

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
1st Regular Session

House Bill No. 919

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REGISTRATION UNIT BILLS AND INDEX SERVICE	

Introduced by Hon. Francis Gerald Aguinaldo Abaya

EXPLANATORY NOTE

The huge financial requirements of the government's development programs cannot be adequately sustained by its yearly budget. The government, therefore, have thought it necessary to seek out alternative sources of financing to ensure the prosecution of certain desirable infrastructure projects that complement the over-all national development efforts. Thus was born the BOT Law, based on the declared policy of the State which recognizes the indispensable role of the private sector as the main engine for national growth and development and provides the most appropriate incentives to mobilize private resources for the purpose of financing the construction, operation, and maintenance of infrastructure and development projects normally financed and undertaken by the government.

The BOT Law, however, has done very little insofar as construction of road is concerned. For more than twenty years after the construction of the north and south expressways, there has been little progress in the construction of other major highways. So far, there had been few proponents on road construction through the BOT scheme. The private sector has been observed to be very timid. They tend to shy away and would come in only when the project is clearly very lucrative. Cases in point are the private investors undertaking the Coastal Road and the South Skyway projects. These investors are, for sure, not by themselves financially self-sufficient. They also have to secure loans or borrow from various financial institutions to finance their projects. But they found the said projects lucrative or "sure hit" projects where they are sure of realizing huge profits aside from the added incentives, like the reclamation component granted to the Coastal Road project proponent, provided by the Government under the BOT Law.

If a private or foreign investor who have to secure loans or borrow funds can undertake the construction or rehabilitation of an infrastructure project, maintain and operate it, collect toll fees for its use, pay its obligations and yet derive huge profits over a short period of time, why cannot the Government do it? Indeed the Government, whose only motivation is "service," as contrasted to the private investor's "profit" is believed more acceptable and beneficial in undertakings like this. Given the same amount of financing, the Government can definitely construct more kilometres of roads than a private investor.

In view of the foregoing, this proposed Bill seeks to establish or create a corporate body which will be under the Office of the President and to be called the "Road Development Authority," hereinafter referred to as the Authority. The Authority shall be charged primarily for the construction and/or rehabilitation, maintenance, and operation of selected and desirable infrastructure projects that complement the over-all national development efforts, where there are no takers from the private sector. The Authority shall be vested the power to raise and/or borrow the necessary funds from local and international financial institutions for the purpose of financing its projects and programs. In addition, the Authority shall be allowed to collect just and reasonable tolls, fees, rentals or charges for the use of said infrastructure projects such as but not limited to national highways, roads, bridges and public thoroughfares in order to pay for its obligations with its local or international financiers.

The creation or establishment of the Road Development Authority hopes to achieve the following objectives:

- a. To maximize efficiency and economy in the construction of major highways, roads, bridges and public thoroughfares;
- b. To ensure prosecution of certain infrastructure projects that complement the over-all national development efforts;
- c. To ensure fast and safe movement of people, goods and services along major roads and highways to various points in the country;
- d. To allow the Department of Public Works and Highways to concentrate its infrastructure projects in the rural areas.

For the foregoing reasons, the early passage of this Bill is earnestly sought.


FRANCIS GERALD AGUINALDO ABAYA
Representative, First District, Cavite

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HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 919

Introduced by Hon. Francis Gerald Aguinaldo Abaya

AN ACT CREATING A ROAD DEVELOPMENT AUTHORITY, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

1 **SECTION 1. *Title.*** – This Act shall be known as the “Road Development Act of
2 2016”.

3 **SECTION 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to
4 implement an integrated program for the planning, development, financing, construction,
5 maintenance, and operation of major highways and public thoroughfares all over the country
6 to spur economic development.

7 **SECTION 3. *Creation of the Road Development Authority.*** – There is hereby
8 created a body corporate to be known as “Road Development Authority,” hereinafter referred
9 to as “Authority,” which shall be attached to the Office of the President and charged primarily
10 for the construction and/or rehabilitation, maintenance, and operation of selected and
11 desirable infrastructure projects that complement the overall national development efforts,
12 where there are no takers from the private sector. The principal office of the Authority shall
13 be located in Metro Manila, but it may establish offices elsewhere in the Philippines as may
14 become necessary for the proper and efficient conduct of its business.

15 **SECTION 4. *Powers and Functions of the Authority.*** – a.) The corporate powers
16 of the Authority shall be as follows:

- 17 (i) To succeed in its corporate name;
18 (ii) To sue and be sued in such corporate name;
19 (iii) To adopt, alter, and use a corporate seal which shall be judicially noticed;
20 (iv) To create or alter its own organization and staff such an organization with
21 appropriate and qualified personnel in accordance with what may be deemed
22 proper and necessary to achieve the objectives of the Authority;

- 1 (v) To make or enter contracts of any kind or nature to enable it to discharge its
2 functions under this Act;
- 3 (vi) To acquire, purchase, own, lease, mortgage, sell or otherwise dispose of any
4 land or property of any kind, whether movable or immovable;
- 5 (vii) To exercise the right of eminent domain, by expropriating the land or areas
6 along proposed highways or public thoroughfares;
- 7 (viii) To construct, operate and maintain toll facilities in major roads, highways and
8 public thoroughfares vested in or belonging to the Authority;
- 9 (ix) To collect, subject to the determination and approval of the Toll Regulatory
10 Board, just and reasonable tolls, fees, rentals, or charges for the use of the
11 toll facility;
- 12 (x) To reclaim, excavate, enclose, or raise any part of the lands vested in the
13 Authority;
- 14 (xi) To raise and/or borrow, within the limitation provided by law, the necessary
15 funds from local and international financial institutions and to issue bonds,
16 promissory notes and other securities for that purpose and to secure the
17 same by guarantee, pledge, mortgage, deed of trust, or assignment of its
18 properties held by the Authority for the purpose of financing its projects and
19 programs within the framework and limitations of this Act;
- 20 (xii) To do all such other things and to transact all such business directly or
21 indirectly necessary, incidental or conducive to the attainment of the purposes
22 of the Authority;
- 23 (xiii) To exercise all the powers of a corporation under the Corporation Law insofar
24 as they are not inconsistent with the provisions of this Act.

25 b.) The corporate functions of the Authority shall be as follows:

- 26 (i) To formulate, in coordination with the National Economic Development
27 Authority and the Department of Public Works and Highways, a
28 comprehensive and practicable major highways and public thoroughfares
29 development plan for the State and to program its implementation;
- 30 (ii) To construct, maintain, operate and provide such facilities and services as are
31 necessary in the major highways and public thoroughfares vested in, or
32 belonging to the Authority;
- 33 (iii) To coordinate with the Bureau of Lands or any other government agency or
34 corporation in the developments of any foreshore area;
- 35 (iv) To exercise such powers as may be essential, necessary or incidental to the
36 powers granted to it in the preceding sub-paragraph as well as to carry out
37 the policies and objectives of this Act.

