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SENATE

P.S. Res. No. 587

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Introduced by SEN. WIN GATCHALIAN

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION AND IN THE EXERCISE OF THE SENATE'S OVERSIGHT FUNCTIONS, ON THE COMPLIANCE BY TOLL OPERATORS AND CONCESSIONAIRES WITH THE MINIMUM PERFORMANCE STANDARDS FOR OPERATIONS AND MAINTENANCE OF OUR TOLLWAYS SET IN THEIR RESPECTIVE TOLL OPERATIONS AGREEMENT OR CERTIFICATE, WITH THE END VIEW OF REVIEWING EXISTING CONCESSION AGREEMENTS AS WELL AS THE POWERS AND FUNCTIONS OF THE TOLL REGULATORY BOARD

1 **WHEREAS**, Presidential Decree No. 1112 (PD 1112), otherwise known as
2 the "Toll Operation Decree", recognizes the role of the private sector in developing
3 desirable infrastructure projects that complement the over-all national
4 development effort. However, it also acknowledges the need to supervise and
5 regulate the collection of toll fees and operation of toll facilities by the private
6 sector to promote and protect the public's interests;

7 **WHEREAS**, the Toll Regulatory Board (TRB), by virtue of PD 1112, was
8 created to grant authority to operate a toll facility and issue the necessary "Toll
9 Operation Certificate" subject to certain conditions as well as the power to
10 amend, modified or revoke the same whenever public interest so requires;

11 **WHEREAS**, on 13 August 2020, the Department of Transportation, thru
12 Department Order No. 2020-12, mandated the compulsory use of the radio
13 frequency identification device (RFID) or similar methods to ensure 100%
14 cashless or contactless transaction when entering and using tollway facilities to
15 lessen human contact and prevent coronavirus infections. It likewise directed the
16 TRB to promulgate rules that will require concessionaires and operators of toll
17 expressways to transition to 100% electronic toll collection (ETC) lanes;

1 **WHEREAS**, the full implementation of the ETC lanes was moved by one
2 month from November 2, 2020 to December 1, 2020 due to the clamor of
3 motorists who have yet to install RFID stickers on their vehicles;

4 **WHEREAS**, prior to the implementation of the 100% ETC lanes, there have
5 been reports of several malfunctioning RFID sensors in toll plazas.¹ These
6 malfunctioning RFID sensors, together with the lifting of truck ban and
7 installation of RFID stickers at the tollway, contributed and exacerbated the
8 already dismal traffic situation in the tollways and nearby roads since the shift
9 to a purely cashless toll collection system;

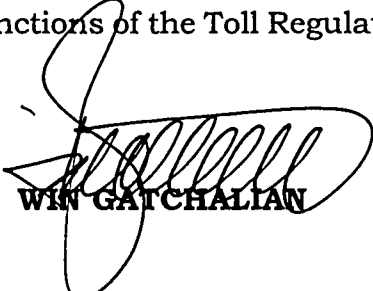
10 **WHEREAS**, the defective RFID sensors have long been reported and raised
11 by RFID users but remain to be a problem in several jurisdictions. It also affects
12 the performance and transaction capacity of each toll lane using said sensors,
13 thereby adding to the heavy volume of vehicles on the road;

14 **WHEREAS**, there is a need to review the concession agreements of existing
15 tollway operators and concessionaires to check if the operation of their toll
16 collection system conforms with the minimum standard specifications for
17 operations and maintenance under their respective toll operations certificate or
18 agreement that would tantamount to a material breach of their obligations under
19 their toll operations certificate or agreement;

20 **WHEREAS**, PD 1112 created the TRB to precisely supervise and regulate
21 the operations of tollways to protect public interest. Thus, there is a need to
22 review if existing oversight mechanisms set by PD 1112 and the TRB are proper
23 and remains effective;

24 **NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED,**
25 to direct the appropriate Senate Committee to conduct an inquiry, in aid of
26 legislation and in the exercise of the Senate's oversight functions, on the
27 compliance by toll operators and concessionaires with the minimum performance
28 standards for operations and maintenance of our tollways set in their respective
29 toll operations agreement or certificate with the end view of reviewing existing
30 concession agreements as well as the powers and functions of the Toll Regulatory
31 Board.

32 Adopted,



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¹ <https://opinion.inquirer.net/110010/rfid-malfunction>