

04 February 2020

REPRESENTATIVE WESLIE GATCHALIAN

Chairperson
Committee on Trade and Industry
House of Representatives
Batasan Complex, Batasan Hills
Quezon City

Dear **Representative Gatchalian**:

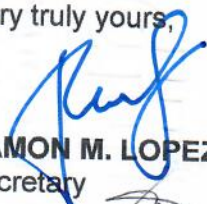
We are pleased to submit the Department's position on the Draft Substitute House Bill, entitled:

"An Act Regulating the Imposition of Fees for the Use of Parking Spaces and Facilities in Shopping Malls, Hospitals, Schools and Similar Establishments Including Vacant Lots Used Exclusively for Parking and Prescribing Penalties for Violations Therefor"

This is without prejudice to the Department's submission of additional inputs.

With my best regards.

Very truly yours,



RAMON M. LOPEZ
Secretary

OFFICE OF THE SECRETARY

DTI Position on

Draft Substitute House Bill

“An Act Regulating the Imposition of Fees for the Use of Parking Spaces and Facilities in Shopping Malls, Hospitals, Schools and Similar Establishments Including Vacant Lots Used Exclusively for Parking and Prescribing Penalties for Violations Therefor”

The Department expresses its support to the proposed bill in minimizing parking rates, keeping in mind that some establishments charge exorbitant parking fees. However, we suggest the adoption of a market-oriented approach, wherein establishments charge demand-responsive and market-clearing prices as an effective policy tool¹ as it would best uphold and balance the interests of both consumers and businesses.

We acknowledge the need for businesses to be able to recoup capital expenditures relative to infrastructure and other related costs. Nevertheless, such return of investment should be reasonable and parking fees should be kept at the minimum or, when feasible, parking should be given free of charge.

With regard to specific policies for parking establishments, the DTI proposes the inclusion of the following provisions:

- Parking establishments to be made liable in case of loss of property or damage to a customer's vehicle. Security measures should, therefore, be provided and maintained at all times;
- Motorcycles and bicycle owners, e-bikes included, to pay a lower amount of parking fees considering the amount of space they utilize;
- The reservation of parking slots for Senior Citizens and Persons with Disabilities to require positive identification of the holder as well as permanent and visible markings on their vehicles to avoid abuse, subject to specific laws governing exemption on certain transactions.² We recommend the creation of a Technical Working Group (TWG), to be chaired by the Department of the Interior and Local Government (DILG), to craft the corresponding guidelines; and
- On the details on the minimum standards for parking security facilities, we defer to the knowledge and expertise of the Philippine National Police (PNP).

On the provision for the Secretary of Trade and Industry to promulgate the necessary Implementing Rules and Regulations (IRR), the DTI views that the DILG would be in a better position to undertake the promulgation (and subsequent implementation) of the IRR inasmuch as it works closely with and supervises Local Government Units (LGUs). We also propose that additional resources be committed for such purpose.

On the review of the applicability of the law every three (3) years, we wish to defer to the DILG as DTI does not have the data to support such review as such, it is not in the position to review and propose.

¹ Barter, Paul. 2011. *Parking Policy in Asian Cities*. Asian Development Bank. <http://hdl.handle.net/11540/123>. License: CC BY 3.0 IG0.

² Priority should be given to those with physical disabilities (PWDs using wheelchairs/mobility aids)

Finally, the DTI reiterates its support to the objectives of the bill with due consideration of the aforementioned comments. This is to ensure that consumer welfare is promoted through the provision of sufficient parking spaces and businesses are enabled by encouraging investments. We continue to implore shopping malls, hospitals, schools, hotels, and other similar establishments to offer free or discounted parking to their patrons, as part of their customer service.

Rajapinchan

Bureau of Trade and Industrial Policy Research

04 February 2020

Ref: BTIPR-112019-401

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