle) appropriate to a particular route's measured capacity;
- (d) Determination of the applicable fares per type of PUV for each of the identified routes; and
- (e) Design, roll-out, and maintenance of unified/single dispatching mechanism (with minimum safe headway between PUV's).

Section 15. Revocation and Modification of PUV Franchises and Permits.

– Upon the Traffic Chief's ascertainment of route measured capacity and a determination that such route has matured to require larger PUVs, the Traffic Chief, through the LTFRB, shall restrict the eligibility for PUV franchises for such identified routes to operators with PUVs of the appropriate capacity to service said routes. Any previously issued PUV franchise covering smaller capacity PUV's, such as tricycles and pedicabs, shall be revoked within a period of six (6) months after the publication of the notice of revocation in a newspaper of general circulation in the locality and the posting of such notice for four consecutive weeks in the barangay and city/municipal halls.

No cancellation of franchise shall take place without compensation to PUV operators and proper social support mechanisms provided to the displaced workers in accordance with Sections 21 and 22 herein.

Section 16. Suspension of PUV Franchising Authority. – The power of local government units in the Metropolitan Areas to issue franchises to "*padyak*", tricycles, and all other PUV units as provided in the Local Government Code is hereby suspended during the effective period of this Act.

The Traffic Chief, or upon delegation, the LTFRB, can revoke or revise the franchises previously issued by LGU's to tricycles and other forms of PUV's. No cancellation of franchise shall take place without compensation to PUV operators and proper social support mechanisms provided to the displaced workers in accordance with Sections 21 and 22 of the Act.

Upon the resumption of the LGU's franchise-issuance powers under the Local Government Code upon the lapse of this Act:

- (a) The LTFRB shall designate the particular routes in the Metropolitan Areas which tricycles, pedicabs, and other small PUVs can ply and for which the LGU's may issue the appropriate franchise. Such routes shall be limited to secondary and tertiary roads, which are not serviceable by a bigger PUV like a jeepney or minibus;
- (b) The LTFRB shall also set the maximum number of PUV franchises that an LGU may issue for each particular route. All PUV franchises to be issued by the LGU's shall be automatically reviewable by the LTFRB; and
- (c) The exercise of the LGU's power to issue franchises to PUV's and the franchises themselves shall be subject to review and amendment by the DOTr, through the LTFRB.

Section 17. Government Take-Over of Franchises. – In accordance with Article XII of the 1987 Constitution and after: (i) due determination by the DOTr Secretary, upon consultation with the LTFRB and other relevant Covered Agency; (ii) conduct of public hearing(s); and (iii) approval of the JOC or the JOC's Executive Committee:

- (a) PUV franchises can be revoked or modified, insofar as the covered route and/or the number of units included in the franchise if it is in excess of the number needed for a certain route; and
- (b) Government can take over or direct the operation of any transportation franchise as may be necessary to implement the Act and related rules and regulations; provided, however, that to the extent feasible, management shall be retained, under the direction of and supervision of the President, through the Traffic Chief, or his duly designated representative. The Traffic Chief shall render a full accounting to the President and the JOC of the operations of such transportation services taken over; provided, further, that whenever the President shall determine that the further use or operation by the Government of such transportation service or enterprise is no longer necessary under existing conditions, the same shall be restored to the person entitled to the possession thereof.

Section 18. PUV Operator Obligations and Responsibilities. – PUV Operators must ensure that all their drivers are paid a minimum prescribed monthly salary based on applicable laws. PUV drivers shall however may only be authorized to work for maximum of twelve (12) hours per work shift. For this purpose, the Department of Labor and Employment and the LTFRB shall, within sixty (60) days from the effective date of this Act, complete a wage study to determine the different minimum wages appropriate and applicable to each type of public utility vehicle.

All public transit operators, including taxi operators, must maintain and update in a publicly accessible website, a list of all drivers in their employ and their respective professional driver's license details, as well as information on their franchise number ("LTFRB Case No.") and the vehicles/units owned and operated by the PUV operator under its franchise.

A franchisee's failure to disclose complete and accurate information regarding its professional drivers and franchise units, with chasis number, shall be sufficient ground for revocation or suspension of such franchise, depending on the gravity of the non-disclosure or misrepresentation.

Section 19. Traffic Impact Plan. – During the effectivity of this Act, the Traffic Chief, in coordination with the LGU's and other relevant Covered Agencies shall prescribe:

- (a) Rules, regulations, and standards for large mixed-use property developments to ensure adherence to best practices for long term sustainability, avoid disturbance to adjoining communities, public convenience, and minimize adverse environmental impact; and
- (b) Rules, regulations, and development standards to optimize and rationalize land use and transportation development to promote urban dispersal to decongest the Metropolitan Areas and provide direction to urban growth and expansion.

Section 20. Development Clearance. – The Traffic Chief shall pass upon and approve or disapprove all plans, programs, and projects proposed by local government units, offices/agencies within the Metropolitan Area, the Department of Public Works and Highways, public corporations, and private persons or enterprises where such plans, programs and/or projects, including expansion or rehabilitation of existing infrastructure, are:

- (a) Located along any of the Radial or Circumferential Roads and their respective arterial roads within or leading into or out of the Metropolitan Areas or any other road, street, or thoroughfare as may be identified by the Traffic Chief/Authority; and/or
- (b) Determined to have potential adverse effects on traffic flow, movement, or management on any of the streets, roads, or thoroughfares as identified herein, regardless of the location in the Metropolitan Area.

Such approval by the Traffic Chief shall take the form of a Development Permit that shall be issued prior to any land development.

Among other criteria, the Traffic Chief and the LGU concerned shall ensure compliance with the mandated setbacks, provisions for sufficient vehicle parking, and other requirements of the National Building Code and other applicable statutes prior to the issuance of the Development Permit.

The Traffic Chief, or any duly designated agent or representative is hereby empowered to institute necessary legal proceedings before the Special Court, to be created under Section 34 of this Act, against any person who shall commence to implement or continue implementation, without previous clearance from the Traffic Chief of any project, plan or program within the relevant Metropolitan Area as described under this Section; Provided, furthermore, that any local government

office, agency, public corporation, private person, or enterprise whose plans, programs and/or projects have been disapproved by the Traffic Chief may appeal such decision to the Office of the President within fifteen (15) days from receipt of such disapproval, whose decision on the matter shall be final; Provided, finally, that expansion plans of existing developments shall be considered as new plans subject to review of the Traffic Chief.

Section 21. Compensation to PUV Operators. – Public transportation operators affected by DOTr projects or policies carried out pursuant to this Act that lead to a revocation of franchise, shortening of routes, or reduction of covered PUV units shall be compensated based on the number of units affected or rendered redundant.

Compensation shall be based on depreciated value of the units affected, upon presentation of the actual unit and validation that the unit and chasis number of the unit is included in the list of registered vehicles in the Certificate of Public Convenience and Necessity ("CPCN").

Loss of income shall also be compensated, based on average annual income generated by that unit from that particular route, as evidenced by the affected parties' Official Receipts and income tax returns ("ITR") filed in the last three preceding years. The one-time compensation for loss of income shall be equivalent to such annual average income and shall be exempt from income and other taxes.

To be entitled to the compensation set forth in this Section, the franchise holder must have been, within the five year period immediately preceding the revocation: (i) fully compliant with all statutory and regulatory requirements pertaining to the operation of its PUVs and the exercise of its privileges under its franchise; and (ii) have no derogatory record with the LTFRB, MMDA, LGU, or any other relevant government agency or office.

Section 22. Social Support Mechanisms. – Drivers, driver's assistants, mechanics, and other employees of the PUV operators affected by a revocation or modification of franchise shall be entitled to financial assistance in the following forms:

- (a) Department of Social Welfare and Development using Conditional Cash Transfer ("CCT") funding for the entire 2017. The identified employees shall be included and immediately be classified as qualified persons under the CCT program;
- (b) Displaced employees shall be entitled to separation pay as mandated under the Labor Code of the Philippines;
- (c) The Technical Education and Skills Development Authority ("TESDA") shall prioritize the affected employees in its training courses;
- (d) The Department of Labor and Employment ("DOLE") and Philippine Overseas Employment Agency shall obtain a list of professional drivers and mechanics and shall assist them in looking for employment, whether here or abroad; and

- (e) The legal dependents of affected employees shall be qualified for scholarships from the Government, in accordance with the applicable rules and regulations of the DSWD, Department of Education ("DepEd"), or TESDA.

Additional compensation can be provided by the Government through the 2018 and 2019 budget in an amount equivalent to three months' income of the affected employee, as evidenced by his ITR from the immediately preceding year.

Section 23. Professional Driver's Examination. – All professional drivers operating PUVs in the Metropolitan Areas must undergo testing and examination for the issuance of new professional driver's licenses starting no later than the 1st of January 2018. The LTO shall administer the retesting free of charge.

Starting on 1 January 2018, all professional drivers operating PUVs in the Metropolitan Areas, shall take a new driver's license test that is specifically designed for the type of vehicle that the driver intends to operate. Professional drivers operating PUVs within the Metropolitan Area that are found to have not complied with this requirement will have their professional driver's licenses revoked and shall be banned from driving professionally for two (2) years.

LTO shall work with established driving schools that have existed, operated, and been in good standing for at least ten (10) years, to prepare the written and driving test appropriate to the vehicle and route the applicant intends to operate. LTO shall be authorized to accredit established driving schools to conduct the professional driver's examination.

Only drivers who have passed the new LTO test and provided a suitable bond, as may be required by the LTO, shall be allowed to operate PUVs in the areas covered by this Act.

New driver's license cards with special determinable features shall be issued to professional drivers corresponding exclusively to the type of public utility vehicles they have been tested for and the Metropolitan Area where they will be licensed to drive. Such driver's license cannot be used to lawfully operate any other type of public utility vehicle or in any other locality.

Section 24. Road Worthiness of PUVs. – Within ninety (90) days from the effectivity of this Act, the LTO shall conduct road worthiness testing of all PUVs operating within the Metropolitan Areas. The testing shall cover:

- (a) Emission testing;
- (b) Chassis stability and determined actual capacity (no overloading);
- (c) Working headlights, brakelights, signal lights; and
- (d) Such other testing that may be done by LTO using equipment that they presently have.

The DOTr Secretary, or upon delegation, the LTO, shall work with established vehicle manufacturers to determine and conduct the appropriate road worthiness test and vehicle limitations (number of passengers, load limits) per type of vehicle. Vehicle manufacturers possessing equipment to determine road-worthiness of certain types of PUVs can be accredited for this purpose.

New license plates or stickers that will make the existing license plates of PUVs discernable, shall be issued to PUVs that have passed the road worthiness test and as such, are authorized to operate within the Metropolitan Areas. The license plate shall authorize the PUV to operate only within the designated Metropolitan Area.

Non-compliance by a PUV operator with the requirement for road worthiness testing shall lead to a cancellation of the unit's franchise, immediate impounding, and a fine of no more than Ten Thousand Pesos (PhP100,000.00).

In the event that the LTO is unable to accredit private vehicle manufacturers and/or dealers to conduct the road worthiness testing, the LTO shall be given a sufficient budget in the 2018 budget for PUV registration in 2018 to enable it to directly conduct such testing in the Metropolitan Areas.

Section 25. Development Bank of the Philippines ("DBP") Financing of PUV Rationalization. – DBP shall reserve funds to facilitate the improvement and enhancement of PUVs in the Metropolitan Areas.

DBP shall extend financial assistance to existing public transportation operators with valid to enable them to modernize their units. DBP shall provide financing to qualified applicants at an interest rate that is twenty per centum (20%) lower than the average commercial interest rate for similar loans, as determined by the Bangko Sentral ng Pilipinas.

DBP can only offer this facility for procurement of PUV units with engines that are Euro 4-compliant, hybrid, or fully electric powered and are accessible to persons with disability.

Section 26. Priority Projects. – Pursuant to the above-declared policies of this Act, it is hereby declared and recognized that: (i) the Traffic Crisis is in the nature of a man-made calamity/catastrophe; (ii) time is of the essence in executing urgently necessary and immediate action to prevent further damage to or loss to the national economy, public health, and social welfare as a result of such Traffic Crisis; and (iii) there is urgent necessity to improve and make accessible vital public transportation services, infrastructure, and facilities.

As such, the Traffic Crisis is declared to be an Emergency Case, as defined in Section 53 of the Government Procurement Reform Act ("GPRA"). In accordance with the GPRA, the President, through the Traffic Chief, is hereby authorized, during the effective period of this Act, to enter into negotiated contracts for Priority Projects for the construction, repair, rehabilitation, improvement, or maintenance of critical

infrastructure, projects, and facilities, and any directly related procurement of goods and/or services.

Such authority is subject to the following requirements and conditions:

- (a) The Priority Projects must be aimed at immediately and effectively alleviating the Traffic Crisis, promoting public interest;
- (b) The terms and conditions of the Priority Projects must be advantageous to the Government; and
- (c) All Priority Projects must be certified by the JOC. In this regard, the Traffic Chief, in coordination with the Covered Agencies, must submit a list of Priority Projects to the JOC together with their respective description, the budgetary estimates involved, identification of necessary ROWs, and other salient features, within ninety (90) days from the effective date of this Act.

The negotiated contract process resorted to for any procurement related to the certified Priority Projects must be complete, clear, transparent, and in accordance with GPRA.

The contracts for Projects to be carried out pursuant to and in accordance with this Act shall be awarded only to contractors or project proponents with: (i) proven competence in, capability and experience with similar projects; (ii) competent and qualified key personnel and sufficient and reliable equipment and facilities; and (iii) sound financial capacity.

All the awarded Priority Projects shall be subject to existing government auditing rules and regulations governing negotiated contracts.

Contracts or concession agreements covering the Priority Projects shall have no confidentiality clause, except with respect to matters protected by the Intellectual Property Code of the Philippines. In case of technology-related Priority Projects, the terms of reference ("TOR") and contract/agreement must explicitly provide for technology transfer and assignment of any and all Source Code to the DOTr.

Section 27. Priority Projects, Disclosure Mechanism. – The list of Priority Projects and their pertinent details shall be published in a newspaper of general circulation within the Metropolitan Area concerned within fifteen (15) days from certification by the JOC.

Section 28. Priority Projects, Rescission or Nullification. – Contracts covering the Priority Projects and any other procurement of goods and services resorted to in furtherance of this Act shall be subject to rescission in accordance with Article 1191 of the Civil Code of the Philippines or shall be declared null and void if found to be manifestly and grossly disadvantageous to the Government, whether or not the public officer involved profited or will profit thereby. Any action for such rescission or declaration of nullity shall fall within the exclusive jurisdiction of the Special Courts to be created under Section 34 herein and shall be initiated only upon the recommendation of the Traffic Chief, with the concurrence of the JOC.

Sufficient budget shall be appropriated to answer for any compensation and damages that may be adjudicated to the counterparties.

Section 29. Suspension of Statutes otherwise applicable to Priority Projects. – To promptly address the Traffic Crisis, the following are hereby temporarily suspended throughout the effectivity of this Act, only insofar as they apply to the Priority Projects under this Section:

- (a) Provisions of the Local Government Code requiring prior consultation with, and approval of, local government units, with respect to traffic-related projects within their respective localities; and
- (b) Provisions of the Labor Code of the Philippines requiring clearances and permits for the employment of foreigners, as regard foreign technicians and experts working in traffic-related projects.

Section 30. Liability for Priority Projects. – The following are the ultimately responsible persons who may be held liable for contract violations, non-compliance with GPRA and other applicable statutes, and offenses defined under this Act in relation to the implementation of Priority Project contracts:

- (a) DOTr Secretary;
- (b) DOTr Undersecretary concerned;
- (c) Chief Executive Officer/President of private concessionaire; and
- (d) Directors of private concessionaire.

This shall be without prejudice to any criminal liability under any other statute, including but not limited to the Revised Penal Code and the Anti-Graft and Corrupt Practices Act.

Presentation to and certification by the JOC of the Priority Projects shall not exempt the ultimately responsible officials and private persons from criminal/administrative liability if it is duly proven that any of them have engaged in actions that influenced the determination of and award to the winning concessionaire and/or violated any other provision of applicable statute.

Section 31. Review of Existing Contracts and Concessions. – The Traffic Chief, in coordination with the Covered Agencies, shall review contracts, permits, and licenses entered into or issued by any of the Covered Agencies within the Metropolitan Areas or component LGU's for the purpose of determining: (i) whether they contribute to the alleviation of the Traffic Crisis and are advantageous to the Government; and (ii) the level of compliance by the counterparty or grantee with its statutory and contractual undertakings and obligations.

The review must be completed within forty-five (45) days from the effective date of this Act.

The Traffic Chief shall submit a list of contracts and concessions that he recommends for modification, revocation, rescission, or nullification to the JOC within sixty (60) days from the effective date of this Act. The contracts to be modified, rescinded, or nullified must be certified by the JOC.

Upon certification by the JOC, the Traffic Chief, on his own or by delegation, can initiate any action necessary to effect the modification, revocation, rescission, or nullification of the identified contracts and concessions.

Section 32. Power of Eminent Domain. – The Traffic Chief shall reasonably exercise the power of eminent domain for right-of-way ("ROW") acquisition and/or expropriation of private property necessary for the Priority Projects, including but not limited to construction, rehabilitation, or maintenance of infrastructure projects, road widening, clearance, or setback.

For the approved Priority Projects to be implemented under this Act, the DOTr and the relevant Covered Agencies must determine whether lease for temporary ROW (e.g. construction of temporary terminals until permanent ones can be constructed) will be sufficient, or outright purchase or expropriation of ROW or land shall be necessary.

The rules and procedures prescribed under Republic Act No. 10752 (The Right-of-Way Act) for the negotiated sale or expropriation of ROW shall apply to the Priority Projects.

Government financial institutions shall issue free of charge the appraisal and valuation report for the private property to be expropriated for the Priority Projects.

Section 33. Judicial Support for the Act. Prohibition Against the Issuance of TRO and Injunction by the Lower Courts Against Priority Projects, Programs, and Policies to be Implemented Under the Act. – In the implementation of this Act, no court, except the Supreme Court, may issue any TRO or preliminary injunction against the government or any of its subdivisions, official, or any person or entity, whether public or private acting under government direction, to restrain, prohibit or compel the following acts related to the implementation of this Act:

- (a) Bidding out or procurement of the Priority Projects, including infrastructure projects, and attendant acquisition of goods and consulting services, as identified by the Traffic Chief and certified by the JOC;
- (b) Acquisition, clearance, and development of the right-of-way ("ROW") and/or site or location of any transportation project identified by the Traffic Chief and certified by the JOC;
- (c) Commencement, prosecution, execution, implementation, operation of any transportation project;
- (d) Termination or cancellation of any transportation project;

- (e) Opening of private village gates necessary to provide alternate routes throughout the effective period of the Act;
- (f) Termination or amendment of PUV franchises; and
- (g) Undertaking or authorization of any other lawful activity necessary for any transportation project.

Section 34. Judicial Support for the Act. Special Traffic Crisis Court. –

There shall be created a Special Traffic Crisis Court ("Special Court") in each of the Metropolitan Areas. The Special Court shall have exclusive jurisdiction to hear and expeditiously resolve all actions that may emanate from the implementation of this Act, except those that will be filed against public officials which shall be filed before the Joint Committee of the Commission on Audit, Civil Service Commission, and the Ombudsman created under Section 35 of this Act. These cases shall include but not be limited to those pertaining to:

- (a) Legality/constitutionality of Priority Projects, programs, policies, rules, and regulations to be implemented under the Act;
- (b) Bidding and award of a Priority Project and the nullification or rescission of contracts covering such Priority Projects;
- (c) Necessary ROW acquisition for the Priority Projects;
- (d) Opening of private village gates necessary to provide alternate routes/ Friendship Route/throughout the effectivity of the Act;
- (e) Termination or amendment of PUV franchises; and
- (f) Criminal violations of this Act, unless they fall within the exclusive jurisdiction of the Ombudsman and or Sandiganbayan.

All judicial actions arising from the implementation or violation of this Act must be heard in accordance with the Supreme Court's guidelines on continuous trials.

Resolutions, orders, and decisions issued by the Special Court cannot be enjoined unless by a temporary restraining order or writ of preliminary injunction issued by the Supreme Court.

Where an action for expropriation of private property is necessary for a Priority Project, the Government shall be entitled to the immediate issuance of a writ of possession over the subject private property upon presentation of an appraisal report issued by a GFI and deposit of just compensation set at one hundred twenty per centum (120%) of fair market value. ROW cases shall be resolved within thirty (30) days.

All ROW and expropriation cases pending in other courts that will affect Priority Project shall immediately be transferred to the Special Courts for immediate resolution.

Section 35. Joint Committee. – A Committee composed of the Commission on Audit, Civil Service Commission and the Ombudsman ("Joint Committee") shall be created with authority to:

- (a) Hear complaints against public officials in the performance (malfeasance, misfeasance, non-feasance) of their functions under the Act, which complaints can be filed in the same manner as provided under the Ombudsman Act;
- (b) Observe and monitor the implementation of this Act and immediately determine possible issues and make recommendations on how to rectify issues.

The Joint Committee shall resolve complaints/justiciable issues within 15 days from initial hearing. If an error has been committed by a responsible public officer, the Joint Committee shall not only identify the error, but more importantly, make recommendations on how to correct the error of the department, office, or official in implementing the project, action, or policy under the Act.

The certification or approval by the JOC of a particular Priority Project, program, or policy shall not absolve the public officer concerned from criminal liability under this Act or any other applicable penal statute.

Section 36. Publication of Information. – DOTr must maintain a separate website for the publication of complete and accurate information regarding the implementation of this Act. This shall include information on:

- (a) All traffic-related traffic policies, rules, regulations with updates on all new issuances;
- (b) TMP and its updates;
- (c) Information on traffic data and projects;
- (d) Information on the Priority Projects and policies that are being or intended to be implemented under this Act;
- (e) Status of Priority Projects during bidding/negotiation, award, and implementation;
- (f) Project budget and implementation status (including ROW acquisition);
- (g) Funding for projects, with clear source and breakdown of allocation;
- (h) Terms of Reference of the Projects, including the terms and conditions of any applicable concession agreements;

- (i) Detailed minutes of meetings (pre-bid and negotiations) during bidding and awarding of projects;
- (j) Master list of all franchised/licensed public transit operators in the Metropolitan Areas, with the names and license details of their PUV drivers and the types and chassis numbers of the vehicles covered by the respective franchises;
- (k) List of Public Officials involved in the implementation of the Priority Projects, including their Statement of Assets, Liabilities, and Net Worth of Public Officials involved in the bidding and negotiation of Priority Projects;
- (l) List of consultants and contractors engaged for the Priority Project with sworn statement on previous employment or projects/experience; and
- (m) Centralized database for traffic violations.

Section 37. Protection against Law Suits. – Public Officials involved in the implementation of policies and Priority Projects covered by this Act shall be given insurance against litigation from the Government Service Insurance System Insurance.

The Office of the Solicitor General ("OSG") shall provide defense in the event of litigation, at no cost to the public official concerned, unless the OSG determines that such official is personally culpable for the violation.

Section 38. Violations under this Act. – As part of the TMP, the Traffic Chief, in coordination with the MMDA, Cebu Council, and the Davao Administrator, shall, within the Metropolitan Areas: (i) formulate and administer a single ticketing system; (ii) fix, impose and collect graduated fines and penalties for all kinds of violations of traffic rules and regulations, whether moving or non-moving in nature; and (iii) confiscate and suspend or revoke driver's licenses in the enforcement of such traffic laws and regulations.

Any violation of or non-compliance with this Act that qualifies as a criminal offense under the Revised Penal Code or any special penal act shall be subject to the penalties of imprisonment and or fine as stipulated in such other laws; provided that the maximum applicable penalty shall be imposed for violations of this Act. Convicted public officials shall further be removed from office and be subject to perpetual disqualification from holding any public office.

Section 39. Appropriation of Funds. – The amount needed for the implementation of this Act shall be taken from:

- (a) The Motor Vehicle User's Charge Fund created under Republic Act No. 8794;
- (b) Ten per centum (10%) of the Philippine Amusement and Gaming Corporation ("PAGCOR") annual aggregate gross earnings; and
- (c) Current fiscal year's appropriation of the agencies involved in the implementation of this Act.

Thereafter, the amount needed for the implementation of this Act shall be included in the General Appropriation's Act.

Section 40. Traffic Education. – The DOTr, LTO, LTFRB, DepEd, and TESDA shall jointly develop a program for driver's education and road and pedestrian etiquette education that shall be incorporated as a mandatory subject in the Senior High School curriculum.

Section 41. Department of Urban Traffic Management. – Within the last twelve (12) months immediately preceding the lapse of this Act, the President, with the assent of the Congressional Joint Oversight Committee, may create a separate and permanent Department of Urban Traffic Management ("Department") under the Office of the President. The Department shall be tasked with the control, planning, and management of land-based traffic in the Metropolitan Areas and will take over and continue to exercise all the powers and authority conferred on the Traffic Chief under this Act. The Secretary of the Department of Urban Traffic Management shall serve as Traffic Chief for the Metropolitan Areas after the lapse of this Act.

In the event that a Department of Urban Traffic Management is not created in accordance with this Section, the MMDA and Development Authorities or the Cebu Council/Davao Administrator, as the case may be, shall continue to have the power under Section 7 to: (i) issue and enact; and (ii) review, harmonize, amend, revise, and/or repeal regulations, policies, ordinances, orders and circulars issued and enacted by the Covered Agencies and the component LGU's pertaining to land-based traffic and road use, regulation, and management.

Section 42. Amendment and Repealing Clause. – All other laws, decrees, orders, rules, and regulations or parts thereof inconsistent with this Act, are hereby repealed or amended accordingly. These shall include but not be limited to:

- (a) Sections 21, 25, 447, 458, 468 of the Local Government Code of 1991;
- (b) R.A. 6975, Department of the Interior and Local Government Act of 1990;
- (c) R.A. 7924, MMDA Charter;
- (d) P.D. 1112, Toll Regulatory Board Charter;
- (e) R.A. 4126 - Land Transportation and Traffic Code;
- (f) R.A. 9184 - Government Procurement Reform Act; and
- (g) P.D. 612, as amended, Insurance Code of the Philippines.

Section 43. Duration of the Act. – Except as otherwise provided herein, the authority granted under this Act shall subsist and be valid and effective for a period of three (3) years from the effectivity of this Act, unless: (i) sooner withdrawn by a joint resolution of Congress, without prejudice to rights and benefits that may have

been vested and culpabilities and liabilities that may have been incurred under its provisions; or (ii) such powers and authority are transferred to a permanent Department of Urban Traffic Management in accordance with Section 41 of this Act.

The following provisions will continue in effect notwithstanding and beyond the lapse of the Act:

- (a) Sections 5 and 10 of Reorganization and Creation of Metropolitan Development Authorities in Cebu and Davao;
- (b) Section 7 on the continuing power of the MMDA and Development Authorities or the Cebu Council/Davao Administrator, as the case may be, to: (i) issue and enact; and (ii) review, harmonize, amend, revise, and/or repeal regulations, policies, ordinances, orders and circulars issued and enacted by the Covered Agencies and the component LGU's pertaining to land-based traffic and road use, regulation, and management, in the event that a Department of Urban Traffic Management is not created in accordance with this Act;
- (c) Section 12 on the mandatory updating of Traffic Management Plan at least once a year;
- (d) Section 13 on the extension of the opening of Friendship Routes/ private village and subdivision roads as additional access points for motorists, if such extension is recommended by the Traffic Chief/ Department of Urban Traffic Management with the concurrence of the JOC; provided that any such extension beyond the lapse of this Act shall be limited to the period approved by the JOC;
- (e) Section 14 on continued Route Rationalization;
- (f) Section 18 on PUV Operator Obligations and Responsibilities;
- (g) Section 20 on the requirement of obtaining a Development Permit from the relevant Metropolitan Development Authority or Department of Urban Traffic Management, as the case may be;
- (h) Sections 23 on testing for professional driver's license holders;
- (i) Sections 24 on road worthiness testing;
- (j) Section 36 on the requirements for Publication of Information; and
- (k) Section 41 on the creation of the Department.

Section 44. Separability. – In the event that any provision of this Act is declared unconstitutional, invalid, or illegal, the constitutionality, validity, or legality of the remaining provisions of this Act shall not be affected thereby.