

22 November 2019

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 following House Bills, entitled:

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| House Bill No. 386 | Carpark Regulation Law of 2019 |
| House Bill No. 450 | An Act Exempting the Patrons or the Clientelle of Tenants and Lessees of Shopping Malls, Markets, Shops, Fairs, Hospitals and All Other Similar Establishments from the Payment of Parking Fees on a Validation Basis and Providing Penalties For A Violation Thereof |
| House Bill No. 806 | An Act Increasing the Quarters Allowance of Officers and Enlisted Personnel of the Armed Forces of the Philippines and For Other Purposes |
| House Bill No. 1037 | An Act Regulating the Conduct of Business Between Parking Station Proprietors and Their Customers and For Other Purposes |
| House Bill No. 2125 | An Act Regulating the Imposition of Fees for the Use of Parking Spaces and/or Facilities Provided By or Located Within Shopping Malls, Schools, Hospitals, Hotels and Similar Establishments and Prescribing Penalties Thereof For Violations |
| House Bill No. 2214 | An Act Mandating All Commercial/Business Establishments, Hospitals, Government Buildings and Other Similar Establishments to Provide Free Parking Spaces for Bicycles, and Providing Penalties For Violation Thereof |
| House Bill No. 2923 | An Act Promoting a Two-Hour Free Parking Policy in Shopping Malls, Schools, Hospitals, Hotels, and Similar Establishments and Prescribing Penalties For Violations Therefor |
| House Bill No. 3215 | An Act Regulating and Standardizing Parking Fees of Malls, Hotels, Restaurants, Schools, Hospitals, |

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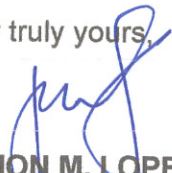
Commercial Buildings, and Other Similar Establishments that Offer Paid Parking Spaces

- House Bill No. 3262** **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**
- House Bill No. 3540** **An Act to Regulate Parking Facilities and the Collection of Fees Therefrom and Prescribing Penalties For Violation Thereof**
- House Bill No. 3559** **An Act Regulating the Imposition of Parking Fees in Shopping Centers and Malls, and Similar Establishments, Including Vacant Lots Used Exclusively for Parking and Prescribing Penalties For Violation Thereof**
- House Bill No. 4335** **An Act Regulating the Imposition of Fees for the Use of Parking Spaces and Facilities in Shopping Malls, Hospitals, Schools, Hotels, and Similar Establishments, Including Vacant Lots Used Exclusively for Parking and Prescribing Penalties For Violation Thereof**
- House Bill No. 4621** **An Act Requiring Hospitals to Waive Parking Fees for Their Patients and Prescribing Penalties For Violation Thereof**
- House Bill No. 4776** **An Act Regulating the Imposition of Parking Fees in Shopping Malls, Hotels and Similar Businesses or Commercial Establishments and Prescribing Penalties Therefor**

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

With my best regards.

Very truly yours,


RAMON M. LOPEZ
Secretary



Department of Trade and Industry

DTI Position on

- House Bill No. 386 Carpark Regulation Law of 2019
- House Bill No. 450 An Act Exempting the Patrons or the Clientelle of Tenants and Lessees of Shopping Malls, Markets, Shops, Fairs, Hospitals and All Other Similar Establishments from the Payment of Parking Fees on a Validation Basis and Providing Penalties For A Violation Thereof
- House Bill No. 806 An Act Increasing the Quarters Allowance of Officers and Enlisted Personnel of the Armed Forces of the Philippines and For Other Purposes
- House Bill No. 1037 An Act Regulating the Conduct of Business Between Parking Station Proprietors and Their Customers and For Other Purposes
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- House Bill No. 2214 An Act Mandating All Commercial/Business Establishments, Hospitals, Government Buildings and Other Similar Establishments to Provide Free Parking Spaces for Bicycles, and Providing Penalties For Violation Thereof
- House Bill No. 2923 An Act Promoting a Two-Hour Free Parking Policy in Shopping Malls, Schools, Hospitals, Hotels, and Similar Establishments and Prescribing Penalties For Violations Therefor
- House Bill No. 3215 An Act Regulating and Standardizing Parking Fees of Malls, Hotels, Restaurants, Schools, Hospitals, Commercial Buildings, and Other Similar Establishments that Offer Paid Parking Spaces
- House Bill No. 3262 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
- House Bill No. 3540 An Act to Regulate Parking Facilities and the Collection of Fees Therefrom and Prescribing Penalties For Violation Thereof

- House Bill No. 3559** **An Act Regulating the Imposition of Parking Fees in Shopping Centers and Malls, and Similar Establishments, Including Vacant Lots Used Exclusively for Parking and Prescribing Penalties For Violation Thereof**
- House Bill No. 4335** **An Act Regulating the Imposition of Fees for the Use of Parking Spaces and Facilities in Shopping Malls, Hospitals, Schools, Hotels, and Similar Establishments, Including Vacant Lots Used Exclusively for Parking and Prescribing Penalties For Violation Thereof**
- House Bill No. 4621** **An Act Requiring Hospitals to Waive Parking Fees for Their Patients and Prescribing Penalties For Violation Thereof**
- House Bill No. 4776** **An Act Regulating the Imposition of Parking Fees in Shopping Malls, Hotels and Similar Businesses or Commercial Establishments and Prescribing Penalties Therefor**

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.

The Department expresses its views on certain provisions of the bills, to wit:

- On the prohibition to collect or charge parking fees on spaces within the premises of establishments:

Proposed Provision	DTI Position
<p style="text-align: center;">House Bill No. 386</p> <p>Sec. 1. All officials, employees and agents of governmental offices, and owners, representatives and agents of commercial and business establishments, such as, but not limited to, shopping malls, hotels, restaurants, hospitals and similar businesses, are hereby prohibited to collect or charge any fee for the use of parking spaces located within the premises of these public and private establishments.</p>	<ul style="list-style-type: none"> • The Department recognizes that parking areas entail significant investments in order to be built and operated, similar to other establishments and leasable floor spaces. • It is important to consider that businesses would also need to recoup the costs they incur from the development of parking spaces. • We recommend 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.
<p style="text-align: center;">House Bill No. 506</p> <p>Sec. 3. Provision of Parking Spaces: Regulation of Parking Fees. – Shopping mall buildings, hospitals, schools, hotels and similar establishments shall provide parking spaces for their customers free of charge.</p>	

<p>House Bill No. 3262</p> <p>Sec. 4. Provision of Parking Spaces; Regulation of Parking Fees. – Shopping mall buildings, hospitals, schools and similar establishments are encouraged to provide parking spaces for their customers free of charge.</p>	
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- On the sworn undertaking needed prior to issuance of building permit:

Proposed Provision	DTI Position
<p>House Bill No. 386</p> <p>Sec. 2. No permit shall be issued for the construction of business and commercial establishments without a sworn statement from owners that ample parking space and facilities are made integral part thereof and made available to the public free of charge xxx Provided, that sworn statements will also be required from owners before the issuance of permits for the construction of buildings and facilities to be used exclusively for parking purposes which are not, in any way, attached to any business or establishment in their vicinity thereof;</p>	<ul style="list-style-type: none"> • We note that the Implementing Rules and Regulations (IRR)¹ 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.
<p>House Bill No. 4776</p> <p>Sec. 4. Issuance of Building Permit. – No Building Permit shall issue for the construction of shopping, business and commercial establishments such as malls, hotels, shops, supermarkets, depots and the like unless the owners thereof submit a sworn undertaking that adequate parking spaces and facilities shall be made available to the public.</p>	

- On the regulation of parking fees:

Proposed Provision	DTI Position
<p>House Bill No. 450</p> <p>Sec. 5. Parking Validation. – All patrons of any of the covered establishments shall be exempt from the payment of both the flat rate and additional hourly charge or fraction thereof upon an accumulated or single purchase transaction amounting to</p>	<ul style="list-style-type: none"> • 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'

¹ 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

<p>at least five hundred pesos (P500). House Bill No. 2125</p> <p>Sec. 3. Business establishments hereto described are prohibited from collecting parking fees within the first three (3) hours from the time a customer entered the parking premises of said establishments.</p>	<p>appointments/procedures in hospitals; mallgoers who shop, dine, watch movies, attend events/religious activities, etc.</p>
<p>House Bill No. 2125</p> <p>Sec. 4. A customer who exceeds the first three (3) hour allotment shall be assessed the parking fee regularly imposed by said establishments; provided that should said customer purchased a product(s) or service(s) within the said establishment, he should be entitled to a 10% parking fee rebate if the value of his total purchase is not less than P1,000.00</p>	
<p>House Bill No. 2923</p> <p>Sec. 4. When the parking customer exceeds the first two (2) hour free allotment, he shall be assessed the parking fee regularly imposed by said establishment; provided that should said customer purchase a product(s) or service(s) within the said establishment, he should be entitled to a 10% parking fee rebate if the total value of his total purchase or receipt is not less than P1,000.00 in the case of private establishments and or valid proof of transaction in the case of public establishments.</p>	
<p>House Bill No. 3215</p> <p>Sec. 4. Standardization of Parking Fees and Regulation of Parking Spaces.</p> <p>xxx</p> <p>1. The standard parking fee for each vehicle shall be twenty pesos (P20.00) for the first five hours. The customer shall have an option to pay an additional ten pesos (P10.00) per succeeding hour of parking or pay another twenty pesos (P20.00) for another five hours of parking.</p> <p>2. Overnight parking of vehicles shall be a one-time payment of one hundred fifty pesos (P150.00).</p>	
<p>House Bill No. 3262</p>	

Sec. 4. Provision of Parking Spaces; Regulation of Parking Fees. –

xxx

Establishments which will impose parking fees for the use of their parking spaces shall be subject to the following:

- a) The standard parking fee shall be Forty pesos (P40.00) per vehicle for a maximum of 8 hours and an additional Ten pesos (P10.00) per succeeding hour;
- b) For overnight parking, a customer shall be charged a one-time fee of One hundred pesos (P100.00) per vehicle;
- c) A customer shall be given a grace period of thirty (30) minutes, wherein he shall not be charged the standard parking fee if his motor vehicle shall have entered and exited the premises within the grace period;

House Bill No. 3540

Sec. 4. Regulation of Parking Fees. – Establishments may impose parking fees subject to the following conditions:

- a) The standard parking fee shall be Forty Pesos (P40.00) per vehicle for a maximum of eight (8) hours and an additional Ten Pesos (P10.00) for every succeeding hour;
- b) For facilities that provide overnight parking, One Hundred Pesos (P100) shall be charged for each vehicle parked overnight for a twelve-hour duration;
- c) A customer who has entered and exited the parking facility within a thirty-minute grace period, shall not be charged with standard parking fee;
- d) Parking fees in establishments such as shopping malls, restaurants, supermarkets, schools, hotels and other similar business and/or commercial establishments where customers purchase items or avail of services and facilities, shall be waived upon presentation of valid proof of purchase or payment in an amount not less than One Thousand Pesos (P1,000.00) in a single receipt or in an aggregate of separate receipts; Provided, That the customer used the parking facility for a maximum of eight (8) hours only;

House Bill No. 3559

Sec. 5. Regulation of Parking Fees. –

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a) The standard parking fee shall be a flat rate of Forty pesos (P40.00) regardless of parking time incurred except for overnight parking;

b) For overnight parking, a customer shall be charged a one-time fee of One hundred fifty pesos (P150.00) per vehicle;

c) A customer shall be given a grace period of twenty (20) minutes, wherein he shall not be charged the standard parking fee if his motor vehicle shall have entered and exited the premises within the grace period.

d) For shopping malls, restaurants, stores, and similar establishments where customers go to purchase items or where the customers pay fees to enjoy the services, facilities or amenities offered by the establishment, the parking fee shall be waived once a customer presents a validated proof of purchase or payment of not less than One thousand pesos (P1,000.00).

House Bill No. 4335

Sec. 4. Provision of Parking Spaces; Regulation of Parking Fees. –

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a) A customer shall be charged an amount not exceeding Eighty Pesos (Php 80.00) per vehicle for a maximum of eight (8) hours and an additional Ten Pesos (Php 10.00) per succeeding hour;

b) For overnight parking, a customer shall be charged an amount not exceeding One Hundred Fifty Pesos (Php 150.00) per vehicle.

c) A customer shall be given a grace period of thirty (30) minutes, wherein he shall not be charged the standard parking fee if his motor vehicle shall have entered and exited the premises within the grace period.

d) For shopping malls, restaurants, stores, and similar establishments where customers pay fees to enjoy the services, facilities or amenities offered by the establishment, the parking fee shall be

<p>waived once a customer presents a validated proof of purchase or payment of not less than One thousand pesos (P1,000.00) in a single receipt or in an aggregate of separate receipts; Provided, that the customer used the parking space for a maximum of eight (8) hours only:</p>	
<p>House Bill No. 4776</p> <p>Sec. 5. Allowable Parking Fee. – The allowable parking fee shall not exceed twenty pesos (P20.00) for the first three (3) hours and an additional five pesos (P5.00) for every succeeding hour.</p>	

- On the provision of bicycle parking areas:

Proposed Provision	DTI Position
<p>House Bill No. 2214</p> <p>Sec. 5. Policy. – All covered establishments and institutions are hereby mandated to install a fixed structure, which shall serve as their designated bicycle parking areas. The number of allotted bicycle parking slots shall be determined by the Department of Transportation (DoTr) in coordination with the Department of Trade and Industry (DTI).</p>	<ul style="list-style-type: none"> • The Department views that requiring the installation of fixed structures in all covered establishments and institutions to be designated as bicycle parking areas will entail costs, which may be burdensome to enterprises and businesses given a low demand and utilization for these facilities.

- On the regulation of parking fees for hospitals:

Proposed Provision	DTI Position
<p>House Bill No. 3540</p> <p>Sec. 4. Regulation of Parking Fees. – xxx</p> <p>e) For hospital visitors and patients, parking fee shall be waived provided that they show a validated proof of legitimate transaction.</p>	<ul style="list-style-type: none"> • The Department supports the provision of free parking to hospital patients and their immediate family, and discounted parking fees for regular visitors, as a regular incentive.
<p>House Bill No. 4621</p> <p>Sec. 4. Provision of Parking Spaces. – Hospitals are required to provide parking spaces for patients and their family members free of charge, provided that each patient and his/her family can only avail of one free parking slot per day.</p>	

- On the drafting of implementing rules and regulations (IRR):

Proposed Provision	DTI Position
<p style="text-align: center;">House Bill No. 3540</p> <p>Sec. 7. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the Secretary of Trade and Industry shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.</p> <p>The Secretary of Trade and Industry is authorized to review every three (3) years the applicability of Section 4 of this Act and to adjust the rate of parking fees, taking into consideration the cost of maintenance of parking facilities, cost of provision of security and the inflation rate of the preceding year.</p>	<ul style="list-style-type: none"> • The Department poses no objection to these provisions, granted that other agencies involved such as the DoTr, Department of Public Works and Highways (DPWH), and the Department of Interior and Local Government (DILG) shall assist/lend their support in the drafting of the IRR.
<p style="text-align: center;">House Bill No. 4335</p> <p>Sec. 7. Implementing Rules and Regulations. – The Department of Trade and Industry (DTI) shall promulgate the necessary rules and regulations for the effective implementation of the provision of this Act. The Secretary of Trade and Industry is authorized to review every three (3) years the applicability of Section 4 of this Act and to adjust the rate of parking fees, taking into consideration the cost of maintenance of parking facilities, cost of provision of security and the inflation rate of the preceding year.</p>	
<p style="text-align: center;">House Bill No. 4776</p> <p>Sec. 5. Allowable Parking Fee. –</p> <p>xxx</p> <p>Owners of establishments covered by this Act may petition the Department of Trade and Industry (DTI) for the adjustment of the prescribed parking fee herein and the DTI shall review such Petition taking into consideration the number of parking slots being offered to the public, the reasonable return of investment, inflation rate and consumer price index adjustments, and such other relevant factors for the denial or approval of the Petition.</p>	

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.² 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, i.e., when motorists circle around looking for available parking spaces, therefore contributing to local decongestion and emission reduction.³

Karyapin Chay

Bureau of Trade and Industrial Policy Research

22 November 2019

Ref: BTIPR-112019-401

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

³ 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