



National Economic and Development Authority

NATIONAL TRANSPORT POLICY

and its Implementing Rules and Regulations



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National Transport Policy

NEDA Board Resolution No. 5 (s. 2017)

Approving the National Transport Policy

On motion duly seconded, be it resolved, as it is hereby RESOLVED, to approve, as it is hereby APPROVED, the latest version of the National Transport Policy (NTP) embodied in the NEDA Board Resolution below.

NEDA BOARD RESOLUTION

Adopting the National Transport Policy

WHEREAS, the State recognizes the important role of transportation as an enabler and driver of socioeconomic development towards achieving inclusive and sustainable growth, and attaining the national development goals and objectives;

WHEREAS, the State's Transport Vision is ***a safe, secure, reliable, efficient, integrated, intermodal, affordable, cost-effective, environmentally sustainable, and people-oriented*** national transport system that ensures improved quality of life of the people;

WHEREAS, analyses of the condition of the Philippine transport system indicate recurring issues such as: (a) lack of integrated and coordinated transport network; (b) overlapping and conflicting functions of transport agencies; (c) transport safety and security concerns; and, (d) inadequate transport facilities particularly in conflict-affected and underdeveloped areas;

WHEREAS, the development of the country's transport system must be guided by a comprehensive National Transport Policy in order to ensure effective and efficient inter-government coordination, local government participation and stakeholders collaboration with the end in view of (a) providing intermodal connectivity among transport infrastructures, (b) effecting good governance through streamlined transport regulations, rationalized transport agency functions, policies

aligned with government priorities and programs, ensured adherence to safety standards and compliance with international agreements, (c) promoting green and people-oriented transport systems, (d) creating “new” economic growth centers outside of the country’s key cities for inclusive growth through access improvement and support to tourism, agro-industry, trade and logistics, and other economic sectors, and (e) promoting transport infrastructure investments;

WHEREAS, pending the passage of policies requiring legislative action, it is necessary that policy reforms, which can be administratively undertaken pursuant to existing laws be adopted and implemented to respond to the urgent transport demands and requirements of the national economy;

NOW, THEREFORE, IT IS RESOLVED, AS IT IS HEREBY RESOLVED, by the Chairman and the Board, to approve and adopt the policy thrusts which shall embody the intended reforms in the transport sector, to wit:

SECTION 1. National Transport Policy. To achieve the Transport Vision, the Government hereby adopts the National Transport Policy which all elements of the transport system and all sub-sectors of transportation, including passengers, shippers, service providers, investors, agencies and instrumentalities of government and those involved in the movement of people and goods and in the provision of transport infrastructure, facilities and services, shall abide by and use as guidance in transport development, management, operations, and use.

SECTION 2. Areas of Coverage. The National Transport Policy covers the following policy focus areas: (a) Resource Generation, Allocation and Cost Sharing; (b) Program and Project Selection; (c) Cost Recovery and Subsidies; (d) Regulation of Passenger Transport Services; (e) Transportation Management in Urban and Regional Areas; (f) Support to Other Economic Sectors; and, (g) Governance and Institutions.

SECTION 3. Resource Generation, Allocation, and Cost Sharing. National transportation agencies and local government units

(LGUs) will work together to address transport sector needs. New investments shall be supported by regular maintenance allocations over the economic life of the asset, while asset preservation shall be accorded appropriate attention.

Public-Private Partnerships (PPP) and privatization of public transport operations shall be considered to augment Government resources, harness private sector expertise, gain technology transfers and operational efficiencies, and assign risks to the party best able to control or influence its occurrence or manage its consequence. The pursuit of PPP for transport projects shall be based on the parameters defined in the PPP policy to be agreed upon by the Government.

SECTION 4. Program and Project Selection. Programs and projects should be fully aligned with national development goals and priorities; compliant with international commitments; supported by adequate studies from a network perspective; convergent with comprehensive frameworks and plans; technically and economically feasible; environmentally sound with due consideration of measures to address Disaster Risk Reduction (DRR) and Climate Change; socially acceptable; and based on public needs.

The “Philippine Transport System Master Plan” (PTSMP), which will guide the rational development of an intermodal transport network in the country through coordinated planning and operation of projects and programs as an integrated network of intermodal sub-systems, shall be formulated and periodically updated.

Environment-friendly transport systems shall be supported in order to promote environmental sustainability and protection. The use of clean and energy-efficient transport technology/fuels will be pursued. Non-motorized means to achieve inclusive mobility and accessibility shall include transit-oriented development, prioritization of pedestrians, provision of support facilities that mainstream gender considerations, and inclusion of green ways network, i.e., elevated walkways, covered walkways, sidewalks and bike lanes.

Redundancy and resiliency measures shall be implemented especially in key infrastructures such as ports and airports to ensure accessibility,

mobility and the unimpeded flow of humanitarian logistics under all circumstances.

Efficient data collection, management and dissemination shall be promoted through the establishment and maintenance of an open database system for all government agencies to ensure sound and coordinated transport plans and initiatives.

SECTION 5. Cost Recovery and Subsidies. Fares and charges for transportation services, as determined by the appropriate regulatory agency, shall, as far as practicable, be cost-based and shall recover, at a minimum, the operational and maintenance costs net of eligible subsidies. Subsidies, incentives and other Government undertakings, when so justified according to economic, environmental, and/or social grounds and allowed under existing laws, rules and regulations, shall be direct, specific and transparent.

SECTION 6. Regulation of Passenger Transport Services. Transport agencies shall primarily be guided by public interest and safety in the regulation of passenger transport services. Routes and areas for transport operations shall be determined and modified by the regulatory bodies based on the application of technical, environmental, economic and safety standards issued by the Department of Transportation (DOTr). The regulatory bodies may subject the grant of the privilege to operate in a route or area through a competitive selection process such as, but not limited to, public bidding. All franchises or authorities to operate shall be guided by a clear and focused government regulation to be developed and led by DOTr.

All transport agencies and LGUs operating and managing transport facilities shall strictly enforce and regularly update the standards on safety, security, level of service and environmental sustainability in keeping with DOTr and international standards and practices.

SECTION 7. Transportation Management in Urban and Regional Areas. The focus is moving more people than vehicles. Public mass transportation in urban areas shall be given priority over private transport. High capacity public transport systems shall be the preferred mode in high passenger density corridors. Interconnectivity and multimodality within and among

public transport modes shall be integrated in the development of the urban public transport system with due consideration of the appropriate public transportation hierarchy. Modal interchange areas that will facilitate the safe and convenient passenger transfer and uninterrupted vehicular movement on surrounding roads will be provided/improved.

In addressing traffic congestion in urban roads, cost-effective mobility management measures will be preferred over more expensive infrastructure facilities. Travel demand management schemes shall be implemented and traffic engineering solutions such as the use of intelligent transport systems (ITS) in the operation and management of transport projects shall be adopted. Local development of ITS and similar technologies shall be encouraged by the State.

With the assistance of Regional Offices of transport agencies, LGUs shall periodically develop transport and traffic management plans to ensure integration with the area's land use plans, taking into consideration external accessibility needs and alignment to regional/national development goals. They are likewise expected to implement the same and shall be monitored by the appropriate regulatory body.

SECTION 8. Support to Other Economic Sectors. DOTr shall coordinate with Government agencies and the private sector in establishing a seamless, intermodal tourism, agro-industry and trade and logistics transport network through the implementation of Convergence Programs, among others, to ensure adequate transport infrastructure support, including the efficient and unimpeded flow of people, goods, and services especially during emergencies.

DOTr shall lead the development of a single transport document and one-stop procedures to expedite the cost-efficient processing of cargo shipments while optimizing the use of available information technologies. The laws, rules and regulations on the levy of local taxes, fees, charges and other impositions on the transport of goods and passengers carried into or out, or passing through the respective jurisdictions, will be strictly enforced.

SECTION 9. Governance and Institutions. Legislative action or administrative modification shall be undertaken, as appropriate, in cases

where transport agencies have overlapping or conflicting functions or possess both regulatory and operating functions.

The DOTr, in the exercise of its mandate, shall work closely with other transport agencies to ensure that all transport modes are integrated and intermodal, even those that fall within the mandates of other agencies.

All concerned agencies, the LGUs, and the academe shall work together in enhancing institutional capacities and capabilities, encouraging and supporting transparency and accountability initiatives, and effectively engaging the private sector and civil society in the development of transport projects.

SECTION 10. Implementation of the National Transport Policy. The National Economic and Development Authority (NEDA), DOTr and the Department of Public Works and Highways (DPWH), through the Inter-Agency Technical Committee on Transport Planning (IATCTP) and NEDA Board-Committee on Infrastructure (INFRACOM), shall undertake the necessary measures to implement the National Transport Policy.

Departments, agencies and instrumentalities, including Government Owned and/or Controlled Corporations exercising transportation development functions shall prepare their respective plans, projects, and programs for submission to the IATCTP/INFRACOM for review in accordance with the approved methodology and procedure and the provisions of this Resolution. Plans, projects, and programs prepared in violation hereof shall be deemed unauthorized, and any expenditure therefor shall be deliberated.

To ensure that the National Transport Policy guides the long-term development of the transport sector, NEDA, DOTr, and DPWH shall undertake appropriate measures for legislative action to achieve said purpose.

SECTION 11. Implementing Rules and Regulations. Within thirty (30) days from the effectivity of this Resolution, the INFRACOM, through the IATCTP, shall formulate and issue the accompanying Implementing Rules and Regulations (IRR) of this Resolution to effectively carry out its provisions.

SECTION 12. Transitory Clause. All valid and existing contracts entered into by the Government prior to the effectivity of this Resolution shall not be impaired and shall be upheld.

SECTION 13. Separability Clause. Any portion or provisions of this Resolution that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SECTION 14. Repealing Clause. All orders, memoranda, circulars and other issuances or parts thereof, which are inconsistent with this Resolution, are hereby repealed or modified accordingly.

SECTION 15. Effectivity. This Resolution shall take effect immediately after its publication in a newspaper of general circulation.¹

UNANIMOUSLY APPROVED.

September 12, 2017.

Certified correct:



ERNESTO M. PERNIA

Secretary of Socioeconomic Planning
and Director-General, NEDA Secretariat

¹ The National Transport Policy was published in general circulation on February 14, 2018.

Implementing Rules and Regulations

RULE I

GENERAL PROVISIONS

Section 1. Short Title and Purpose

These Implementing Rules and Regulations, hereinafter referred to as the “IRR”, are promulgated, pursuant to Section 11 of NEDA Board Resolution No. 5, s. 2017, entitled “*Approving the National Transport Policy*”, for the purpose of setting the direction of and parameters for the integrated development and regulation of the Philippine transport sector.

Section 2. Declaration of Policy

To ensure an improved quality of life for the Filipino people, the State envisions a people-oriented national transport system that is **safe, secure, reliable, efficient, integrated, intermodal, affordable, cost-effective, and environmentally sustainable**. This Transport Vision is based on the principle that mobility is a basic need, and the government should ensure that every Filipino has mobility options to access basic services and economic opportunities. Consistent with the Transport Vision, the provisions of this IRR are intended to guide the government at the national and local levels, in ensuring effective and efficient inter-government coordination, local government participation, and stakeholder collaboration in developing the country’s transport system through harmonization of policies, plans, and programs.

Section 3. Scope and Coverage of the IRR

The IRR shall apply to all elements of the transportation system and all of its sub-sectors, including passengers, operators, service providers, investors, and transport-related agencies and

instrumentalities of government, as well as those involving the movement of people, goods, and services, and the provision of transport infrastructure, facilities, and services.

The IRR shall be observed by and used as a guide in transport planning, development, implementation, management, operations, and use, particularly in the following areas:

3.1 Effecting good governance in the transport sector

- 3.1.1 Realizing that the entire transportation system shall be classified as critical infrastructure essential to the functioning of the national economy, security, and health;
- 3.1.2 Streamlining and simplifying transport regulations;
- 3.1.3 Rationalizing transport agency functions through the following:
 - i. institutionalizing reforms in the short term;
 - ii. creating respective independent regulatory bodies for railway, civil aviation, and maritime transport, among others, in the medium term; and
 - iii. shifting greater responsibility for the delivery of transport services to local government, including metropolitan authorities, where appropriate, over the long term.
- 3.1.4 Aligning policies with government laws, priorities, and strategies;
- 3.1.5 Ensuring that the development, implementation, management, operation, and use of transport

infrastructure, facilities, and services adhere to applicable international safety, security, and service quality standards and inclusive practices, including the issuance of a passengers' bill of rights, as well as the adoption of new industry technology; and

3.1.6 Complying with the country's international and regional commitments, performing obligations and responsibilities under international treaties, conventions, and agreements relating to or affecting transport infrastructure, such as the Sendai Framework for Disaster Risk Reduction 2015-2030, Paris Agreement, 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), ASEAN Integration, Brunei Darussalam Indonesia-Malaysia Philippines East ASEAN Growth Area (BIMP-EAGA), International Maritime Organization (IMO), International Civil Aviation Organization (ICAO), and World Health Organization (WHO) and United Nations (UN) commitments related to human rights and road safety.

3.2 Guaranteeing seamless connectivity among various transport modes and infrastructure (e.g., roads, ferry in seas or along bays and rivers, airports, seaports, railways, urban and non-motorized forms of transport), both for passengers and goods, in support of an intermodal logistics network system, as well as other transport infrastructure such as parking buildings and multimodal terminals (e.g., park and fly/sail/ride);

3.3 Planning towards network optimization. Determine, on a qualitative manner, an optimal network of highways, railways, seaports, airports and provide a system for

measuring the efficiency and weaknesses of such system on a regular basis;

- 3.4 Accelerating conversion to green, low-carbon or electric-powered, resilient, and people-oriented transport systems that are inclusive and prioritize public health and well-being;
- 3.5 Ensuring that all transport services and facilities follow the universal design concept and are compliant with accessibility standards, such as Batas Pambansa (BP) Blg. 344;
- 3.6 Facilitating the creation and development of “new” economic growth centers outside of the country’s key cities towards inclusive growth through access improvement and support to tourism, agro-industry, trade and logistics, and other economic sectors; and
- 3.7 Implementing sustainable and resilient transport infrastructure investments at a rapid pace, in partnership with the private sector where appropriate.

Section 4. List of Acronyms/Definitions

For purposes of this IRR, the following terms/words and phrases shall mean or be understood as follows:

- 4.1 “Ancillary Services” refers to complementary of facilities and services which provide necessary support to operations.
- 4.2 “ASEAN” refers to the Association of Southeast Asian Nations.
- 4.3 “CAB” refers to the Civil Aeronautics Board.
- 4.4 “CAAP” refers to the Civil Aviation Authority of the Philippines.

- 4.5 “Convergence Program” refers to the complementation of the initiatives/programs/activities of two or more agencies within a defined area under a common intervention strategy to maximize socioeconomic gains.
- 4.6 “Cross-subsidy” refers to the subsidy granted in whole or in part to an independent operation sourced from the earnings of another operation.
- 4.7 “CSC” refers to the Civil Service Commission.
- 4.8 “CWC” refers to the Council for the Welfare of Children, created by virtue of Presidential Decree No. 603, “The Child and Youth Welfare Code”, mandated to coordinate the implementation and enforcement of all laws; formulate, monitor, and evaluate policies, programs, and measures for children.
- 4.9 “DA” refers to the Department of Agriculture.
- 4.10 “DBM” refers to the Department of Budget and Management.
- 4.11 “DepEd” refers to the Department of Education.
- 4.12 “DENR” refers to the Department of Environment and Natural Resources.
- 4.13 “DICT” refers to the Department of Information and Communications Technology.
- 4.14 “DILG” refers to the Department of the Interior and Local Government.
- 4.15 “DOE” refers to the Department of Energy.
- 4.16 “DOF” refers to the Department of Finance.
- 4.17 “DOST” refers to the Department of Science and Technology.

- 4.18 "DOT" refers to the Department of Tourism.
- 4.19 "DOTr" refers to the Department of Transportation.
- 4.20 "DPWH" refers to the Department of Public Works and Highways.
- 4.21 "DTI" refers to the Department of Trade and Industry.
- 4.22 "EIRR" or economic internal rate of return refers to the discount rate which equates the present values of the project's economic cost with the present values of its economic benefits.
- 4.23 "FMRs" refers to farm-to-market roads.
- 4.24 "GOCCs" refers to Government-Owned and/or Controlled Corporations.
- 4.25 "IATCTP" or Inter-Agency Technical Committee on Transport Planning refers to the technical-level planning arm of the NEDA Board Committee on Infrastructure (INFRACOM) created by virtue of Memorandum Order (MO) No. 473, as amended by MO No. 25, s. 2011, to serve as a platform for transport agency coordination to ensure comprehensive and integrated plans and programs and to resolve transport-related issues.
- 4.26 "ICC" refers to the NEDA Board Investment Coordination Committee.
- 4.27 "INFRACOM" or the NEDA Board Committee on Infrastructure refers to the inter-agency committee created by virtue of Executive Order (EO) No. 230 to assist the NEDA Board on matters concerning infrastructure development and coordinate agencies' activities, policies, programs, and projects consistent with national development objectives and priorities.

- 4.28 "Intermodal" refers to movement of passengers or freight from one transport mode to another, taking place at a single terminal specifically designed for such purpose.
- 4.29 "Level of Service" refers to the quality measure describing operational conditions within a traffic stream, generally in terms of such service measures as speed and travel time, freedom to maneuver, traffic interruptions, and comfort and convenience.
- 4.30 "LGUs" or local government units refer to provincial, city, and municipal governments, as defined in the Local Government Code.
- 4.31 "LCC" or life cycle cost refers to the analysis that looks beyond the initial construction and considers operations, maintenance, and major rehabilitation needs during the projected life of the facility.
- 4.32 "LTFRB" refers to the Land Transportation Franchising and Regulatory Board.
- 4.33 "LTO" refers to the Land Transportation Office.
- 4.34 "MARINA" refers to the Maritime Industry Authority.
- 4.35 "Market failure" refers to the mismatch of supply and demand and/or occurrence of side effects and extra costs to the society that is not reflected in the price of the services. A market failure may exist when the supply or use of goods and services by the market is not efficient in the sense that the price mechanism fails to match demand and supply, and/or the provision of services generate costs to the society that cannot be internalized in the price.
- 4.36 "MMDA" refers to the Metropolitan Manila Development Authority.

- 4.37 "NEDA" refers to the National Economic and Development Authority.
- 4.38 "NCDA" refers to the National Council for Disability Affairs, created by virtue of EO No. 709, s. 2008, which is mandated to formulate policies and coordinate the activities of all agencies, whether public or private, for the protection of the civil and political rights of persons with disabilities.
- 4.39 "NCTS" refers to the National Center for Transportation Studies of the University of the Philippines.
- 4.40 "NSS" or National Spatial Strategy refers to the national spatial framework formulated to guide the policies on urban and infrastructure development, disaster mitigation, and environmental resource protection and conservation considering the country's desired spatial structure based on trends in population, economic activities, and services.
- 4.41 "NPV" or net present value refers to the difference between the present values of project benefits and project costs.
- 4.42 "PCG" refers to the Philippine Coast Guard.
- 4.43 "PDP" refers to the Philippine Development Plan.
- 4.44 "PIP" refers to the Public Investment Program.
- 4.45 "PPA" refers to the Philippine Ports Authority.
- 4.46 "PPP" refers to Public-Private Partnership whereby a private party enters into a contractual agreement with the government under Republic Act No. 6957, as amended by RA 7718 (Build-Operate-Transfer Law), or a joint venture (JV) with the government pursuant to the JV Guidelines issued by NEDA or by the respective LGUs, as applicable.

- 4.47 "PTSMP" refers to the Philippine Transportation System Master Plan.
- 4.48 "Public interest" refers to the welfare or well-being of the general public, the promotion and protection of which are the ultimate goals of the government. The economic costs of hazards to health, properties, and environment are not usually internalized in market prices and therefore, market forces are unable to foster discipline on hazard-causing entities. The government should therefore strictly regulate these matters of public welfare.
- 4.49 "RORO" refers to the Roll-on/Roll-off.
- 4.50 "TESDA" refers to the Technical Education and Skills Development Authority.
- 4.51 "TIA" refers to the Traffic Impact Assessment.
- 4.52 "TDM" refers to the Travel Demand Management.
- 4.53 "TOD" or Transit-oriented Development refers to the high-density, mixed-use development around a transit station or within a transit corridor.
- 4.54 "TRIP" refers to the Three-Year Rolling Infrastructure Program.
- 4.55 "Transport-related agencies" refer to agencies and instrumentalities of government involved in the movement of people and goods in the planning, provision, and regulation of transportation infrastructure, facilities, and services.
- 4.56 "VGF" refers to viability gap funding whereby the government extends a grant to PPP project yielding favorable economic and social returns so that the project can charge affordable tariffs to the public while producing a satisfactory financial return for the private investor.

RULE II

RESOURCE GENERATION, ALLOCATION, AND COST-SHARING

Section 5. Review of Transportation Needs

The NEDA Board - Committee on Infrastructure (INFRACOM), through its transport planning arm, the Inter-Agency Technical Committee on Transport Planning (IATCTP), shall, consistent with the government's planning cycle, periodically identify, review, and address the strategic resource needs of the transport sector for the short, medium, and long term, including the assessment of the previous fiscal allocation or cost-sharing. In the assessment of people's needs and the review of government's interventions, the inputs of stakeholders and target beneficiaries will be solicited and reflected in the plans and programs. Specifically, they shall:

- 5.1 Assess and evaluate the strategic function of the transport sector with regard to attaining the national goals of economic growth, poverty reduction, trade competitiveness, and social equity, and adjust the fiscal allocation in the next budget cycle on the basis of the results thereof;
- 5.2 In coordination with the NEDA Board – Investment Coordination Committee (ICC), aid in the allocation of resources to the transport modes in accordance with the comparative advantages and with due regard to the viability of the proposed plans, programs, projects, or measures for each concerned transport mode;
- 5.3 Identify policies and measures that facilitate and improve the execution of infrastructure projects; and,

- 5.4 Ensure preservation of existing assets, with provision for strategic preservation mechanism and that new investments are adequately supported by regular allocation for maintenance and asset preservation based on life-cycle cost analyses.

Section 6. Use of National Government Resources

- 6.1 The resources of the national government shall be devoted mainly to facilities classified as “national” unless otherwise defined under Convergence Programs. The following transport infrastructure facilities shall be classified as “national”, based on their functional and strategic importance to the country, and as defined in existing laws, regulations, and issuances:
- a. Roads classified as “national primary”, “national secondary”, “national tertiary”, and “expressways” as may be defined by DPWH;
 - b. Heavy railways connecting provinces and regions;
 - c. Airports and seaports that serve as international and regional gateways;
 - d. Radio frequency used by aeronautical and maritime sectors;
 - e. Transport infrastructure, vehicles, and equipment in metropolitan areas and cities;
 - f. Transport infrastructure aimed at spurring economic growth in priority areas identified as emerging growth corridors/centers in the National Spatial Strategy (NSS);
 - g. Transport infrastructure that serves as linkage between major economic sectors of the country

(e.g., agriculture, industry, trade, tourism), or covering a major sphere of influence of two or more regions;

- h. Facilities providing increased access to basic social and other development services in conflict-affected and underdeveloped areas; and
- i. Other facilities as maybe declared nationally significant for purposes identified after diligent and conscientious study and deliberations by the appropriate body.

6.2 Where a metropolitan authority exists, planning functions shall be strengthened to ensure harmonization of transportation projects that cut across different LGUs within the metropolis. Where coordination among neighboring LGUs is essential along a transport corridor but no metropolitan authority exists, the concerned national agency will develop mechanisms for ensuring the coordination among the relevant LGUs.

6.3 Infrastructure and facilities classified as “national” may be turned over to LGUs or metropolitan authorities for operation and maintenance.

Section 7. Responsibilities of LGUs

7.1 Consistent with the principle of local autonomy under the Local Government Code, LGUs shall exercise primary responsibility for the financing, construction, rehabilitation, and maintenance of provincial, city, municipal, and barangay transport facilities, including related services, unless such facilities or services are included in Convergence Programs or in a program or project of a national government agency.

Because local governments understand their local conditions and the travel needs of their residents, LGUs will be required to take greater responsibility and accountability for mobility outcomes in their respective areas. As an initial step in this direction, LGUs will be required to prepare a transportation sector plan as part of their respective Comprehensive Development Plan (CDP).

- 7.2 LGUs shall provide DOTr a copy of their updated Comprehensive Land Use Plans (CLUPs) and share their respective transport and traffic management plans with corresponding historical and current traffic flow data.
- 7.3 LGUs shall extend assistance to the Housing and Urban Development Coordinating Council and the National Housing Authority for resettlement activities related to informal settlers occupying right of way (ROW) sites or planned transport project sites, which include the development of resettlement sites and provision of adequate basic services and community facilities.

Section 8. Collaboration and Resource Sharing Between the National and Local Government

- 8.1 The DOTr, DPWH, and DA, in coordination with the DOF and DBM, shall set aside resources for local transport initiatives, including but not limited to the construction, improvement, and rehabilitation of intermodal transportation such as rail, airports, seaports, greenways, non-motorized transport facilities, terminals, depots, farm-to-market roads (FMRs), road-to-RORO terminals, social ports and agriculture-related airports and ports including their access roads, as well as road connectivity to tourism, trade and industry centers, and other local roads, to the extent allowed by existing laws, rules, and regulations.

- 8.2 In the case of funds that are channeled directly to LGUs for local transport initiatives through programs under the auspices of the DBM, the DOTr and DPWH will provide inputs on the criteria for the use of the funds so that such programs are in line with the agencies' regulations, policies, and programs.
- 8.3 Consistent with the Right-of-Way Act (RA 10752) and its IRR, the national government shall ensure timely implementation of projects by providing the necessary and adequate funding, and allowing the concerned implementing agencies and LGUs to expeditiously acquire the required ROW site or location for infrastructure projects.
- 8.4 To enhance the feasibility of implementing transport infrastructures, particularly rail, bus rapid transit (BRT), and other urban mass transit systems, the LGUs shall, to the extent possible, provide support to the national government, which may include: sharing in the project cost including ROW; immediate issuance of relevant local consents/permits; assistance in the resettlement of affected families; assistance in the coordination with private entities within the local jurisdiction; and contributing portion of revenues from real estate taxes in the project area. Responsibility for the operation and maintenance of transport infrastructure and services may also be assumed by LGUs.
- 8.5 LGUs, to the extent possible, may also allow certain fiscal mechanisms/instruments such as local tax privileges or local tax exemptions to serve as incentives in transport infrastructure implementation.

Section 9. Technical and Economic Criteria for Resource Allocation

In the allocation of resources to transport agencies, NEDA, DBM, and DOF, in consultation with transport-related agencies, shall apply standardized, transparent, and objective criteria for project selection and prioritization (e.g., in PIP and TRIP formulation), so as to achieve the most effective, efficient use of resources to meet transport needs. The said criteria shall be submitted to the INFRACOM for evaluation and approval.

Section 10. Private Sector Participation

- 10.1 To enhance private sector participation (PSP) in transport investments, Public-Private Partnerships (PPP) and privatization of public transport operations may be utilized to augment government resources, harness private sector comparative advantage, gain technology transfers and operational efficiencies, and assign the respective roles and responsibilities to the party best able to control, positively influence, manage, or mitigate risk occurrences and consequences. The pursuit of PPP for transport projects shall be in accordance with applicable laws, rules, and regulations.
- 10.2 The planning and implementation of PPP projects shall be guided by the following:
 - a. All forms of PPP projects should be considered, where appropriate;
 - b. The plans, programs, and projects of each transport-related agency shall include those proposed for PSP or PPP implementation;
 - c. Projects that are necessary for public service and are economically feasible, but may not

attract private financing because private investment may not be fully recouped from revenues generated at rates that users will be able or willing to pay, shall be given priority in the allocation of government VGF through PPP schemes;

- d. In the allocation of risks between the parties in a PPP contract, agencies and LGUs shall refer to the ICC-approved Generic Preferred Risk Allocation Matrix, or amendments thereof; and
- e. The government shall set the direction and ensure technical, safety, and environmental regulations for PPP and privatization.

10.3 Implementing agencies or LGUs who wish to undertake transport projects through PPP may seek assistance from the PPP Center in terms of technical advisory services, trainings, and capacity development.

10.4 The government shall endeavor to maintain a conducive business environment that facilitates entry and participation of foreign companies in the Philippine transport sector. This will be done by making government transactions simpler and faster and revisiting existing laws and regulations that otherwise restrict participation and impose significant participation costs to foreign companies.

RULE III

PROGRAM AND PROJECT SELECTION

Section 11. Agency Planning and Program Preparation

Based on the provisions of this IRR and consistent with their existing mandates and governing laws, transport-related agencies and LGUs shall annually assess and prepare their strategic short, medium, and long term plans, programs, and projects.

Section 12. Programs and Projects Assessment

The process for planning and project selection of transport agencies and LGUs shall be based on the following criteria:

- 12.1 ***Alignment with National and Regional Development Goals and Priorities.*** All transport plans, programs, and projects shall be fully aligned with the national and regional development goals and priorities reflected in the Philippine Development Plan (PDP) and its accompanying investment programming documents, e.g., PIP, TRIP.
- 12.2 ***Compliance with International Commitments.*** As provided for in Section 3.1.5 herein.
- 12.3 ***Alignment with Existing Master Plans and Studies.*** Transport projects and initiatives shall be responsive to strategies, master plans, and studies adopted by the government.
- 12.4 ***Supported by Studies Involving a Network Perspective.*** Proposed programs and projects shall be evidence-based. Feasibility studies should consider, among others, the effects of and the effects on other transport modes, sectoral development, and spatial strategies of nearby areas/regions. The planning and programming exercises of

the respective implementing agencies shall be guided and supported by relevant transport data and indicators. Knowledge-, information-, and resource-sharing, including the use of information and communications technology (ICT)-based systems shall be promoted.

- 12.5 ***Technical and Operational Feasibility.*** Projects shall meet required standards for safety and security, structural integrity and performance, and quality/level of service. These shall be supported, as far as practicable, by appropriate detailed designs, including value engineering/ value analysis, to determine the most cost-efficient and cost-effective solutions to deliver intended outcomes.

All transport program and projects shall have adequate institutional and management arrangements for the effective operation, maintenance, and use thereof over the economic life. These arrangements should sustain the performance and service levels of the projects as designed.

- 12.6 ***Economic Feasibility over the Life Cycle.*** All projects shall show a positive economic net present value (NPV), or a positive economic NPV over capital cost (NPV/C), or an economic internal rate of return (EIRR) that is at least equal to the ICC-prescribed social discount rate.

- 12.7 ***Environmental Soundness.*** Projects shall conform to appropriate ecological and environmental requirements based on the standards set under the law by appropriate regulatory bodies and agencies such as DENR, with assessment of the direct and indirect impacts of the project to the biophysical and human environment. Such impacts should be addressed by appropriate protection and mitigation/adaptation/enhancement measures.

- 12.8 ***Use of Environmentally Sustainable Technologies and Approaches.*** The use of clean and energy-efficient transport technology/fuels such as biofuels, natural gas, liquefied petroleum gas, hybrid, electric and Euro IV

or higher compliant vehicles, will be promoted. The continuous adoption of technologically responsive and applicable standards for vehicle emissions will be pursued.

- 12.9 ***Inclusive and People-Oriented Mobility.*** Inclusive mobility and accessibility shall be achieved through the prioritization of people-mobility over vehicle-mobility. In line with global best practices, public transport and shared transport modes will have priority in the use of public assets, including roads of all kinds. In addition, provision for non-motorized or active transport, such as walking and cycling, shall be incorporated in the design and implementation of transport projects. Such should include transit-oriented development (TOD), prioritization of pedestrians, and provision of support facilities that mainstream gender considerations. Active transport should be promoted through the development of greenways, car-free zones, public open spaces, sidewalks, bike lanes, and bicycle sharing services.
- 12.10 ***Universal Accessibility.*** All transport infrastructure should be designed and implemented using the universal accessibility design concept and accessibility principle, in accordance with the Accessibility Law (BP Blg. 344), the Magna Carta for Disabled Persons (RA 7277 as amended), and Expanded Breastfeeding Promotion Act of 2009 (RA 10028), and those promulgated or issued by the Council for the Welfare of Children (CWC), National Council on Disability Affairs (NCDA), among others, to ensure inclusion of all possible users.
- 12.11 ***Responsiveness to Disaster Risk Reduction and Climate Change Mitigation/Adaptation Strategies.*** Projects shall include resiliency and redundancy measures in transport networks in relation to both natural and human-induced hazards and disasters. Resilience shall be integrated into the design, construction, operation, and management of transport facilities. Key transport infrastructures such as ports and airports shall be available even during times

of disaster, which becomes more crucial in response, rescue, and relief operations, notably in the context of humanitarian logistics. Redundancy arrangements should provide alternative transport options in the event that a major facility or service is temporarily disabled or non-operational. National and local government shall have the capability to mobilize public transport services to augment existing transport operations in case of service interruptions or gaps in supply arising from emergencies.

Pursuant to existing laws and policies, national government agencies and LGUs shall insure transport infrastructure assets and facilities with the General Insurance Fund under the Government Service Insurance System, against calamities and any insurable risk.

- 12.12 ***Public Need and Social Acceptability.*** It is the responsibility of the government to periodically assess public need and to ensure that public need is met. All programs and projects must be formulated based on public need to ensure successful implementation, and thus public acceptance and use of proposed transport infrastructure, facility, and/or service. Social acceptance must be sought through the active involvement of stakeholders, especially women, children, the elderly, physically challenged, and displaced persons. Programs and projects must conform to applicable Gender and Development Guidelines, social safeguard policies, and laws guaranteeing accessibility for persons with disabilities. During project conceptualization, implementing agencies should formulate the resettlement action plan (RAP), which contains information on: (a) affected people and their socioeconomic profile; (b) the required resettlement's impact and mitigating measures therefor; and (c) schedule and timing of the resettlement activities. The RAP shall serve as guide for LGUs in implementing resettlement activities of affected households in transport projects.

Section 13. Formulation of the Philippine Transportation System Master Plan

- 13.1 The Philippine Transportation System Master Plan (PTSMP), shall be formulated, adopted, and periodically assessed and updated to guide the rational development of intermodal/multimodal transport network in the country through coordinated planning and operation of projects and programs as an integrated network of intermodal sub-systems.
- 13.2 The PTSMP shall guide implementing agencies and LGUs in their respective planning and programming exercises. Likewise, stakeholders in other productive sectors, (e.g., implementing agencies, private sector, etc.), are enjoined to make reference to the PTSMP in preparing their respective sector development plans and programs.
- 13.3 Future plans and projects shall consider the list of priority transport infrastructure projects identified in the PTSMP with corresponding timing and resource requirements (investment, operations, and maintenance costs), needed to be implemented within the short, medium, and long term plan period.

Section 14. Use of Data and Information Technology (IT) by Transport Agencies

- 14.1 A database system for transport-related data shall be established and maintained by the DOTr for all government agencies, data repositories, research institutions and members of the academe, particularly those that are involved in the collection and management of transport-related data.
- 14.2 Pursuant to the DICT Act of 2015 (RA 10844) and EO No. 2, s. 2016, transport-related agencies shall have information officers responsible for the preparation of a data management plan and the establishment and maintenance of a database system using a standard format.

- 14.3 The DOTr shall act as the central node/repository for all transport-related data. For the efficient collection, management, and dissemination of such data, all related database systems shall be linked to this central repository.
- 14.4 All public transport operators, regardless of mode, will provide the DOTr with access to all passenger and operational data, appropriately anonymized and in real time, where possible, so that the data can be used for planning, operations coordination, and passenger information. Such data will be owned by the DOTr and may be processed and shared with other local or national agencies or selectively provided as open data in the public interest.
- 14.5 The DOTr shall be the lead agency, together with other concerned agencies and stakeholders, in the development of a national travel demand model for use in forecasting passenger and cargo traffic, as well as the consolidation of transport safety statistics. The DOTr shall also work with other agencies, including those involved in public communications, to influence policies and promote positive travel demand management.
- 14.6 Pursuant to the Data Privacy Act (RA 10173), transport-related data will be made available to the public as open data, to encourage the participation of the private sector in the development of apps and other IT-based services that can enhance passenger welfare and convenience. The DOTr shall likewise cooperate with concerned agencies and academic institutions in terms of research and development for the sector.
- 14.7 All transportation infrastructure agencies shall maintain trackers on their websites with details of all major projects, including cost, contractors, and schedule of implementation beginning with the NEDA Board approval. Project trackers should be updated regularly.

RULE IV

COST RECOVERY AND SUBSIDIES

Section 15. Economic Measures for Cost Management

- 15.1 Fees (i.e., fares and freight transport cost) in the transport sector shall, as far as practicable, be determined following the principle of compensation expressed in such term as “users pay”.
- 15.2 Fares and fees/charges for transportation services shall be cost-based and shall recover, at the minimum, the operational and maintenance costs, net of eligible subsidies.
- 15.3 The DOTr shall formulate transparent pricing and subsidization/discount guidelines and criteria for adoption by the respective regulatory bodies, and update these periodically.
- 15.4 Subsidies, including incentives and other government undertakings, when so justified and allowed under existing laws, rules, and regulations, shall be direct, specific, and transparent. This may include, without limitation, transport infrastructure which are proven to have significant economic, environmental, and social benefits, and thus may be eligible for targeted and transparent subsidies under the government’s social policies. A subsidy may also be provided to cover operating costs during the initial ramp-up period of a new public transport service when revenues are rising but below the level of expenditures.
- 15.5 Cross-subsidies in general, shall be avoided. However, projects where private sector participation is needed

to improve operation/service efficiency, but is not financially viable without VGF, could be bundled with and subsidized by another project that generates sufficient commercial revenues.

- 15.6 Guarantees may be extended to missionary transport projects in development areas that may not be financially viable.

Section 16. Fees for the Use of Navigational Aids

Fees shall be levied against all vessels and aircrafts that call on Philippine maritime ports and airports, as well as those passing through the Flight Information Region of the Philippine airspace, to allow the government to recover the costs for providing, operating, and maintaining navigational aids. The fees shall be reviewed and adjusted periodically by the appropriate regulatory bodies (e.g., CAAP, MARINA) as mandated by their respective charters to generate sufficient revenues to sustain adequate level of service in terms of efficiency, safety, and security in compliance with applicable international standards.

RULE V

REGULATION OF PASSENGER TRANSPORT SERVICES

Section 17. Routes and Areas of Operation

- 17.1 Routes and areas of operation shall be determined and modified based on network analysis of travel demand and route capacities, and the application of technical, economic, and safety standards issued by the DOTr, upon prior consultation and coordination with relevant agencies and stakeholders.
- 17.2 The potential for emerging or developmental routes shall be based on estimates of potential demand.

Section 18. Economic Regulation of Road Transport Services

- 18.1 The LTFRB shall periodically evaluate and assess the public transport network and determine the public transport services needed in a particular locality. This will be based on local transport route plans derived from the analysis of local demand, growth factors, local transport infrastructure, and other conditions. Local public transport route plans prepared by LGUs are to be submitted to the LTFRB for review and approval. The approved local public transport route plans will serve as basis for the award of franchises by the appropriate regulatory authority.
- 18.2 On the basis thereof, the same body shall modify and, if warranted, open the route or area of operation for

franchised entry of the most qualified operator/entity through a competitive selection or bidding process. No preferential rights shall be recognized in favor of a prior operator beyond what is provided in existing issuances. In any event, all conditions for the valid invocation of such preferential rights shall be strictly enforced and regulatory bodies shall ensure, through the appropriate regulations, that the needs of the riding public in such route and area of operation are adequately served.

- 18.3 A suitable business model for public transport operations shall be implemented to ensure that passenger welfare and safety are guaranteed. This is in contrast to the current model that encourages risky driver behavior, where operator/driver revenues are based on number of passengers served. The alternative business model is such where operator/driver revenues are based on the number of seat-kilometers travelled. Such business model shall be made part of the overall public transport regulatory framework.

Section 19. Fare/Rate Setting for Public Land Transport Services

- 19.1 Fares for public land transport services shall, subject to relevant laws, rules, regulations, and existing contractual arrangements, be determined, set, or adjusted by the appropriate regulatory body. The regulatory body will take into account capital, operating and maintenance costs, and a reasonable return to the operator, as well as the convenience and ability to pay of the riding public, with due regard to prevailing economic circumstances.
- 19.2 In cases where contractual arrangements allow operators to set their fares and rates, and externalities adversely

affecting public interest occur, the regulatory body may, upon due process, intervene and set a range within which fare/rate adjustments may be made, or implement such measures as may be required by the circumstances with due regard to the interests of the passengers and the operators.

- 19.3 The regulatory body shall require operators to set up a uniform system of accounts, which shall be one of the bases for establishing stable, transparent, and predictable fares and fees/charges.

Section 20. Fare/Rate Liberalization and Monitoring of Airlines and Shipping Operations

- 20.1 To encourage new or existing operators and investors to make new or additional investments in the domestic airline and shipping industries, domestic operators shall continue to establish their own fare rate system, pursuant to existing laws, rules, and regulations, provided that public interest is served by fostering genuine competition.
- 20.2 The appropriate regulatory body shall monitor all domestic airline and shipping operations and if warranted, exercise regulatory intervention whenever it is established that public interest would be protected and safeguarded, subject to relevant laws, rules, and regulations.
- 20.3 Should there be market failure or externalities adversely affecting the public interest, the regulatory body may, upon due process, intervene and set the fare or a fare range within which adjustments may be made, or implement such measures as may be required by the circumstances with due regard to the interests of the passengers, shippers, and the operators.

Section 21. Fees and Charges Collection System

To complement seamless travel for passenger convenience and operational efficiency, an efficient IT-based toll and fare collection system shall be established over time for all public transport modes. A common national standard and technical specifications for the electronic fare/toll collection system will be adopted, so that it will be possible to have multiple issuers of fare media, with all being acceptable across all transport modes and in different parts of the country. The DOTr shall work to establish an integrated and interoperable fare system so that passengers can use several modes or have multiple transfers in a single journey while paying only one base fare, with the balance calculated on the basis of total distance traveled.

Section 22. Safety, Security, and Service Standards

- 22.1 The DPWH and DOTr, together with all concerned sectoral offices, attached agencies, and LGUs, shall regularly upgrade, update, and harmonize their respective standards on safety, level of service, and intermodal connectivity. The concerned agencies shall ensure that these standards are aligned with applicable international standards and practices, including universal accessibility design concept and accessibility standards, and shall strictly implement and enforce the same.
- 22.2 Implementing agencies are required to define the Level of Service/Performance Standards in their respective "Operating Guidelines" for transport facilities and services.
- 22.3 Instrumentation of bridges, viaducts, terminals, airports, ports, and other transportation infrastructures shall be implemented to monitor and ensure structural integrity before, during, and after calamities. These activities will be carried out to ensure infrastructure resilience, which

is important in disaster response and economic continuity. Structural health monitoring shall be conducted periodically.

- 22.4 Road safety will be given prominence in national transport programs and projects. Organic road safety units shall be established in the DPWH and in LGUs to implement road safety at the design and engineering levels of national and local roads. Organic road safety units shall be established in the DOTr, LTFRB, and LTO to ensure the creation of road safety measures related to traffic management, fleet management, and vehicle safety standards.
- 22.5 For air and maritime sector, all aircrafts or vessels shall at all times be in airworthy or seaworthy condition, properly equipped with adequate life-saving, communication, safety, and other equipment operated, maintained, and manned by duly licensed and competent crew, in accordance with the standards set by CAAP, CAB, and MARINA.
- 22.6 On top of the criminal and civil liabilities arising from transport-related accidents, the government may impose penalties and fines on economic and social disruptions resulting from the obstruction around the area of the accident.
- 22.7 Use of GPS (or black box similar to aircrafts) for all passenger and freight vehicles shall be implemented to improve safety and reliability, as well as to facilitate data collection for policy development.

RULE VI

TRANSPORTATION MANAGEMENT IN URBAN AND REGIONAL AREAS

Section 23. Integration of Land Use and Transport Planning

- 23.1 All government agencies and LGUs involved in the movement of people, goods, and services, and in the provision of transportation infrastructure, facilities, and services shall adopt an integrated approach to land use and urban transport planning. This approach will be utilized to effectively managed growth in urban areas and ensure that the capacity of transport facilities can accommodate the demand for movement of passengers and goods to, from, and within the centers of socioeconomic activities. Accordingly, the CDPs of LGUs should cover transport sector needs. In urban areas, the CDPs should be regularly updated to account for new and significant land use and transport developments.
- 23.2 LGUs in coordination with the DOTr and other national agencies concerned with transportation development, may implement strategies focusing on accessibility, connectivity, TOD, improvement of public transport facilities and mixed-use development, and other related measures to minimize vehicle trips while maximizing the use of mass transportation.

Section 24. Defining a Hierarchy of Public Transportation in Urban Areas

- 24.1 To promote sustainable and inclusive mobility, LGUs and national agencies shall accord highest priority to the development of proper sidewalks and networks of bicycle lanes that will encourage active transport and provide safe and direct access to priority destinations such as housing, education, health, and business centers as well as public transport nodes.
- 24.2 Light electric transport such as electric bicycles, electric scooters, and similar devices, which allow low-emission and space-efficient transport, are recognized for their benefits in expanding mobility, especially for persons with disabilities and the elderly. Such devices shall be given consideration in the design of active transport networks.
- 24.3 Public mass transportation in urban areas shall be given priority over private motor vehicles in the use of road space and all legal easements to ensure accessibility, convenience, reliability, safety, security, and fare competitiveness.
- 24.4 The DOTr shall be guided by a hierarchy of urban public transport services in assigning appropriate modes to various routes or areas of operation, giving consideration to the land use patterns of urban areas, economic viability, and complementarity, among others. For this purpose, such hierarchy shall be set as follows, from the public transport system of highest capacity:
- a. Mass transit (e.g., light rail, metro, subway, or BRT)
 - b. Buses (10 meters or more in length)
 - c. Minibuses (7-9 meters in length)
 - d. River ferry systems
 - e. Jeepneys and vans

- f. Taxis
- g. Tricycles

Other transport modes that may be approved by the appropriate authority may be included in the public transport hierarchy.

Section 25. Cost-Effective Mobility Management Measures

- 25.1 In addressing traffic congestion and other related concerns, priority shall be given to cost-effective mobility management measures over more expensive infrastructure facilities. In the re-design or expansion of roads or the development of new roads, consideration will be given to achieving higher throughput of people rather than vehicles. In this regard, the design and evaluation of road and bridge projects shall consider the mix of transport modes (including public transport, walking, and cycling) that will optimize people throughput. Existing laws and regulations shall be revised to encourage carpooling and ride-sharing in private vehicles. Owners of private roads and easements will be encouraged to make these available to improve mobility. Road projects shall also be considered where there is a clear need for additional infrastructure facility to address road network deficiencies such as major traffic bottlenecks and missing links.
- 25.2 In congested metropolitan areas where road expansion can no longer keep pace with the growth of private motor vehicles, travel demand management (TDM) measures such as road congestion charging, higher parking charges, and parking restrictions shall be implemented. Traffic engineering solutions and the use of intelligent transport systems (ITS) shall be adopted.

Local development of ITS of DOST and DOE shall be supported and, where feasible, shall be utilized by the government.

- 25.3 MMDA, LGUs, and counterpart metropolitan institution in other urban areas, must formulate and implement TDM measures appropriate to their local circumstances, taking into account the need for harmonization of rules and ordinances across jurisdictions in the transport network to avoid discontinuity in the movement of people, goods, and services.
- 25.4 LGUs shall strictly implement measures to promote and maintain road accessibility through legislation, clearing programs, and removal of roadside obstructions within their respective jurisdiction.
- 25.5 The updating of the IRR of the National Building Code and related land use regulations shall incorporate modern multi-user road design guidelines, eliminate parking minimums for buildings, and encourage higher density TOD in urban areas.
- 25.6 Repair and maintenance of all road infrastructure and installation of public utilities such as water lines, sewer lines, and power lines that are laid out in public thoroughfares shall be well planned, properly coordinated, and completed at the shortest possible time, with the least disturbance and inconvenience to the public and not to cause major and long-term disruption to the transport network systems.

Section 26. Traffic Education

- 26.1 The shift to a people-oriented mobility paradigm should be inculcated in policy-makers, legislators, government officials, planners, police, and traffic enforcers at both

national and local levels. The change of transport policy shall be reflected in directives, manuals, and training programs for these public sector actors.

- 26.2 Trainings/seminars on traffic rules and regulations and the corresponding testing and examination shall be strictly administered for new applicants of driver's license, while a retraining may be required for renewal of license, based on a penalty point system, in accordance with existing laws, regulations, and issuances. Such training programs shall be upgraded over time to include modules emphasizing that priority should be given to pedestrians, cyclists, and public transport and that there is a need to shift from vehicle-oriented to people-oriented mobility paradigms.
- 26.3 With LTO as the coordinating agency, the LTFRB, MMDA, DepEd, and TESDA shall jointly develop a standardized program module for driver's education including traffic rules and regulations, as well as driver and pedestrian etiquette, which may be incorporated as a mandatory subject in the K-12 Curriculum. The program module shall also be used in existing training institutes for re-educating erring motorists (apprehended for traffic offenses), as well as for training traffic enforcers from LGUs nationwide prior to deployment.
- 26.4 Meaningful participation of civil society and civic organizations shall be encouraged, and social awareness will be pursued to promote safe and responsible driving behavior and people-oriented mobility approaches.

Section 27. Mandatory Institutional Arrangements for Transport and Traffic Management in Cities

Each city will establish a transport and traffic management unit with the following functions:

- 27.1 Provide transportation sector inputs in the city's CDP, CLUP, and other relevant plans;
- 27.2 Prepare the city's Local Public Transport Route Plan;
- 27.3 Plan and implement policies, projects, and programs that will improve the mobility of its citizens and visitors;
- 27.4 Coordinate with the DOTr, LTFRB, LTO, PNR, LRTA, PPA, MARINA, PCG, CAAP, other LGUs, and public transport operators in all aspects of public transport network development, as may be necessary; and
- 27.5 Discharge functions to LGUs that are mandated by the Local Government Code in the areas of transport planning and traffic engineering and management.

Section 28. Consolidation and Harmonization of Traffic Ordinances

- 28.1 All traffic rules, regulations, ordinances, and issuances in each metropolitan area shall be consolidated and harmonized into a comprehensive regulatory framework for land-based traffic management in the metropolis.
- 28.2 In each metropolitan area, a single unified ticketing system for the imposition and collection of fees and penalties for all kinds of traffic violations for motorists and pedestrians shall be administered.

Section 29. Development of Ports Outside Metro Manila

To decongest the roads of Metro Manila, utilization, modernization, and capacity expansion of ports outside of Metro Manila shall be promoted. Shipment of more cargo from ports outside of Metro Manila, (e.g., Batangas, Subic Ports, etc.) shall be encouraged to optimize the investments in the ports, toll roads, and railways. Locators and shippers shall be enticed to use these ports through the provision of adequate ancillary services.

Section 30. Truck Ban in Urban Roads

Recognizing that carriage of goods is the life-blood of urban economy, any proposal to restrict the movements of trucks in urban areas to ease traffic and reduce traffic accidents must take into account economic impacts. Alternative routes for trucks shall be planned, provided, and constructed as needed. The DOTr and DILG shall extend assistance to LGUs in reviewing such proposals and in formulating corresponding strategic action/implementation plan.

RULE VII

SUPPORT TO OTHER ECONOMIC SECTORS

Section 31. Establishment of Seamless, Intermodal Transport Logistics Network

- 31.1 The DOTr shall, in coordination with the appropriate agencies of the government and the private sector, establish a seamless and demand-responsive intermodal transport logistics network to ensure efficient logistics and supply chains and unimpeded flow of people, goods, services, disaster response equipment, relief goods, and basic commodities in times of emergencies.
- 31.2 Pursuant to the relevant provisions of the Local Government Code, passenger and goods carried into, out of, or passing through LGUs shall not be burdened by LGU-imposed transport procedures and costs. The DILG, in coordination with the DOTr and DPWH, shall pursue measures to eliminate any arbitrary charges/toll-like fees levied by LGUs on goods and people passing through their jurisdictions.

Section 32. Tourism, Trade, and Agro-Industry Convergence Programs

- 32.1 Transport agencies shall strengthen convergence in support of agriculture, industry, trade, and tourism development by ensuring that these economic sectors are provided with adequate transport infrastructure support and services through the implementation of Convergence Programs.
- 32.2 Convergence Programs for the tourism sector shall also consider airport and seaport/RORO terminal development,

parking facilities to encourage park and fly/sail/ride modalities, common-user bus terminals as interface for mass transit and road transport services, and farm- and tourism-related transport projects.

- 32.3 The DPWH and DTI shall jointly pursue the identification and implementation of industry-developing infrastructure projects in priority economic and manufacturing zones. The DTI shall identify the priority industries to be provided with road access infrastructures.
- 32.4 In developing transport systems to support Convergence Programs, their use for the transport of disaster response equipment, relief goods, and basic commodities during times of emergencies resulting from natural calamities and other disasters shall also be considered.

Section 33. Establishment of Single Transport Document and Single Access Point One-Stop Shop

For cargo shipments, the DOTr will work with the DTI, DA, DOF, Bureau of Customs, and other appropriate government agencies in the establishment of the following systems and procedures to ensure transparent and expeditious processing of cargo shipments:

- 33.1 Single Transport Document for customs, immigrations, quarantine, safety, environmental protection, and security purposes that can be used in all transport modes, thereby facilitating multimodal freight transport and enhancing the framework offered by multimodal waybills or manifests.
- 33.2 Single Access Point (One-Stop Shop) shall be established for administrative processes and procedures in all modes to simplify and decentralize exchanges of freight-related information and substantially reduce the cost of regulatory requirements, making best use of ICT.

Section 34. Standardizing Handling Characteristics of Intermodal Loading Units

To facilitate transshipment between modes and reflect technological developments, national standards for intermodal loading units shall be introduced. Transaction costs in handling operations between modes shall be reduced by standardizing certain handling characteristics of intermodal loading units.

Section 35. Developing Interfaces between Long Distance Deliveries and Short Distance Distribution

- 35.1 As transport logistics involve distribution in urban areas, efficient interfaces between truck deliveries over longer distances and distribution to the final destination over short distances shall be developed with full consideration of land use and transport network plans, environmental impacts, and schematic traffic engineering/management system plans.
- 35.2 In the freight/trucking sector, consolidation of operators with smaller fleets by forming cooperatives or consortia shall be encouraged in order to better manage fleet movement and overall operations.
- 35.3 Where warranted by the logistics chain characteristics, consolidation/distribution centers such as truck terminal and rail-served inland container depots shall be established outside of urban and metropolitan areas. These centers will be provided with the necessary transport access and mode interchange cargo handling facilities to facilitate the interface between long distance deliveries and short distance distribution in urban areas. Logistic hubs shall be strategically located, considering connectivity with each other, route optimization for logistics service providers, and use of IT tools/services for freight matching and load consolidation.

RULE VIII

GOVERNANCE AND INSTITUTIONS

Section 36. Transparency and Accountability Initiatives

Transport-related agencies shall encourage and support transparency and accountability initiatives to effectively engage the private sector and civil society in the implementation of transport projects. To promote objectivity in government processes, computerized/IT-based procedures and measures shall be instituted.

Section 37. Technical Assistance to LGUs

The DOTr and DPWH shall extend assistance to LGUs to enhance their capacities and capabilities in the areas of transport planning, program/project implementation and monitoring, traffic engineering and management, and transport and land use integration. Such assistance shall be time-bound essentially founded on joint financial initiatives and shall be defined by the concerned parties at the outset.

Section 38. Separation of Conflicting, Overlapping, and Redundant Functions of Transport Agencies

38.1 All transport-related agencies shall forthwith reorganize transportation agencies under them or attached thereto to separate regulatory and operating functions, and to eliminate overlapping, conflicting, or redundant functions. Appropriate restructuring, re-alignment, or

re-assignment of functions that may be administratively modified shall be immediately undertaken.

- 38.2 Pending legislation of the necessary institutional reforms to right size the operation and reorganize the administrative and functional structure of the different agencies or instrumentalities of the national government, all transport-related agencies shall continue to work closely in ensuring the efficient and harmonized formulation and implementation of policies, programs, and projects for the transport sector.
- 38.3 Appropriate measures for legislative action such as the creation of respective independent regulatory bodies for the railway, civil aviation, and maritime transport sector shall be pursued.
- 38.4 To enhance safety and security across the transport sector, it shall be the policy to separate safety/security regulations and responsibilities from the economic/social regulations and responsibilities across the transport agencies as soon as practicable. The DOTr will pursue legislative action to create an independent body that will investigate transport incidents and crashes and provide transport safety recommendations where necessary.
- 38.5 For personnel that may be adversely affected by any restructuring or reorganization of a transport-related agency, appropriate separation and/or retirement remuneration/benefits shall be provided to all the affected personnel whether hired on a permanent, temporary, or contractual basis and with appointment attested by the CSC due to the restructuring/reorganization of concerned agencies.
- 38.6 All plans and actions/activities undertaken in relation thereto shall be reported to the IATCTP and INFRACOM.

Section 39. Coordination of All Transport Agencies and Metropolitan LGUs

- 39.1 The DOTr, in the exercise of its mandate to prepare and formulate plans, programs, and projects for the national transportation system, shall collaborate with DPWH for the planning of road and bridge infrastructure. Likewise, the DOTr together with other transport agencies shall ensure that all transport modes are integrated and intermodal. All coordination activities are to be undertaken in accordance with the respective mandates of the agencies concerned.
- 39.2 LGUs in metropolitan areas with no formal organization similar to Metro Manila may consolidate or coordinate their efforts, services, and resources for urban transportation concerns or requirements that transcend individual administrative boundaries through agreements authorized under appropriate ordinances.

Section 40. Strengthening Institutional Capacity and Capability

- 40.1 The DOTr will continuously develop its capacity in planning and project implementation, and in the operation of transportation systems. In the near term, the DOTr will submit to the DBM a restructuring and rationalization plan to augment its technical skills and staff resources, which include a major program to recruit new staff and to provide capacity building in transportation planning, policy making, and research and development for its personnel.
- 40.2 The DOTr shall formulate the overall policy and strategic direction for transport development and update this

strategic plan periodically. Its supervised and attached agencies/GOCCs, in accordance with their mandates, shall provide the corresponding rules and regulations to implement such vision and strategic plan.

- 40.3 Consistent with the objective of improving the public mass transport systems such as rail, the government shall undertake the necessary steps in establishing a Philippine Railway Institute (PRI) which will serve as a training center for employees of public railways, as well as for individuals desiring to acquire the technical skills and expertise related to the rail sector. The PRI will also serve as a center for capacity development for public railway operation, regulator for private railway training centers, and research arm for the development of the railways in the country.

In the interim, the DOTr, in partnership with the NCTS and other educational institutions with existing programs related to railways, shall formulate the training programs or courses for railway planning, design, operations, and management.

RULE IX

FINAL PROVISIONS

Section 41. Amendments

The INFRACOM, through the IATCTP, may, as the need arises, formulate and prescribe amendments to the IRR, consistent with the letter and spirit of the NTP as approved. No amendments to these IRR may be adopted and prescribed by the Committee without due public consultation/hearing and publication.

Section 42. Transitory Clause

All valid and existing contracts entered into by the government prior to the effectivity of this IRR shall not be impaired and shall be upheld.

Section 43. Separability Clause

Any portion or provisions of this IRR that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof, as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

Section 44. Repealing Clause

All orders, memoranda, circulars, and other issuances or parts thereof, which are inconsistent with this IRR, are hereby repealed or modified accordingly.

Section 45. Effectivity

This IRR shall take effect fifteen (15) days after its publication in the Official Gazette and in a newspaper of general circulation.²

² The IRR of the National Transport Policy was published in general circulation on December 30, 2019.

UNANIMOUSLY APPROVED.

14 December 2018, Philippines.


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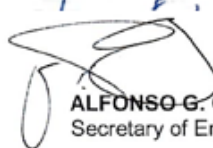
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KARLO ALEXEI B. NOGRALES
Cabinet Secretary

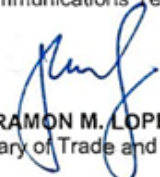

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