

**XXIII. DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS**

**A. OFFICE OF THE SECRETARY**

**STRATEGIC OBJECTIVES**

**MANDATE**

The Department of Transportation and Communications (DOTC) aims to develop, promote, implement and maintain integrated and strategic transportation and communication systems that will ensure safe, reliable, responsive and viable services to accelerate economic development and to better serve the transport and communication needs of the people.

**VISION**

By 2030, DOTC shall be a world-class organization, providing integrated transport; connecting people, islands, families, communities and the nation with the rest of the world; and constantly responding to the demand for environmentally sustainable and globally competitive transport.

**MISSION**

To provide the country with an efficient, effective and secure transportation system that is globally competitive, compliant with international standards and responsive to the changing times.

**KEY RESULT AREAS**

Rapid, inclusive and sustained economic growth

**SECTOR OUTCOME**

Access to markets and seamless interconnection of the entire country

**ORGANIZATIONAL OUTCOME**

The development of a transport network of moving people, goods, and services

**New Appropriations, by Program/Project**

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Current Operating Expenditures

		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>					
100000000	General Administration and Support	P 547,128,000	P 1,107,407,000	P 20,192,000	P 1,674,727,000
300000000	Operations	697,553,000	6,310,446,000	6,587,000	7,014,586,000
	MFO 1: Transport Policy Services	61,387,000	60,074,000	332,000	121,793,000
	MFO 2: Motor Vehicle Registration and Driver's Licensing Regulatory Services	314,981,000	4,528,397,000	375,000	4,843,753,000
	MFO 3: Regulation of Public Transport Services	102,194,000	132,036,000	1,542,000	235,772,000

GENERAL APPROPRIATIONS ACT, FY 2014

MFO 4: Rail Transport Passenger Services	218,991,000	1,589,939,000	4,338,000	1,813,268,000
<b>Total, Programs</b>	<b>1,244,681,000</b>	<b>7,417,853,000</b>	<b>26,779,000</b>	<b>8,689,313,000</b>
<b>PROJECT(S)</b>				
400000000 Locally-Funded Project(s)		4,791,473,000	14,184,745,000	18,976,218,000
500000000 Foreign-Assisted Project(s)			12,729,059,000	12,729,059,000
<b>Total, Project(s)</b>		<b>4,791,473,000</b>	<b>26,913,804,000</b>	<b>31,705,277,000</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 1,244,681,000</b>	<b>P12,209,326,000</b>	<b>P26,940,583,000</b>	<b>P40,394,590,000</b>

**New Appropriations, by Central / Regional Allocation**

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**Current Operating Expenditures**

REGION	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
Central Office	P 437,975,000	P 6,694,382,000	P26,919,004,000	P34,051,361,000
Regional Allocation	806,706,000	5,514,944,000	21,579,000	6,343,229,000
National Capital Region (NCR)	257,903,000	4,962,393,000	6,562,000	5,226,858,000
Region I - Ilocos	46,898,000	37,753,000	1,538,000	86,189,000
Region II - Cagayan Valley	38,075,000	30,611,000	36,000	68,722,000
Cordillera Administrative Region (CAR)	27,106,000	24,252,000	740,000	52,098,000
Region III - Central Luzon	66,622,000	82,441,000	3,140,000	152,203,000
Region IVA - CALABARZON	57,501,000	78,455,000	860,000	136,816,000
Region IVB - MIMAROPA	8,345,000			8,345,000
Region V - Bicol	34,846,000	30,863,000	99,000	65,808,000
Region VI - Western Visayas	43,957,000	36,406,000	1,402,000	81,765,000
Region VII - Central Visayas	38,960,000	49,957,000	943,000	89,860,000
Region VIII - Eastern Visayas	36,792,000	25,197,000	860,000	62,849,000
Region IX - Zamboanga Peninsula	27,857,000	26,701,000	2,330,000	56,888,000
Region X - Northern Mindanao	34,785,000	30,573,000	90,000	65,448,000
Region XI - Davao	31,345,000	31,631,000	1,926,000	64,902,000
Region XII - SOCCSKSARGEN	31,346,000	31,084,000	1,053,000	63,483,000
Region XIII - CARAGA	24,368,000	36,627,000		60,995,000
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 1,244,681,000</b>	<b>P12,209,326,000</b>	<b>P26,940,583,000</b>	<b>P40,394,590,000</b>

**Special Provision(s)**

1. **Special Vehicle Pollution Control Fund.** In addition to the amounts appropriated herein for the Land Transportation Office (LTO), Eight Hundred One Million Eight Hundred Thirty Two Thousand Pesos (P801,832,000) sourced from the seven and one-half percent (7.5%) collections from the Motor Vehicles User's Charge, constituted into the Special Vehicle Pollution Control Fund, shall be used for air pollution control in accordance with Section 7 of R.A. No. 8794.

Releases from said Fund shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, s. 1987.

The LTO shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments on the utilization of said amount. The Executive Director of LTO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the LTO.

2. **Seat Belt Use Fines.** In addition to the amounts appropriated herein for the LTO, Eighty Two Million Eight Hundred Fifty Nine Thousand Pesos (P82,859,000) sourced from fines imposed by LTO against drivers, operators, owners of vehicles, manufacturers, assemblers, importers and/or distributors for violation of the rules and regulations on the use and installation of seat belts shall be used for the implementation of the provisions of R.A. No. 8750, including the necessary promotion campaigns on the use of seat belt devices in accordance with Section 13 of R.A. No. 8750, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The LTO shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments on the utilization of said amount. The Executive Director of LTO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the LTO.

3. **Provision for Public-Private Partnership Transportation Infrastructure Project.** The amount of One Hundred Twenty Three Million Six Hundred Thousand Pesos (P123,600,000) appropriated herein for the Public-Private Partnership Strategic Support Fund shall be used exclusively to cover the payment for right-of-way acquisition and related costs, including costs incurred for the removal and relocation of informal settlers and illegal occupants on the land or property and the payment of the government counterpart for the design and construction of the Mactan Cebu International Airport Expansion Project: PROVIDED, That no amount from this Fund shall be used to pay the private partner's financial obligations whose payment the government has guaranteed.

4. **Servicing of Metro Rail Transit Obligations.** The amount needed for the payment of prior and current years' obligations for equity rental and maintenance fees and other obligations, such as, staffing and administrative cost, agency fee, cost for special repairs, and systems insurance due to the Metro Rail Transit Corporation (MRTC), as specified in the build-lease-and-transfer agreement executed between the DOTC and MRTC, shall be charged against the fare box revenue and all non-rail collections/income of the Metro Rail Transit (MRT) 3: PROVIDED, That in case of insufficient collections/income, the same may be augmented by the amounts appropriated herein for mass transport subsidy.

The payment of the foregoing obligations and fees shall cease upon full payment of the equity value buy-out of the MRTC by the National Government through the DOTC which will result to the automatic termination of the said build-lease-and-transfer agreement.

The DOTC shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance a certification of monthly income collected and actual expenses incurred, and a year-end audited financial statement of the MRT 3 operations. The Secretary of Transportation and Communications and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the year-end audited financial statement is posted on the official website of the DOTC.

5. **Light Rail Transit Authority Projects.** The amount of Five Billion Four Hundred Thirty Seven Million Seven Hundred Sixty Eight Thousand Pesos (P5,437,768,000) appropriated herein for the LRT Line 1 Cavite Extension Project and LRT Line 2 East Extension Project, including prior years' releases shall be recorded as equity contribution of the National Government upon the passage of a bill increasing the capitalization of Light Rail Transit Authority.

6. **Construction of Various Airports and Navigational Facilities.** The amount of Seven Billion One Hundred Thirteen Million One Hundred Ninety Eight Thousand Pesos (P7,113,198,000) appropriated herein for the construction of various airports and navigational facilities, and acquisition of navigational equipment shall be recorded in the books of accounts of the DOTC and transferred to the Civil Aviation Authority of the Philippines as equity contribution of the National Government pursuant to Section 14 of R.A. No. 9497.

7. **Construction of Various Ports.** The amount of One Billion Seventy Nine Million Five Hundred Thousand Pesos (P1,079,500,000) appropriated herein for the construction of various ports in the Philippines shall be recorded as equity contribution of the National Government to the Philippine Ports Authority pursuant to Section 10(b)(ii), Article VI of P.D. No. 857.

8. **Quick Response Fund.** The amount of One Billion Pesos (P1,000,000,000) is appropriated for the Quick Response Fund (QRF), which shall serve as a standby fund to be utilized for relief and recovery programs and projects necessitated by the occurrence of disasters, calamities, and other crises, whether natural or man-made.

The QRF shall enable the immediate rehabilitation and operation of airports, seaports, railways, inter-island linkages such as roll-on roll-off systems, and other crucial transportation facilities which may have been damaged or destroyed, including incidental MOOE costs, for the prompt restoration of normalcy in the delivery of basic services to affected people during emergency situations.

The DOTC shall submit to the National Disaster Risk Reduction and Management Council (NDRRMC), copy furnished the DBM, the House Committee on Appropriations and the Senate Committee on Finance, quarterly report on the status of the utilization of the QRF, either in printed or electronic form. The Secretary of Transportation and Communications, through the management information system service, shall be responsible for ensuring that the quarterly reports are regularly uploaded in the official website of the DOTC. (GENERAL OBSERVATION -

President's Veto Message, December 20, 2013, page 1110, R.A. No. 10633)

9. **Engineering and Administrative Overhead Expenses.** The DOTC is authorized to deduct not more than three percent (3%) of the project cost to be used for the following: (i) administrative overhead including the hiring of individuals which shall be limited to those under job orders or contracts of service or such other engagement of personnel hired without any employer-employee relationship; (ii) pre-construction activities after detailed engineering; (iii) construction project management; (iv) testing and quality control; (v) acquisition, rehabilitation and repair of heavy equipment and other related equipment and parts used in the implementation of infrastructure projects; and (vi) contingencies in relation to pre-construction activities: PROVIDED, That the engineering and administrative overhead expenses shall be treated/booked-up as capitalized expenditures and shall form part of the project cost: PROVIDED, FURTHER, That engineering and administrative overhead expenses shall not be authorized for infrastructure projects costing Five Million Pesos (P5,000,000) and below.

The DOTC shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on said disbursements. The Secretary of Transportation and Communications and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the DOTC. Violation of, or non-compliance with this provision shall subject the government official or employee concerned to administrative, civil and/or criminal sanction in accordance with Section 43 of Chapter 5, Section 57 of Chapter 6, and Section 80 of Chapter 7, Book VI of E.O. No. 292.

10. Realignment of Funds. The Secretary of Transportation and Communications is authorized to approve realignment of allotment released from appropriations of the Department from one project/scope of work to another: PROVIDED, That the realignment may only be undertaken once per project and not later than the third quarter of the current year: PROVIDED, FURTHER, That realignment is made to another project/scope of work within the same project category, as the original project and within the same DOTC Implementing Unit: PROVIDED, FURTHERMORE, That the allotment released has not been obligated for the original project/scope of work: PROVIDED, FINALLY, That in no case shall splitting of projects or deliberate creation of gaps to justify itemization of a single project be allowed.

The DOTC shall inform the DBM, in writing, of every realignment within five (5) calendar days from its approval. The Secretary of Transportation and Communications and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that such realignment is likewise posted on the official website of the DOTC within the same period.

Implementation of this provision shall be subject to guidelines to be issued by the DOTC.

11. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

**PERFORMANCE INFORMATION**

**KEY STRATEGIES**

1. Improve project development and implementation
2. Develop transparent procurement process from project's Terms of Reference (TOR) writing up to Bids and Awards Committee (BAC) procedures
3. Encourage Public-Private Partnerships (PPPs)
4. Synchronize planning and budgeting
5. Improve the institutional and regulatory environment of the Infrastructure Sector
6. Coordinate and integrate infrastructure initiatives
7. Climate Change Adaptation (CCA) and Disaster Risk Reduction Management (DRRM)
8. Improve economic development and generate employment in infrastructure development

**MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS**

**Targets**

**MFO 1: TRANSPORT POLICY SERVICES**

No. of plans and policies developed and issued or updated and disseminated	57
Ave. % of clients who rate the plans and policies as satisfactory or better	10%
% of policies updated over the last three years	30%

**MFO 2: MOTOR VEHICLE REGISTRATION AND DRIVER'S LICENSING REGULATORY SERVICES**

**Vehicle Registration**

No. of motor vehicles registered	7,697,730
% of registration completed within four hours	85%

**Driver Licensing**

No. of driver's licenses and permits issued	4,537,720
% of applications acted upon within one hour of receipt of compliant applications	85%

**Monitoring**

% of vehicles inspected for which a violation ticket is issued	85%
% of total licensed vehicles subjected to roadside inspection annually	85%

**Enforcement**

No. of apprehensions for which a Temporary Operator's Permit (TOP) is issued and complaints acted upon	1,009,680
% of recorded violations that are resolved or referred for prosecution within five working days	85%

**MFO 3: REGULATION OF PUBLIC TRANSPORT SERVICES****Franchising**

% of new Certificates of Public Convenience (CPC) acted upon over the compliant applications received	83%
% of extension of validity acted upon over the no. of petitions for extension of validity received	76%
% of dropping/substitution acted upon over the no. of dropping/substitution filed	64%
% of other petitions acted upon over the no. of other petitions received	89%
% of special permits acted upon over the no. of applications received	90%
% of sale and transfer acted upon over the no. of petitions for sale and transfer received	85%
% of confirmations acted upon vs. no. of authorized units	90%

**Monitoring**

No. of inspected franchise holders that are audited/monitored and compliant with rules and regulations	100,000
% of franchise holders audited/monitored/penalized for non-compliance of rules and regulations	10%
No. of days to conduct the audit/monitoring of franchise holders	1 year

**MFO 4: RAIL TRANSPORT PASSENGER SERVICES**

No. of passenger kilometers travelled (per day)	4,445,733
No. of passenger unloading incidents (annual)	364
Average travel speed	48 kph
Compliance with approved Time Table	90%