

Department of Transportation and Communications

The DOTC logo, an eagle within a circular background part of which is a five-cogged wheel, represents three things: transportation, communications, and the ultimate goal of the Department. The eagle, our national bird, is large and striking, graceful in flight, and free – the embodiment of what the country wants its transportation and communications to be: big enough in scale and scope to transport the largest possible number of people in comfort and ease to any point in the archipelago; the heights the eagle can reach represent the optimum position for communications – the greater the height, the more areas and people it can serve.



The circular emblem symbolizes unity of purpose and an unbroken chain of service and dedication. It alludes to the wheel and movement, signifying progress. An eagle, symbolic of air and sky, and soaring high and fast over sea and land within a circular backdrop of blue (depth and stability), red (prosperity and determination), and white (peace and safety), represents an undying commitment to provide viable, efficient, and dependable transportation and communications systems as effective instruments for a unified nation. A nation, unified, can soar to whatever heights it aims for.

Legal Basis

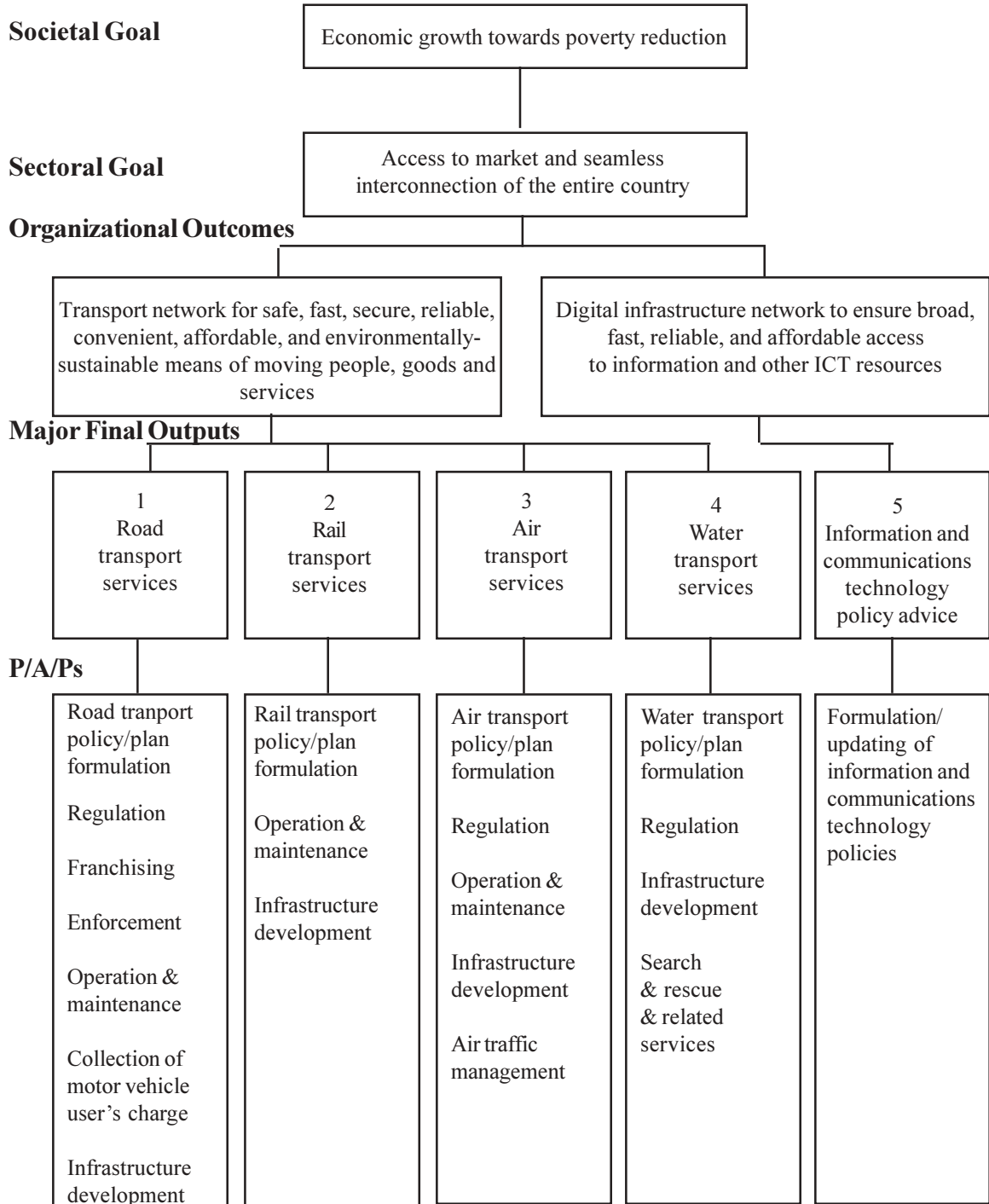
- **Executive Order 546** (July 23 1979) converted the then Ministry of Public Works, Transportation and Communications (MPWTC) into two ministries, namely, the Ministry of Transportation and Communications (MOTC) and the Ministry of Public Works and Highways (MPWH), and redefined the roles and priorities of each ministry.
- **Executive Order 125** (January 30, 1987) converted the MOTC to the Department of Transportation and Communication (DOTC), structurally and functionally reorganized the Department, and defined its powers and functions.
- **Executive Order 125-A** (April 13, 1987) clarified and further modified the structural and functional organization of the DOTC as provided under EO No. 125 to ensure fulfillment of its mandate and attainment of its objectives.

Mandate

The Department of Transportation and Communications (DOTC) develops, promotes, implements, and maintains integrated and strategic transportation and communications systems that will ensure safe, reliable, responsive, and viable services to accelerate economic development and to better serve the transport and communications needs of the people.

Our country is composed of thousands of islands. We need to be connected by a good transport and communications network for all the good reasons – socio-economic, cultural, and political. - PBM, FY 2005

LOGICAL FRAMEWORK (DOTC)



SECTOR GOAL

Access to markets and seamless interconnection of the entire country

Transportation plays a major role in the socio economic development of our country. The government thus aims to continuously develop and promote the country's network of land, sea, and air transport facilities and services in order to improve access to markets, both local and international, as well as to unify the entire country. This is especially imperative because of the archipelago configuration of the Philippines.

With an efficient transportation system, the country can boost its physical/economic configuration from fragmented island economies to a unified, well integrated economy where people and goods can move and trade swiftly and efficiently, both locally and internationally; alleviate poverty in the countryside and isolated regions by providing access to markets at home and abroad; improve peace and order in conflict-affected regions through efficient transport network; enhance the transportation safety and security of all transportation systems in the country and provide a transport logistics system that will facilitate the decongestion of Metro Manila by ensuring efficient linkage between its business centers and nearby provinces.

Despite the recent gains achieved by the country in digital infrastructure, it is necessary to further promote the growth of this sector in order to interconnect the entire country and realize universal access. The private sector will play the lead role in providing the services; the government, through the DOTC and its attached agency, the National Telecommunications Commission, will provide the enabling environment by, among other things, reducing connectivity costs to attract more ICT players, thus promoting market competition and lowering service costs.

Achieving the twin goals of improving access to markets and providing seamless interconnection of the entire country through an inter-modal transport and digital infrastructure services are key factors to help attain the overall societal goal of sustained economic growth as the instrument to diminish poverty in the Philippines.

ORGANIZATION OUTCOMES

Transport network for safe, fast, secure, reliable, convenient, affordable, and environmentally-sustainable means of moving people, goods and services

Safe and secure movement means that one is able to travel with minimum risk of encountering accidents and other hazards attributed to the transport services.

Fast transport denotes that commuters and shippers can travel at speeds that meet international norms for the particular mode of transport.

Reliable movement means that the transport services are within easy reach of the users, predictable and provided all-year round.

Convenient transportation connotes providing a reasonable degree of comfort in traveling commensurate with the cost of the transport services.

Affordable or economical transport means that the users are able and willing to pay for the cost of the transport services, that the entities rendering the services find it viable to operate them, and that the government subsidy for the services is minimized.

Environmentally-sustainable transport network means that the transport system does not cause any significant air, water, land pollution; degradation; and noise levels in the affected areas.

The gains in terms of faster and cheaper transport through a strategic inter-modal transport network has been demonstrated by the Western Nautical Highway, which consists of roll-on/roll-off (Ro-Ro) facilities and road links from Batangas, through Mindoro, Panay, Negros, Cebu, and Zamboanga del Norte. The use of this nautical highway has drastically cut down travel time from Mindanao to Luzon by 10 hours, and reduced cost by 40% for passengers and 30% for cargo. More nautical highways shall be provided to interconnect the major islands.

The said organization outcome will be attained through the implementation of the following programs and activities:

Provision of transportation infrastructure to decentralize progress around the nation

- Complete the Nautical Highway System to transport produce of Mindanao and Visayas to Luzon
- Decongest Metro Manila by developing infrastructure support to Subic and Clark and constructing rail-based mass transit system
- Improve access to major tourism destinations as well as transportation infrastructure to support affirmative action for peace and development
- Address other critical transportation infrastructure bottlenecks
- Rationalize public transport system
- Develop domestic and international shipping
- Integrate international gateways and the Railway Transport System
- Institutionalize government subsidy for the Railway Transportation System
- Liberalize the civil aviation industry

Enhancement of transport safety and security

- Implement the National Aviation Security Program in accordance with ICAO-recommended standards and practices
- Formulate, develop, and implement a National Maritime Security Program, and a National Security Program for Land Transport and Rail Transport Systems

Regulation and enforcement

- Put in place regulatory framework for fair market competition while safeguarding public welfare, safety, and environmental quality
- Strictly enforce and monitor roadworthiness, airworthiness, seaworthiness, safety, and environmental standards

By achieving the outcome of safe, swift, economical, and reliable movement of people, products and services, the Philippine archipelago will be physically and economically unified, as envisioned in the Sector Goal, and markets and production centers will become more accessible.

Digital infrastructure network to ensure broad, fast, reliable, and affordable access to information and other ICT resources

Parallel to the development of efficient transportation network to ensure safe and convenient means of moving people, goods and services, the development of the digital infrastructure network is undertaken through the combined efforts of the Government and the private sector. As people move, the need for information becomes more imminent and significant. Information becomes a complementary input to the movement of people, goods or services through digital or information infrastructure.

Digital infrastructure, consisting of telecommunications facilities, broadband network, including applications such as Internet and Voice Over Internet Protocol (VOIP), shall be developed so that it can be accessed freely by the people. It will ensure broad, quick, dependable, economical, efficient, and open access to information through internet-connected computers at home or internet centers being operated by the private sector. In addition, the Government, in cooperation with LGUs, is establishing Community e-Center throughout the country to provide basic ICT services in unserved areas.

The DOTC formulates and implements policies aimed at developing the information and communications technology skills of the people, as well as policies and programs to ensure a level-playing field among private providers. The objective is to attain a well-balanced distribution of digital infrastructure throughout the country.

MAJOR FINAL OUTPUTS

1. Road transport services

Land transportation, which accounts for 80% of domestic passenger traffic and 60% of freight traffic, serves as a backbone to the overall transportation system.

The DOTC formulates policies, plans, programs and projects that will provide an efficient road transport network within an intermodal system.

Through its Land Transportation Office and Land Transportation Franchising and Regulatory Board, the DOTC undertakes registration of motor vehicles which meet safety, environmental, and other technical standards; issues license to drivers who pass the qualification requirements; issues franchises and enforces regulations pertaining to road traffic and transport operations,

Programs/Activities/Projects

- Road transport policy/plan formulation
- Regulation
- Franchising
- Enforcement
- Operation and maintenance
- Collection of motor vehicle user's charge
- Infrastructure development

2. Rail transport services

The DOTC will establish policies and plans for rail transport services. These plans/policies are directed toward the development of a fully integrated mass transport system, with LRT Lines 1,2, 3, and commuter trains running at least every 30 minutes. The MFO also includes the complete rehabilitation and expansion of the north and south main lines.

In terms of rail operations, MFO-2 includes only MRT-3, which is directly managed by the DOTC (Office of the Secretary). It excludes the north and south main lines and LRT Lines 1 and 2, which are operated by government-owned or controlled corporations, i.e., Philippine National Railways and the Light Rail Authority.

Programs/Activities/Projects

- Rail transport policy/plan formulation
- Operation and maintenance
- Infrastructure development

3. Air transport services

The DOTC formulates policies and plans pertaining to air transport operations in the Philippines.

MFO-3 entails the construction, including rehabilitation and improvement, of public airports and air navigation facilities in accordance with ICAO standards. Priority is given to the principal airports in major centers serving a high traffic volume of passengers and aircraft of the jet/turboprop types.

The DOTC, through its Air Transportation Office (ATO), operates and maintains existing national airports, totalling 79 (excluding NAIA, Mactan, Clark, and Subic, which are handled

by autonomous airport authorities), and air navigation facilities and air traffic management facilities to meet ICAO standards.

Under MFO-3, the DOTC-ATO registers aircraft and air carriers that meet its safety and technical standards, and issues license to pilots and seamen.

Programs/Activities/Projects

- Air transport policy/plan formulation
- Regulation
- Operation and maintenance
- Infrastructure development
- Air traffic management

4. Water transport services

The DOTC formulates policies and plans for water transport operations in the Philippines. It seeks to develop an adequate port network and maritime transport system interlinking the country's islands.

MFO-4 also involves the construction (which includes improvement and rehabilitation) of public ports (except the national port operated by the Philippine Ports Authority and the small municipal ports whose operation is devolved to LGUs concerned) as well as aids to navigation. Priority is given to the construction of ports and roll-on-roll-off (RoRo) facilities along the designated nautical highways.

The DOTC, through the Philippine Coast Guard, provides services to ensure maritime safety and perform search-and-rescue operations as needed.

Programs/Activities/Projects

- Water transport policy/plan formulation
- Regulation
- Infrastructure development
- Search & rescue and related services

5. Information and communications technology policy advice

The provision of ICT policy advices will promote the development of a digital infrastructure network that will enable broad, fast, reliable, and economical access to information and other ICT services.

Through this MFO, the DOTC formulates policies governing information and communications technology (ICT) operations in the Philippines. Within this policy framework, the National

Telecommunications Commission, an agency attached to the DOTC, performs functions pertaining to ICT development and regulation.

Programs/Activities/Projects

- Formulation/updating of information and communications technology policies

Performance Measures and Targets

Particulars	FY 2007 Targets
<p>MFO 1 Road Transport Services</p> <p>Driver's license and permits issued</p> <p>Motor vehicles registered</p> <p>LTFRB-franchised Public Utility Vehicles (PUVs) as a percentage of LTO-registered PUVs</p> <p>Percentage of total number of vehicles registered within the benchmark time of one day</p> <p>New franchise Certificate of Public Convenience (CPCs) approved as a percentage of total number of complying application received</p> <p>Percentage of total number of complying franchise applications approved within the benchmark time of one month</p>	<p>3,855,082</p> <p>5,682,266</p> <p>15%</p> <p>12%</p> <p>85%</p> <p>90%</p>
<p>MFO 2 Rail Transport Services</p> <p>Actual average MRT-3 station-to-station travel time as percentage of benchmark time of 100.4 sec.</p> <p>MRT-3 revenues</p> <p>MRT-3 operating expenses plus payables under BLT agreement (excluding loan amortization)</p> <p>Fare subsidy</p>	<p>97.6%</p> <p>P2.087B</p> <p>P 4.545B</p> <p>P17.34</p>
<p>MFO 3 Air Transport Services</p> <p>Airport construction projects implemented during the year</p>	<p>49</p>

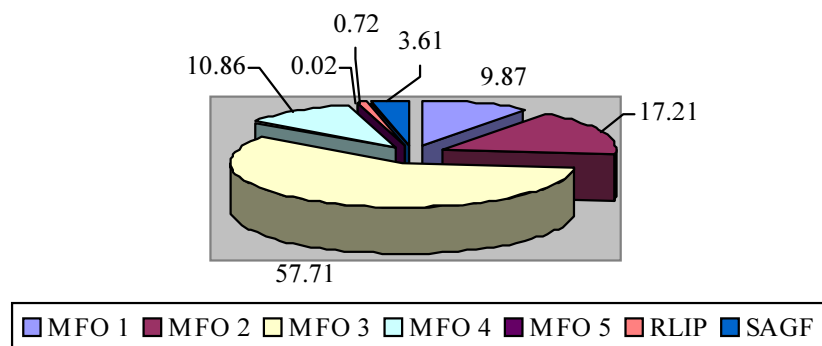
Particulars	FY 2007 Targets
Percentage of total number of airport construction projects completed within specifications, schedule, and budget (35 airport projects to be completed)	71%
Average percentage accomplishment of four (4) foreign-assisted airport projects implemented within specifications, schedule, and budget	18.16%
Airports operated and maintained	79
Percentage of total number of airports operated according to ICAO standards	100%
Aircraft registered	39,628
Pilots licensed	28,181
MFO 4 Water Transport Services	
Port projects implemented	32
Percentage of total number of port construction projects implemented within specifications, schedule, and budget (19 port projects to be completed)	59%
Percentage accomplishment of the Social Reform Feeder Ports Project (Package E)	65%
Percentage of total number of departing vessels inspected	100%
No. of actual SAR operations conducted over no. of distress calls received and confirmed = 365/365	100%
MFO 5 Information and Communications Technology Policy Advice	
No. of ICT policy measures formulated to be enacted in Congress (Department of Information and Communications Technology Bill, National Telecommunications Commission Re-Organization Bill, Cybercrime Bill, Convergence Bill)	2

FY 2007 OPIF-Based Budget

FY 2007 Budget by Major Final Output (MFO) (in Thousand Pesos)

Particulars	Personal Services	Maintenance and Other Operating Expenses	Capital Outlay	Total	% Share in Total
MFO 1 Road transport services	681,370	860,674	111,597	1,653,641	9.87%
MFO 2 Rail transport services	161,460	2,703,463	17,600	2,882,523	17.21%
MFO 3 Air transport services	749,862	605,175	8,313,039	9,668,076	57.71%
MFO 4 Water transport services	1,051,768	478,447	290,049	1,820,264	10.86%
MFO 5 Information and communications technology policy advice	2,750	600	-	3,350	0.02%
Sub-total	2,647,210	4,648,359	8,732,285	16,027,854	
Life and Retirement Insurance Contributions	121,014	-	-	121,014	0.72%
Special Account in the General Fund (Fund 151)	-	284,991	319,740	604,731	3.61%
TOTAL	2,768,224	4,933,350	9,052,025	16,753,599	100%
% Share in Total	16.52%	29.45%	54.03%	100%	

FY 2007 Budget by MFOs (Total Budget = P16,753,599,000)



Budget Highlights

Priority Programs and Projects

(In Thousand Pesos)

MFO 1 - Road Transport Services **894,703**

Program for motor vehicles registration, driver's licensing, permit issuance, law enforcement, and adjudication 668,790

Program for the regulation of fare, regulation of capacity route measurement, and issuance of franchise 143,254

Provision for locally-funded projects 82,659

Construction/repair of LTO buildings and facilities and lot acquisition 50,484

Construction/repair of LTFRB buildings facilities and lot acquisition 29,075

Construction/rehabilitation/repair of CAR, CARAGA Offices 3,100

MFO 2 - Rail Transport Services **2,339,876**

Programs for planning and formulation of policies 150,817

Subsidy for Mass Transport (MRT-3) 2,189,059

MFO 3 - Air Transport Services **8,624,188**

Programs for planning, formulation of policies, preparation of a Masterplan for Airports, and Feasibility Study for the Development of Air Transport 52,573

Programs for licensing of airmen, aircraft registration, issuance of airworthiness certificate, air traffic management, and maintenance of airports and facilities 270,950

Provision for on-going locally-funded and foreign-assisted projects 8,300,665

Construction/rehabilitation/improvement of various airports and acquisition of air navigation facilities and other equipment, including the requirements for Southern Luzon International Airport (Bicol International Airport, Daraga, Albay - P250 M and San Vicente Airport - P50 M) 1,694,853

Laguindingan Airport Development Project 946,317

Selected Airports Development Project	2,788,122
New Iloilo Airport Development Project	2,712,373
New Communications and Navigation Surveillance/Air Traffic Management Systems Development Project	159,000
MFO 4 - Water Transport Services	<u>1,677,010</u>
Programs for maritime safety administration, search and rescue, marine environment protection, law enforcement and maritime security	1,417,809
Provision for locally-funded and foreign-assisted projects	<u>259,201</u>
Construction and repair/rehabilitation of ports	109,000
Social Reform Related Feeder Ports Project	150,201
MFO 5 - Information & Communications Technology Policy Advice	<u>3,350</u>
Programs for planning, formulation of policies in line with information and communications	3,350