Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  

EIGHTEENTH CONGRESS  
Second Regular Session  

COMMITTEE REPORT NO. 665  

Submitted by the Committee on Transportation on DEC 1 1 2020  

Re  : House Resolution No. 1417  

Recommending its approval in substitution of House Resolution No. 1367  

Sponsor/s: Representatives Edgar Mary S. Sarmiento and Precious Hipolito Castelo  

Mr. Speaker:  

The Committee on Transportation to which was referred House Resolution No. 1367, introduced by Rep. Precious Hipolito Castelo, entitled:  

“A RESOLUTION  
URGING THE DEPARTMENT OF TRANSPORTATION TO DEFER THE IMPLEMENTATION OF CASHLESS TOLL PAYMENTS THROUGH THE RADIO-FREQUENCY IDENTIFICATION (RFID) SYSTEM UNTIL JANUARY 1, 2021”  

has considered the same and recommends the adoption of the attached House Resolution No. 1417 entitled:  

“RESOLUTION  
URGING THE DEPARTMENT OF TRANSPORTATION TO DEFER THE IMPLEMENTATION OF CASHLESS TOLL PAYMENTS THROUGH RADIO-FREQUENCY IDENTIFICATION (RFID) SYSTEM UNTIL SUCH TIME THAT THE SYSTEMS ARE READY TO BE FULLY OPERATIONAL AND ARE INTEROPERABLE”  

in substitution of House Resolution No. 1367, with Reps. Precious Hipolito Castelo, Edgar Mary S. Sarmiento and Wesley Gatchalian as authors thereof.  

Respectfully submitted,  

HON. EDGAR MARY S. SARMIENTO  
Chairperson  
Committee on Transportation  

THE HONORABLE SPEAKER  
HOUSE OF REPRESENTATIVES  
QUEZON CITY
Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  

EIGHTEENTH CONGRESS  
Second Regular Session  

HOUSE RESOLUTION NO. 1417  

Introduced by Reps. Edgar Mary S. Sarmiento, Precious Hipolito Castelo and  
Weslie Gatchalian  

RESOLUTION  
URGING THE DEPARTMENT OF TRANSPORTATION TO DEFER THE  
IMPLEMENTATION OF CASHLESS TOLL PAYMENTS THROUGH  
Radio-Frequency Identification (RFID) SYSTEM UNTIL SUCH  
TIME THAT THE SYSTEMS ARE READY TO BE FULLY OPERATIONAL  
AND ARE INTEROPERABLE  

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

WHEREAS, in an effort to minimize the COVID-19 transmission, the  
government, including the Department of Transportation (DOTr), has been pushing  
for a shift to cashless and contactless payment systems, including the full shift to a  
Radio-Frequency Identification (RFID) system for all toll payments;  

WHEREAS, the DOTr issued Department Order No. 2020-012 last August  
13, 2020 which required cashless or contactless transaction for all vehicles traveling  
on toll expressways. It mandated the Toll Regulatory Board (TRB), Land  
Transportation Office (LTO) and the Land Transportation and Franchising Regulatory  
Board (LTFRB) to undertake specific programs to ensure the smooth implementation  
of the policy;  

WHEREAS, pursuant to Department Order No. 2020-012, the TRB was: 1)  
directed to promulgate rules and regulations that will require concessionaires and  
operators of toll expressways to shift to one hundred percent (100%) electronic toll  
collection lanes and 2) tasked to ensure that concessionaires and operators shall install  
electronic tags or other cashless systems, such as RFID and Automated Fare  
Collection System (AFCS), for all motorists and motor vehicles using toll
expressways and transact thru the cashless mode of payment of toll not later than 2 November 2020;

WHEREAS, it was initially announced that the mandatory use of RFID will be implemented on November 2, 2020, which deadline was further extended to December 1, 2020;

WHEREAS, an additional clarification was issued by the DOTr stating that no apprehension for vehicles without RFID stickers shall occur until January 11, 2021;

WHEREAS, during the hearings conducted by the Committee on Transportation last September 1, 2020, November 11, 2020 and November 25, 2020, the TRB has yet to submit clear guidelines, plans and timelines on the implementation of cashless toll payments and interoperability among the different payment systems;

WHEREAS, the Committee on Transportation created a Technical Working Group to discuss bills that would mandate interoperability among the electronic toll collection systems;

WHEREAS, during the meeting of the Committee on Transportation last November 25, 2020, the private concessionaires stated that they have only installed around 1.7 Million RFID stickers;

WHEREAS, considering that there are more than six (6) Million vehicles registered in the NCR, Region III and Region IV-A, the data shows that there are still a lot of vehicles that will potentially use the tollways frequently which do not have RFID stickers installed yet. It was determined that the tollway operators would not be able to install the necessary number of RFID stickers in time for the deadline on December 1, 2020;

WHEREAS, there are multiple reports of long queues at the toll plazas and RFID installation sites due to the tremendous increase in the number of motorists who want to avail of the RFID stickers and the usual Christmas rush;

WHEREAS, due to the increase in number of vehicles using the toll roads without RFID stickers, the Committee on Transportation has determined that it would be best if cash payments and cash lanes would still be allowed while a cashless payments system is not yet fully operational as it suggested that a timeline of gradual phase out of cash lanes should also be implemented;

WHEREAS, the minimum load for each RFID tag is two hundred pesos (Php 200) to five hundred pesos (Php 500). Considering that all vehicles are required to
install RFIDs, there is a significant amount or deposit advanced to the concessionaires through this minimum load;

WHEREAS, in accordance with the Republic Act No. 11127 or the National Payment Systems Act, the Bangko Sentral shall oversee the payment systems in the Philippines;

WHEREAS, the Committee on Transportation required the TRB to submit a report on how the funds will be utilized to ensure that the motorists would benefit from the cashless payment system;

WHEREAS, the Committee on Transportation, in the meeting conducted last November 25, also recommended that the Land Transportation Office should include the installation of RFID as part of registration of brand new vehicles and renewal of vehicle registration for the convenience of vehicle owners;

WHEREAS, it was also revealed during the past meetings of the Committee on Transportation that no agency audited and reviewed the cashless systems in our toll roads;

WHEREAS, given that other agencies have the expertise on the operation of electronic toll payments, the Committee recommends that the Department of Information and Communications Technology, Department of Trade and Industry, and Bangko Sentral ng Pilipinas undertake an audit of the cashless payment systems to determine its interoperability prior to its full implementation;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved that the House of Representatives urge the Department of Transportation to defer the full implementation of cashless toll payments and the Radio-Frequency Identification (RFID) System until such time that the systems are ready to be fully operational and are interoperable.

Adopted,