



STATEMENT OF THE LEAGUE OF CITIES OF THE PHILIPPINES ON THE ONGOING AMENDMENTS TO REPUBLIC ACT 8794

The Senate and Congress are currently in talks regarding the amendment of the Republic Act (RA) 8794 or the Motor Vehicle User's Charge (MVUC) Law. RA 8794 provides for the imposition of MVUC. The law apportions a 5-percent share of the MVUC to the maintenance of provincial and city roads via the Special Local Road Fund (SLRF). The bicameral negotiations gear towards the abolition of the Road Board, the remittance of the MVUC collection to the National Treasury, and the inclusion of funds for road construction and maintenance in the General Appropriations Act (GAA). The ongoing revision of RA 8794 presents an opportunity for the League to let its position on the matter be heard, and ensure the welfare of Filipinos living in cities as called for by the mandate of its 145 members. **In this regard, the League respectfully appeals for an increased share of the SLRF from the MVUC and its direct transfer to the local government units as allowed by the law.**

Section 17 of the 1991 Local Government Code (LGC) enjoins LGUs to be self-reliant in exercising powers and discharging duties and functions that are "necessary, appropriate, or incidental to efficient and effective provisions of the basic services and facilities," which include infrastructure such as local roads and bridges, waterworks, drainage and sewerage, flood control, and irrigation systems, and reclamation projects.

Based on 2010 records, the combined length of provincial and city roads is 46,329.036 km (61%) while the national road is 29,369.704 km (39%). LGUs, by virtue of Section 17 of the 1991 LGC, are thus responsible for ensuring the safety and serviceability of more than half the total stretch of major roads in the country. Meanwhile, the wisdom of RA 8794 is to provide funds for the maintenance of these local roads, hence the allotment to SLRF. At 5 percent of the MVUC, however, the amount allotted for the SLRF is incommensurate to the extent of road maintenance the 1991 LGC requires of LGUs.

Furthermore, Section 7 of RA 8794 already apportions the SLRF to provincial and city governments. Section 9 of its Implementing Rules and Regulations obliges the Road Board to authorize the payment to each provincial and city government, from the SLRF, of the proportions as determined by the Road Board in accordance with "the vehicle population and size of the road network under their respective jurisdictions" as provided by Section 7 of the law. Such legal guidance allows for the direct transfer of road maintenance fund due to the LGUs. Combined with the marching orders of the 1991 LGC for LGUs to strive for self-reliance in the exercise of their duties and functions, the direct release of these funds to LGUs, by implication, becomes necessary.