

05 September 2019

**SENATOR AQUILINO PIMENTEL III**

Chairperson

Committee on Trade, Commerce, and Entrepreneurship

Senate of the Philippines

GSIS Financial Complex, Roxas Boulevard

Pasay City, Philippines

Dear **Senator Pimentel**:

We are pleased to submit the Department's position on the following Senate Bills, entitled:

**Senate Bill No. 436**                      **An Act Regulating the Imposition of Fees for the Use of Parking Spaces Located Within Commercial and Business Establishments, Institutions and Parking Facilities**

**Senate Bill No. 745**                      **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 Violation Thereof**

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

- Senate Bill No. 436**      **An Act Regulating the Imposition of Fees for the Use of Parking Spaces Located Within Commercial and Business Establishments, Institutions and Parking Facilities**
- Senate Bill No. 745**      **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 Violation Thereof**

The Department supports the objectives of the proposed bills and maintains the need to uphold and balance the interests of both consumers and businesses. The DTI wishes to encourage shopping malls, hospitals, schools, hotels, and other similar establishments to offer free or discounted parking to their patrons, as part of their customer service.

Notwithstanding, the DTI poses no objection in regulating the collection of parking fees, which can become unreasonable and burdensome, especially for customers/patrons who park for long periods of time, e.g., patients with doctors' appointments/procedures in hospitals; mallgoers who shop, dine, watch movies, attend events/religious activities, etc.

It is also worth noting that the Implementing Rules and Regulations (IRR)<sup>1</sup> of Presidential Decree (PD) No. 1096 or the National Building Code of the Philippines requires establishments to provide a minimum number of parking slots/area and loading space according to the building's specific use or type of occupancy.

The DTI recognizes that parking areas entail significant investments in order to be built and operated, similar to other establishments and leasable floor spaces. Businesses usually shell out expenses for the allotment and construction of such spaces. It is important to consider that businesses would also need to recuperate from the costs they incur from the development of parking spaces.

While unconditional free parking is the ideal, it can be subject to abuse, especially by vehicle owners who do not necessarily patronize the establishments or facilities therein on the very day/time that they park their vehicles. These could include vehicle owners who park, e.g., on a daily basis for a full workday because of the proximity to their workplaces. This gives non-patrons undue advantage over actual patrons/customers – not only on sparing non-patrons from paying parking fees, but most importantly, displacing actual

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<sup>1</sup> Attached as Annex I - Minimum Required Off-Street (Off-RROW) cum On-Site Parking Slot, Parking Area and Loading/Unloading Space Requirements by Allowed Use or Occupancy

patrons/customers from already limited parking spaces that are intended for them in the first place.

Given the aforementioned, the DTI views that the adoption of a market-oriented approach, wherein establishments charge demand-responsive and market-clearing prices, is a more effective policy tool.<sup>2</sup> This promotes consumer welfare through the provision of sufficient parking spaces and enables business by encouraging investments. It is also worth noting that demand-responsive and market-clearing prices decrease cruising behavior – when motorists circle around looking for available parking spaces, therefore contributing to local decongestion and emission reduction.<sup>3</sup>

Finally, the Department recommends that parking establishments be enjoined to provide free or discounted parking as a regular incentive – not only a promotional feature – to customers/patrons who have met certain terms and conditions, e.g., can present valid proof of same-day minimum purchase/service availment, among others. The specific terms and conditions are proposed to be included in the Implementing Rules and Regulations that will be promulgated for the effective implementation of the Act.

*Rayapin Day*

**Bureau of Trade and Industrial Policy Research**

**05 September 2019**

Ref: BTIPR-082019-175

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<sup>2</sup> Barter, Paul. 2011. *Parking Policy in Asian Cities*. © Asian Development Bank. <http://hdl.handle.net/11540/123>. License: CC BY 3.0 IGO.

<sup>3</sup> On-street Parking Management and Pricing Study, San Francisco County Transportation Authority. Retrieved 30 August 2019 from [https://www.sfcta.org/sites/default/files/content/Planning/ParkingManagementStudy/pdfs/parking\\_study\\_final.pdf](https://www.sfcta.org/sites/default/files/content/Planning/ParkingManagementStudy/pdfs/parking_study_final.pdf)

## Annex I

### Minimum Required Off-Street (Off-RROW) cum On-Site Parking Slot, Parking Area and Loading/Unloading Space Requirements by Allowed Use or Occupancy

Specific Uses or of Occupancy	Reference Uses or Character of Occupancies or Type of Buildings/Structures	Minimum Required Parking Slot, Parking Area and Loading Space Requirements
<b>Group B</b>		
Division B-1	Hotels	One (1) car parking slot for every three (3) rooms or a fraction thereof for highly urbanized areas and one (1) car parking slot for every seven (7) rooms or a fraction thereof for all other areas; and two (2) tourist bus parking slots for each hotel; provide at least one (1) loading slot for articulated truck or vehicle
	Residential hotels and apartels	One (1) car slot for every five (5) units or a fraction thereof; and one (1) bus parking slot for every sixty (60) rooms/units or a fraction thereof
	Motels	One (1) car slot for every unit
<b>Group C</b>		
Division C-2	Churches and similar places of worship	One (1) car slot and one (1) jeepney/shuttle slot for every 50.00 sq. meters of congregation area
<b>Group D</b>		
Division D-1	Mental hospitals, sanitarium and mental asylums and like uses	One (1) off-street cum on-site car parking slot for every twenty five (25) beds; and one (1) off-RROW (or offstreet) passenger loading space that can accommodate two (2) queued jeepney/shuttle slots
Division D-2	Public hospital	One (1) off-street cum on-site car parking slot for every twenty five (25) beds; and one (1) off-RROW (or offstreet) passenger loading space that can accommodate two (2) queued jeepney/shuttle slots; provide at least one (1) loading slot for articulated truck or vehicle (a 12.00 meter long container van plus 6.00 meter length for a long/hooded prime mover) and one (1) loading slot for a standard truck for every 5,000.00 sq. meters of gross floor area (GFA); and provide truck

		maneuvering area outside of the RROW (within property or lot lines only)
	Private hospital	One (1) off-street cum on-site car parking slot for every twelve (12) beds; and one (1) offRROW (or off-street) passenger loading space that can accommodate two (2) queed jeepney/shuttle slots; provide at least one (12) loading slot for articulated truck or vehicle (a 12.00 meters long container van plus 6.00 meters length for a long/hooded prime mover) and one (1) loading slot for a standard truck for every 5,000.00 sq. meters of GFA; and provide truck maneuvering area outside of the RROW (within property or lot lines only)
<b>Group E</b>		
Division E-2	Neighborhood shopping center/supermarket	One (1) car slot for every 100.00 sq. meters of shopping floor area
	Public Markets	One (1) customer (buyer) jeepney/shuttle parking slot for every 150.00 sq. meters of wet and dry market floor area and one (1) vendor (seller) jeepney/shuttle parking slot or loading space for every 300.00 sq. meters of wet and dry market floor area; and one (1) off-RROW (off-street) terminal that can accommodate at least two (2) jeepneys and six (6) tricycles for every 1,000.00 sq. meters of wet and dry market floor area
	Restaurants, fast-food centers, bars and beerhouses	One (1) car slot for every 30.00 sq. meters of customer area
	Nightclubs, super clubs and theater-restaurants	One (1) car slot for every 20 sq. meters of customer area: and two (2) tourist parking slots for tourist bus parking slots for each theater-restaurant
	Units located in office, commercial or mixed-use condominium buildings/structures regardless of number of storeys	Units with a gross floor area of from 18.00 to 40.00 sq. meters – provide one (1) pooled parking slot* for every two (2) units or for a fraction thereof; Unit with a gross floor area of from 41.00 to 70.00 sq. meters – provide one (1) parking slot* for each unit; and

		Unit with a gross floor area of more than 70.00 sq. meters provide one (1) parking slot* for every 70.00 sq. meters and for a fraction thereof;
Division E-3	Aircraft hangars, open parking carports and garages, etc.	One (1) car slot for every 1,000.00 sq. meters of gross floor area and one (1) bus slot for every one hundred (100) workers; if number of workers exceed two hundred (200), provide one (1) off-RROW (or off-street) passenger loading space that can accommodate two (2) queued jeepney/shuttle slots
<b>Group H</b>		
Division H-1	Public recreational assembly buildings such as theaters/cinemas, auditoria, etc.	One (1) car slot and one (1) jeepney/shuttle slot for every 50.00 sq. meters of spectator area; and one (1) bus parking slot for every two hundred (200) spectators.
Division H-4	Covered amusement parks, amusement and entertainment complexes, etc.	One (1) car slot for every 50.00 sq. meters of gross floor area
<b>Group I</b>		
Division I-1	Recreational or similar public assembly buildings such as stadia, sports complexes, convention centers, etc.	One (1) car slot and one (1) jeepney/shuttle slot for every 50.00 sq. meters of spectator area; and one (1) bus parking slot for every two hundred (200) spectators.

Note:

\* The parking slot requirements shall be an integral part of buildings/structures and any parking slot provided outside the building/structure will be quantified only as buffer parking.