

# [ PRESIDENTIAL DECREE NO. 1112, March 31, 1977 ]

## **AUTHORIZING THE ESTABLISHMENT OF TOLL FACILITIES ON PUBLIC IMPROVEMENTS, CREATING A BOARD FOR THE REGULATION THEREOF AND FOR OTHER PURPOSES**

**WHEREAS**, the huge financial requirements of the Government's development programs have made it necessary to seek out alternative sources of financing to ensure the prosecution of certain desirable infrastructure projects that complement the over-all national development effort;

**WHEREAS**, the potential resources of the private sector could be tapped to the maximum benefit by the government dispensing to a great extent the availment of additional domestic and foreign borrowings as well as the utilization of government guarantee or security; and

**WHEREAS**, in order to attract private sector investment in the government's infrastructure projects, the collection of toll fees for the use of certain public improvements, that would allow a reasonable rate of return on investments, should be authorized; Provided that, the collection of toll fees and operation of toll facilities by the private sector should be loosely supervised and regulated in the public interest;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

**SECTION 1.** This shall be known as "Toll Operation Decree".

**SECTION 2.** *Toll Regulatory Board.* — There is hereby created the Toll Regulatory Board hereinafter referred to as the "Board" composed of the Minister of Transportation and Communications as Chairman, the Deputy Director-General for Program and Projects of the National Economic and Development Authority, the Deputy Minister of Public Highways, the Deputy Minister of Finance and a representative from the private sector preferably a lawyer or an economist with adequate experience in public utilities regulation to be appointed by the President as Members.

**SECTION 3.** *Powers and Duties of the Board.* — The Board shall have in addition to its general powers of administration the following powers and duties:

(a) Subject to the approval of the President of the Philippines, to enter into contracts in behalf of the Republic of the Philippines with persons, natural or juridical, for the construction, operation and maintenance of toll facilities such as but not limited to national highways, roads, bridges, and public thoroughfares. Said contract shall be open to citizens of the Philippines and/or to corporations or associations qualified under the Constitution and authorized by law to engage in toll operations;

(b) Determine and decide the kind, type and nature of public improvement that will be constructed and/or operated as toll facilities;