



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 41

PROHIBITING THE COLLECTION OF PASS-THROUGH FEES ON NATIONAL ROADS AND URGING LOCAL GOVERNMENT UNITS TO SUSPEND THE COLLECTION OF ANY FORM OF FEES UPON ALL TYPES OF VEHICLES TRANSPORTING GOODS UNDER SECTION 153 OR 155 OF REPUBLIC ACT NO. 7160 OR THE "LOCAL GOVERNMENT CODE OF 1991"

WHEREAS, the President exercises general supervision over local government units (LGUs) pursuant to Section 4, Article X of the Constitution;

WHEREAS, Section 5, Article X of the Constitution grants LGUs the power to create their own sources of revenue and to levy government taxes, fees or charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy;

WHEREAS, under Section 153 of Republic Act (RA) No. 7160 or the "Local Government Code of 1991," as amended, LGUs may impose and collect reasonable fees and charges for services rendered;

WHEREAS, pursuant to Section 155 of RA No. 7160, a local *sanggunian* may prescribe the terms and conditions, and fix the rates for the imposition of toll fees or charges for the use of any public road, pier or wharf, waterway, bridge, ferry or telecommunications system funded and constructed by the LGU concerned;

WHEREAS, Section 133(e) of RA No. 7160 provides that the taxing powers of local governments shall not extend to the levy of taxes, fees, and charges and other impositions upon goods carried into or out of, or passing through, the territorial jurisdictions of LGUs in the guise of charges for wharfage, tolls for bridges or otherwise, or other taxes, fees, or charges in any form whatsoever upon such goods or merchandise;

WHEREAS, the unauthorized imposition of pass-through fees has a significant impact on transportation and logistics costs, which are often passed on to consumers, who ultimately bear the burden of paying for the increase in prices of goods and commodities;

THE PRESIDENT OF THE PHILIPPINES

WHEREAS, reducing transport and logistics costs is one of the pillars of the 8-Point Socioeconomic Agenda of the Administration, and ensuring the efficient movement of goods across the regions is one of the strategies for revitalizing local industries under the Philippine Development Plan 2023 to 2028;

WHEREAS, in order to uphold the welfare and advance the best interest of the Filipino people, it is the overarching policy of the Administration to consolidate all essential components within the value and supply chain, and reduce the costs of food logistics, which play a pivotal role in effectively tempering the inflation rate in the country; and

WHEREAS, building a robust and collaborative partnership between the National Government and LGUs is essential in effectively addressing the impacts of inflation and promoting economic prosperity across all regions;

NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Pass-Through Fees for the Use of National and Local Roads.

All LGUs are prohibited from collecting toll fees and charges upon all motor vehicles transporting goods or merchandise, while passing through any national roads and such other roads not constructed and funded by LGUs pursuant to Section 155 of RA No. 7160.

In the interest of public welfare, all LGUs are further strongly urged to suspend or discontinue the collection of fees, such as but not limited to, sticker fees, discharging fees, delivery fees, market fees, toll fees, entry fees, or Mayor's Permit fees, that are imposed upon all motor vehicles transporting goods and passing through any local public roads constructed and funded by said LGUs.

Section 2. Evaluation of Ordinances. Within thirty (30) days from the effectivity of this Order, the DILG shall secure copies of existing ordinances of all LGUs on the collection of pass-through fees imposed upon motor vehicles, including those issued pursuant to Sections 153 and 155 of RA No. 7160, and shall evaluate the same together with the Department of Trade and Industry (DTI), Department of Transportation (DOTr), Department of Public Works and Highways (DPWH), Anti-Red Tape Authority (ARTA) and Department of Finance (DOF), to ensure that such ordinances are consistent with RA No. 7160.

Section 3. Sanctions. Failure to comply with the directives under this Order shall be a ground for the imposition of administrative or disciplinary sanctions against any erring public official or employee, as provided under relevant laws, rules and regulations, without prejudice to other criminal, civil or other related liabilities under existing laws. For this purpose, and consistent with its mandate of assisting the President in the supervision of local governments, the DILG shall take appropriate actions to ensure that the LGUs shall act within the scope of their prescribed authorities under Sections No. 133(e), 153 and 155 of RA No. 7160.

Section 4. Reports. The DTI and DILG shall jointly submit reports to the Office of the President, through the Office of the Executive Secretary, on the compliance of LGUs with the foregoing provisions of this Order.

Section 5. Implementing Guidelines. Within thirty (30) days from the effectivity of this Order, the DTI, DILG, DOTr, DPWH, ARTA and DOF shall jointly formulate and issue guidelines as may be necessary, or amend/consolidate existing rules, regulations or issuances as may be appropriate, for the effective implementation of this Order.


Section 6. Funding. The funds necessary for the implementation of this Order shall be charged against the current and available appropriations of concerned agencies, subject to pertinent budgeting, accounting, and auditing laws, rules and regulations. Thereafter, the funding requirements for succeeding years shall be included in the annual General Appropriations Act, subject to the usual budget preparation process.

Section 7. Separability. If any part or provision of this Order is held unconstitutional or invalid, other parts not affected thereby shall continue to be in full force and effect.

Section 8. Repeal. All other orders, guidelines, rules, regulations and issuances, or parts thereof, which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

Section 9. Effectivity. This Order shall take effect immediately upon its publication in the Official Gazette or a newspaper of general circulation.

DONE, in the City of Manila, this 25th day of September in the year of our Lord, Two Thousand and Twenty-Three.



By the President:


LUCAS P. BERSAMIN
Executive Secretary

