

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 554



Introduced by Representatives
GLORIA MACAPAGAL ARROYO and BAYANI FERNANDO

**AN ACT
PRESCRIBING URGENT RELATED MEASURES NECESSARY AND PROPER TO
EFFECTIVELY ADDRESS THE TRAFFIC CRISIS IN METRO MANILA AND FOR
OTHER PURPOSES**

EXPLANATORY NOTE

The current traffic congestion in Metro Manila impedes progress and leads to a situation where billions are lost daily in fuel cost, man hours and opportunities. The Duterte government aims for an annual growth rate of at least 7 percent to make a significant dent on poverty. One of the ways to speed up growth is to get infrastructure moving, either by government or by build-operate-transfer or any of its variants. Contractors would have to accelerate the implementation and completion of infrastructure projects in Metro Manila in order to decongest it. Drastic traffic reduction measures also need to be undertaken through traffic management reforms.

In view of the foregoing, immediate approval of this measure is earnestly sought.

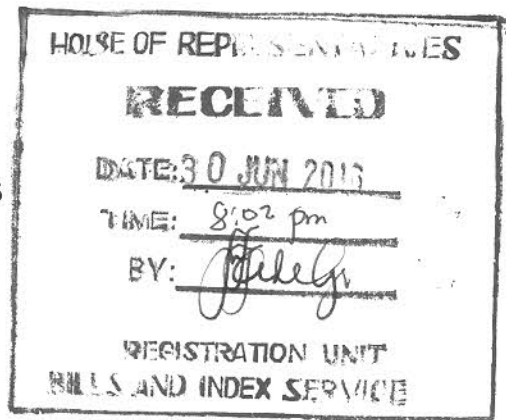

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Be it enacted by the House of Representatives and the Senate in Congress assembled:

SECTION 1. *Short Title.* – This act shall be known as the “Metro Manila Traffic Crisis Act of 2016.”

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to adopt adequate and effective measures to address the traffic crisis in Metro Manila that has disrupted the country’s economic and social life and assumed the nature and magnitude of a public calamity.

SECTION 3. *Negotiated Contracts.* – Pursuant to the above declared policy and in the public interest and whenever it is advantageous to the Government, the President may enter into negotiated contracts for the construction, repair, rehabilitation, improvement or maintenance of critical infrastructure, projects and facilities, subject to the following requirements:

- a) In order to inform competitive contracts, the list of projects to be undertaken this Act, together with their description, the budgetary estimates involved and other salient features, shall be published in a newspaper of general circulation thirty (30) days after the effectivity of this Act;
- b) Upon perfection of the contract, the terms and conditions of the same, with the name and qualification of the contractor, shall likewise be published in a newspaper of general circulation two (2) weeks before the signing of the contract;
- c) The contracts shall be awarded only to contractors with:
 - i) proven competence and experience in similar projects;
 - ii) competent key personnel and sufficient and reliable equipment; and
 - iii) sound financial capacity; and
- d) All the awarded projects shall be subject to existing government auditing rules and regulations governing negotiated contracts.

SECTION 4. *Internal Rate of Return.* – Further pursuant to the above-declared policy, the President is hereby authorized, whenever it is necessary for

the national welfare and in the public interest, to set a maximum internal rate of return of not more than twelve *per centum* (12%) of the house-estimated project cost. *Provided*, That any infrastructure project that has the capacity to yieldsaid internal rate of return under commercial conditions may be undertaken on a build-operate-transfer (BOT) basis or any of its variants as enumerated in Section 2 of Republic Act 7718; *Provided*, further, that the toll fees in the case of projects undertaken as BOT or any of its variants shall be set by the Toll Regulatory Board.

SECTION 5. *Reorganization of the Metro Manila Development Authority.*— The President is hereby empowered to reorganize the Metro Manila Development Authority (MMDA), to make it more effective, innovative and responsive to the traffic crisis in Metro Manila. For this purpose, the President may abolish or create offices; split, group or merge positions; transfer functions, equipment, properties, records and personnel; institute drastic traffic reduction measures and take such other related actions necessary to carry out the purpose herein declared. Nothing in this Section shall result in the diminution of the present salaries and benefits of the personnel of the MMDA: *Provided*, That any official or employee of the MMDA who may be phased out by reason of the reorganization authorized herein shall be entitled to such benefits as may be determined by the Chairman of the MMDA, with the approval of the President.

The President may upgrade the compensation of the personnel of MMDA who are involved in traffic reduction to take effect upon approval by Congress of MMDA's budget for 2017.

SECTION 6. *Subsidy.* — The Philippine Amusement and Gaming Corporation (PAGCOR) shall set aside ten *per centum* (10%) of its annual aggregate gross earnings for the next five (5) years as subsidy to MMDA: *Provided*, That such percentage allocation shall be based on gres revenue after deducting the five *per centum* (5%) franchise tax and the fifty *per centum* (50%) income share of the National Government.

SECTION 7. *Duration of Grant of Powers.* — The authority granted to the President under this Act shall subsist, be valid and effective for a period of two (2) years from the effectivity of the Act, unless sooner withdrawn by a resolution of Congress, without prejudice to rights and benefits that may have been vested, and culpabilities and liability that may have been incurred.

SECTION 8. *Oversight Committees.* — There is hereby created an Oversight Committee in each House of Congress to be composed of five (5) members of each, as may be designated by the Senate President and the Speaker of the House of Representatives, to monitor the implementation of this Act and the exercise of the authority granted thereunder.

The Oversight Committees shall submit periodic reports, evaluations and recommendations to the Senate and the House of Representatives.

SECTION 9. *Report to Congress.* — The President shall submit a quarterly report to Congress on the Implementation of this Act.

SECTION 10. *Separability Clause.* — If for any reason any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 11. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, or portions thereof, inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 12. *Effectivity Clause.* – This Act shall take effect on the day following its publication in at least two (2) national newspapers of general circulation.

Approved,