

XXIII. DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

A. OFFICE OF THE SECRETARY

STRATEGIC OBJECTIVES

MANDATE

The Department of Transportation and Communications (DOTC) aims to develop, promote, implement and maintain integrated and strategic transportation and communication systems that will ensure safe, reliable, responsive and viable services to accelerate economic development and to better serve the transport and communication needs of the people.

VISION

By 2030, DOTC shall be a world-class organization, providing integrated transport; connecting people, islands, families, communities and the nation with the rest of the world; and constantly responding to the demand for environmentally sustainable and globally competitive transport.

MISSION

To provide the country with an efficient, effective and secure transportation system that is globally competitive, compliant with international standards and responsive to the changing times.

KEY RESULT AREAS

Rapid, inclusive and sustained economic growth

SECTOR OUTCOME

Access to markets and seamless interconnection of the entire country

ORGANIZATIONAL OUTCOME

The development of a transport network of moving people, goods, and services

New Appropriations, by Program/Project

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Current Operating Expenditures

		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
100000000	General Administration and Support	P 547,128,000	P 1,107,407,000	P 20,192,000	P 1,674,727,000
300000000	Operations	697,553,000	6,310,446,000	6,587,000	7,014,586,000
	MFO 1: Transport Policy Services	61,387,000	60,074,000	332,000	121,793,000
	MFO 2: Motor Vehicle Registration and Driver's Licensing Regulatory Services	314,981,000	4,528,397,000	375,000	4,843,753,000
	MFO 3: Regulation of Public Transport Services	102,194,000	132,036,000	1,542,000	235,772,000

GENERAL APPROPRIATIONS ACT, FY 2014

MFO 4: Rail Transport Passenger Services	218,991,000	1,589,939,000	4,338,000	1,813,268,000
Total, Programs	1,244,681,000	7,417,853,000	26,779,000	8,689,313,000
PROJECT(S)				
400000000 Locally-Funded Project(s)		4,791,473,000	14,184,745,000	18,976,218,000
500000000 Foreign-Assisted Project(s)			12,729,059,000	12,729,059,000
Total, Project(s)		4,791,473,000	26,913,804,000	31,705,277,000
TOTAL NEW APPROPRIATIONS	P 1,244,681,000	P12,209,326,000	P26,940,583,000	P40,394,590,000

New Appropriations, by Central / Regional Allocation

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Current Operating Expenditures

REGION	Current Operating Expenditures			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
Central Office	P 437,975,000	P 6,694,382,000	P26,919,004,000	P34,051,361,000
Regional Allocation	806,706,000	5,514,944,000	21,579,000	6,343,229,000
National Capital Region (NCR)	257,903,000	4,962,393,000	6,562,000	5,226,858,000
Region I - Ilocos	46,898,000	37,753,000	1,538,000	86,189,000
Region II - Cagayan Valley	38,075,000	30,611,000	36,000	68,722,000
Cordillera Administrative Region (CAR)	27,106,000	24,252,000	740,000	52,098,000
Region III - Central Luzon	66,622,000	82,441,000	3,140,000	152,203,000
Region IVA - CALABARZON	57,501,000	78,455,000	860,000	136,816,000
Region IVB - MIMAROPA	8,345,000			8,345,000
Region V - Bicol	34,846,000	30,863,000	99,000	65,808,000
Region VI - Western Visayas	43,957,000	36,406,000	1,402,000	81,765,000
Region VII - Central Visayas	38,960,000	49,957,000	943,000	89,860,000
Region VIII - Eastern Visayas	36,792,000	25,197,000	860,000	62,849,000
Region IX - Zamboanga Peninsula	27,857,000	26,701,000	2,330,000	56,888,000
Region X - Northern Mindanao	34,785,000	30,573,000	90,000	65,448,000
Region XI - Davao	31,345,000	31,631,000	1,926,000	64,902,000
Region XII - SOCCSKSARGEN	31,346,000	31,084,000	1,053,000	63,483,000
Region XIII - CARAGA	24,368,000	36,627,000		60,995,000
TOTAL NEW APPROPRIATIONS	P 1,244,681,000	P12,209,326,000	P26,940,583,000	P40,394,590,000

Special Provision(s)

1. **Special Vehicle Pollution Control Fund.** In addition to the amounts appropriated herein for the Land Transportation Office (LTO), Eight Hundred One Million Eight Hundred Thirty Two Thousand Pesos (P801,832,000) sourced from the seven and one-half percent (7.5%) collections from the Motor Vehicles User's Charge, constituted into the Special Vehicle Pollution Control Fund, shall be used for air pollution control in accordance with Section 7 of R.A. No. 8794.

Releases from said Fund shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, s. 1987.

The LTO shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments on the utilization of said amount. The Executive Director of LTO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the LTO.

2. **Seat Belt Use Fines.** In addition to the amounts appropriated herein for the LTO, Eighty Two Million Eight Hundred Fifty Nine Thousand Pesos (P82,859,000) sourced from fines imposed by LTO against drivers, operators, owners of vehicles, manufacturers, assemblers, importers and/or distributors for violation of the rules and regulations on the use and installation of seat belts shall be used for the implementation of the provisions of R.A. No. 8750, including the necessary promotion campaigns on the use of seat belt devices in accordance with Section 13 of R.A. No. 8750, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The LTO shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments on the utilization of said amount. The Executive Director of LTO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the LTO.

3. **Provision for Public-Private Partnership Transportation Infrastructure Project.** The amount of One Hundred Twenty Three Million Six Hundred Thousand Pesos (P123,600,000) appropriated herein for the Public-Private Partnership Strategic Support Fund shall be used exclusively to cover the payment for right-of-way acquisition and related costs, including costs incurred for the removal and relocation of informal settlers and illegal occupants on the land or property and the payment of the government counterpart for the design and construction of the Mactan Cebu International Airport Expansion Project: PROVIDED, That no amount from this Fund shall be used to pay the private partner's financial obligations whose payment the government has guaranteed.

4. **Servicing of Metro Rail Transit Obligations.** The amount needed for the payment of prior and current years' obligations for equity rental and maintenance fees and other obligations, such as, staffing and administrative cost, agency fee, cost for special repairs, and systems insurance due to the Metro Rail Transit Corporation (MRTC), as specified in the build-lease-and-transfer agreement executed between the DOTC and MRTC, shall be charged against the fare box revenue and all non-rail collections/income of the Metro Rail Transit (MRT) 3: PROVIDED, That in case of insufficient collections/income, the same may be augmented by the amounts appropriated herein for mass transport subsidy.

The payment of the foregoing obligations and fees shall cease upon full payment of the equity value buy-out of the MRTC by the National Government through the DOTC which will result to the automatic termination of the said build-lease-and-transfer agreement.

The DOTC shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance a certification of monthly income collected and actual expenses incurred, and a year-end audited financial statement of the MRT 3 operations. The Secretary of Transportation and Communications and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the year-end audited financial statement is posted on the official website of the DOTC.

5. **Light Rail Transit Authority Projects.** The amount of Five Billion Four Hundred Thirty Seven Million Seven Hundred Sixty Eight Thousand Pesos (P5,437,768,000) appropriated herein for the LRT Line 1 Cavite Extension Project and LRT Line 2 East Extension Project, including prior years' releases shall be recorded as equity contribution of the National Government upon the passage of a bill increasing the capitalization of Light Rail Transit Authority.

6. **Construction of Various Airports and Navigational Facilities.** The amount of Seven Billion One Hundred Thirteen Million One Hundred Ninety Eight Thousand Pesos (P7,113,198,000) appropriated herein for the construction of various airports and navigational facilities, and acquisition of navigational equipment shall be recorded in the books of accounts of the DOTC and transferred to the Civil Aviation Authority of the Philippines as equity contribution of the National Government pursuant to Section 14 of R.A. No. 9497.

7. **Construction of Various Ports.** The amount of One Billion Seventy Nine Million Five Hundred Thousand Pesos (P1,079,500,000) appropriated herein for the construction of various ports in the Philippines shall be recorded as equity contribution of the National Government to the Philippine Ports Authority pursuant to Section 10(b)(ii), Article VI of P.D. No. 857.

8. **Quick Response Fund.** The amount of One Billion Pesos (P1,000,000,000) is appropriated for the Quick Response Fund (QRF), which shall serve as a standby fund to be utilized for relief and recovery programs and projects necessitated by the occurrence of disasters, calamities, and other crises, whether natural or man-made.

The QRF shall enable the immediate rehabilitation and operation of airports, seaports, railways, inter-island linkages such as roll-on roll-off systems, and other crucial transportation facilities which may have been damaged or destroyed, including incidental MOOE costs, for the prompt restoration of normalcy in the delivery of basic services to affected people during emergency situations.

The DOTC shall submit to the National Disaster Risk Reduction and Management Council (NDRRMC), copy furnished the DBM, the House Committee on Appropriations and the Senate Committee on Finance, quarterly report on the status of the utilization of the QRF, either in printed or electronic form. The Secretary of Transportation and Communications, through the management information system service, shall be responsible for ensuring that the quarterly reports are regularly uploaded in the official website of the DOTC. (GENERAL OBSERVATION -

President's Veto Message, December 20, 2013, page 1110, R.A. No. 10633)

9. **Engineering and Administrative Overhead Expenses.** The DOTC is authorized to deduct not more than three percent (3%) of the project cost to be used for the following: (i) administrative overhead including the hiring of individuals which shall be limited to those under job orders or contracts of service or such other engagement of personnel hired without any employer-employee relationship; (ii) pre-construction activities after detailed engineering; (iii) construction project management; (iv) testing and quality control; (v) acquisition, rehabilitation and repair of heavy equipment and other related equipment and parts used in the implementation of infrastructure projects; and (vi) contingencies in relation to pre-construction activities: PROVIDED, That the engineering and administrative overhead expenses shall be treated/booked-up as capitalized expenditures and shall form part of the project cost: PROVIDED, FURTHER, That engineering and administrative overhead expenses shall not be authorized for infrastructure projects costing Five Million Pesos (P5,000,000) and below.

The DOTC shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on said disbursements. The Secretary of Transportation and Communications and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the said quarterly reports are likewise posted on the official website of the DOTC. Violation of, or non-compliance with this provision shall subject the government official or employee concerned to administrative, civil and/or criminal sanction in accordance with Section 43 of Chapter 5, Section 57 of Chapter 6, and Section 80 of Chapter 7, Book VI of E.O. No. 292.

10. Realignment of Funds. The Secretary of Transportation and Communications is authorized to approve realignment of allotment released from appropriations of the Department from one project/scope of work to another: PROVIDED, That the realignment may only be undertaken once per project and not later than the third quarter of the current year: PROVIDED, FURTHER, That realignment is made to another project/scope of work within the same project category, as the original project and within the same DOTC Implementing Unit: PROVIDED, FURTHERMORE, That the allotment released has not been obligated for the original project/scope of work: PROVIDED, FINALLY, That in no case shall splitting of projects or deliberate creation of gaps to justify itemization of a single project be allowed.

The DOTC shall inform the DBM, in writing, of every realignment within five (5) calendar days from its approval. The Secretary of Transportation and Communications and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that such realignment is likewise posted on the official website of the DOTC within the same period.

Implementation of this provision shall be subject to guidelines to be issued by the DOTC.

11. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Improve project development and implementation
2. Develop transparent procurement process from project's Terms of Reference (TOR) writing up to Bids and Awards Committee (BAC) procedures
3. Encourage Public-Private Partnerships (PPPs)
4. Synchronize planning and budgeting
5. Improve the institutional and regulatory environment of the Infrastructure Sector
6. Coordinate and integrate infrastructure initiatives
7. Climate Change Adaptation (CCA) and Disaster Risk Reduction Management (DRRM)
8. Improve economic development and generate employment in infrastructure development

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS

Targets

MFO 1: TRANSPORT POLICY SERVICES

No. of plans and policies developed and issued or updated and disseminated	57
Ave. % of clients who rate the plans and policies as satisfactory or better	10%
% of policies updated over the last three years	30%

MFO 2: MOTOR VEHICLE REGISTRATION AND DRIVER'S LICENSING REGULATORY SERVICES

Vehicle Registration

No. of motor vehicles registered	7,697,730
% of registration completed within four hours	85%

Driver Licensing

No. of driver's licenses and permits issued	4,537,720
% of applications acted upon within one hour of receipt of compliant applications	85%

Monitoring

% of vehicles inspected for which a violation ticket is issued	85%
% of total licensed vehicles subjected to roadside inspection annually	85%

Enforcement

No. of apprehensions for which a Temporary Operator's Permit (TOP) is issued and complaints acted upon	1,009,680
% of recorded violations that are resolved or referred for prosecution within five working days	85%

MFO 3: REGULATION OF PUBLIC TRANSPORT SERVICES**Franchising**

% of new Certificates of Public Convenience (CPC) acted upon over the compliant applications received	83%
% of extension of validity acted upon over the no. of petitions for extension of validity received	76%
% of dropping/substitution acted upon over the no. of dropping/substitution filed	64%
% of other petitions acted upon over the no. of other petitions received	89%
% of special permits acted upon over the no. of applications received	90%
% of sale and transfer acted upon over the no. of petitions for sale and transfer received	85%
% of confirmations acted upon vs. no. of authorized units	90%

Monitoring

No. of inspected franchise holders that are audited/monitored and compliant with rules and regulations	100,000
% of franchise holders audited/monitored/penalized for non-compliance of rules and regulations	10%
No. of days to conduct the audit/monitoring of franchise holders	1 year

MFO 4: RAIL TRANSPORT PASSENGER SERVICES

No. of passenger kilometers travelled (per day)	4,445,733
No. of passenger unloading incidents (annual)	364
Average travel speed	48 kph
Compliance with approved Time Table	90%

B. CIVIL AERONAUTICS BOARD**STRATEGIC OBJECTIVES****MANDATE**

The Civil Aeronautics Board (CAB) is mandated by R.A. 776, as amended by P.D. 1462, to regulate, promote and develop the economic aspect of air transportation in the Philippines and vests the CAB with supervision, jurisdiction and control over all carriers in the Philippines, including their properties, equipment and facilities. This regulation involves assuring the fitness and capability of air carriers to render air transportation services, and assuring free, fair and healthy competition, with the end in view of attaining a fully developed air transportation network that provides adequate direct connectivities and air service availability that can support the requirements of trade, tourism and overall economic development.

VISION

It shall promote the Philippines as a regional key player in civil air transport, and create and develop service connections and tourism networks by adopting policies geared towards growth, fair competition, and public convenience.

MISSION

To provide business-friendly strategies in our policy framework by adopting international standards and best practices in the air transport industry, and to provide responsive regulation in processing operating rights, fares, rates and tariffs and all other permits related to air transport

KEY RESULT AREAS

Rapid, inclusive and sustained economic growth

SECTOR OUTCOME

Access to markets and seamless interconnection of the entire country

ORGANIZATIONAL OUTCOME

Liberalized air transport services.

New Appropriations, by Program/Project

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
PROGRAMS					
100000000	General Administration and Support	P 11,484,000	P 16,560,000	P 900,000	P 28,944,000
300000000	Operations	19,058,000	7,500,000		26,558,000
	MFO 1: Air Transport Policy and Development Services	6,850,000	200,000		7,050,000
	MFO 2: Air Transport Regulatory and Enforcement Services	12,208,000	7,300,000		19,508,000
	Total, Programs	30,542,000	24,060,000	900,000	55,502,000
TOTAL NEW APPROPRIATIONS		P 30,542,000	P 24,060,000	P 900,000	P 55,502,000

New Appropriations, by Central / Regional Allocation

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
REGION					
	National Capital Region (NCR)	P 30,542,000	P 24,060,000	P 900,000	P 55,502,000
TOTAL NEW APPROPRIATIONS		P 30,542,000	P 24,060,000	P 900,000	P 55,502,000

Special Provisions(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION**KEY STRATEGIES**

1. Policy and legislative reform that would take stock of the patchwork of old and new statutes, issuances and rules and regulations, and synthesize a comprehensive and rational regulatory framework that is in step with the current demands of aviation
2. Continuous staff training, acquisition of technology and update of hardware/software to align with demands and requirements based on latest technology, information-sharing/transfer and interconnectivity
3. Further liberalize and expand the exchange of traffic rights in existing and new air services agreement and to promote pocket open skies
4. Attend regular trainings related to Quality Management, conduct of Annual Internal Quality Audit and conduct of Annual Surveillance Audit by a Third Party Auditor (TUV-SUD)
5. Undertake orientation, training and awareness programs and provide passenger assistance in various airport terminals in the Philippines

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS**Targets**

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MFO 1: AIR TRANSPORT POLICY AND DEVELOPMENT SERVICES

No. of plans and policies reviewed, updated, issued and disseminated	2
Average % of clients who rate the plans and policies as satisfactory or better	80%
% of policies reviewed and updated over the last three (3) years	80%

MFO 2: AIR TRANSPORT REGULATORY AND ENFORCEMENT SERVICES**Licensing**

No. of air agreements negotiated/air consultation talks conducted, reviewed and updated	6
No. of new applications/renewals of operating permits acted upon	1,950
No. of countries with entitlements concluded as a % of total number of countries with whom air talks were conducted/negotiated	2
% of operating permit holders with one (1) or more recorded incidents in the last three (3) years	10%
% of air agreements negotiation/air consultation talks initiated or acted upon within a year	75%
% of applications for operating permits acted upon within twenty (20) days from receipt of applications	80%

Monitoring

No. of cases/complaints acted upon	73
% of permit, license, or certificate holders with two or more incidents recorded over the last three years	10%
% of filed cases/complaints acted upon within 5 days from receipt of cases/complaints	80%

Enforcement

No. of enforcement actions carried out	73
No. of persons and entities with two or more recorded violations in the last three years as a % of total violators	10
% of detected violations that are resolved within seven working days	5%

C. MARITIME INDUSTRY AUTHORITY**STRATEGIC OBJECTIVES****MANDATE**

The Maritime Industry Authority (MARINA) develops Philippine domestic shipping, shipbuilding, ship repair and ship breaking through investment incentives, deregulation of rates/operation, enhancement of safety standards, compulsory insurance coverage for passengers and cargoes, reasonable fines and penalties, and constructive measures for a strong and competitive merchant fleet. Pursuant to Executive Order No. 75, the DOTC through the MARINA was designated as the Single Maritime Administration of the Standards of Training, Certification and Watchkeeping Convention responsible for the oversight and supervision over compliance with all qualification requirements and conditions relating to maritime education, training and certification of Filipino Seafarers.

VISION

It shall be a premier maritime administration in Southeast Asia propelling the Philippine maritime industry to global competitiveness.

MISSION

To effectively administer an integrated and sustainable maritime industry

KEY RESULT AREAS

Rapid, inclusive and sustained economic growth

SECTOR OUTCOME

Access to markets and seamless interconnection of the entire country

ORGANIZATIONAL OUTCOME

Regulated maritime industry services to facilitate accessibility and mobility of people, goods and services as the maritime administration in the Philippines (Flag State)

New Appropriations, by Program/Project

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Current Operating Expenditures

		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
100000000	General Administration and Support	P 32,363,000	P 125,215,000	P 46,000	P 157,624,000
200000000	Support to Operations	6,662,000	4,950,000		11,612,000
300000000	Operations	150,259,000	207,707,000	9,296,000	367,262,000
	NFO 1: Maritime Industry Policy Services	6,229,000	1,540,000	15,000	7,784,000
	NFO 2: Maritime Industry Regulatory Services	144,030,000	206,167,000	9,281,000	359,478,000
	Total, Programs	189,284,000	337,872,000	9,342,000	536,498,000
	TOTAL NEW APPROPRIATIONS	P 189,284,000	P 337,872,000	P 9,342,000	P 536,498,000

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New Appropriations, by Central / Regional Allocation

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REGION	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
Central Office	P 114,249,000	P 286,512,000	P 5,084,000	P 405,845,000
Regional Allocation	75,035,000	51,360,000	4,258,000	130,653,000
Region I - Ilocos	3,967,000	4,286,000	590,000	8,843,000
Region IVA - CALABARZON	8,989,000	7,164,000	1,194,000	17,347,000
Region V - Bicol	5,108,000	3,998,000		9,106,000
Region VI - Western Visayas	7,696,000	6,138,000	486,000	14,320,000
Region VII - Central Visayas	12,471,000	8,663,000	380,000	21,514,000
Region VIII - Eastern Visayas	6,843,000	3,924,000	692,000	11,459,000
Region IX - Zamboanga Peninsula	9,818,000	3,713,000	100,000	13,631,000
Region X - Northern Mindanao	7,059,000	4,447,000	120,000	11,626,000
Region XI - Davao	7,864,000	5,452,000	526,000	13,842,000
Region XII - SUCCSKSARGEN	5,220,000	3,305,000	170,000	8,695,000
Region XIII - CARAGA		270,000		270,000
TOTAL NEW APPROPRIATIONS	P 189,284,000	P 337,872,000	P 9,342,000	P 536,498,000

Special Provision(s)

1. **Tonnage Fees.** In addition to the amounts appropriated herein, Twenty Five Million Pesos (P25,000,000) sourced from the annual tonnage fees collected by the Maritime Industry Authority (MARINA) from ship owners or operators shall be used for the promotion and development of the domestic shipping industry, enhancement of maritime safety, and the promotion of the shipbuilding and ship repair industry of the country in accordance with Section 17, Chapter VII of R.A. No. 9295, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The MARINA shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments on the utilization of said amount. The Administrator of MARINA and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the MARINA.

2. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION**KEY STRATEGIES**

1. Foster a globally competitive maritime industry
2. Provide timely and efficient quality service to clients and maritime transport users
3. Strengthen stakeholders' ownership of maritime policies, programs and projects
4. Ensure compliance with safety and environmental standards
5. Ensure sufficient manpower complement
6. Develop strategic competencies
7. Develop an IT-enabled agency
8. Rationalize budgeting process for optimum use
9. Augment resources through use of income, trust funds and other sources

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS
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Targets
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MFO 1: MARITIME INDUSTRY POLICY SERVICES

No. of policies, rules and regulations updated, issued and disseminated	14
% of clients who rate the policies as satisfactory or better	70%
% of policies, rules and regulations updated over the last three years	90%

MFO 2: MARITIME INDUSTRY REGULATORY SERVICES

Licensing and Registration/Franchising

No. of vessels new applications/renewal for issuance of permits, licenses and certificates	38,393
No. of seafarers new applications/renewal for issuance of permits, licenses and certificates	502,779
% of permit, license, or certificate holders with one or more recorded incidents in the last three years	2%
% of seafarer certificated/ documented with one or more recorded violations in the last three years	2%
% of license applications processed within fifteen days from receipt of application	90%

Monitoring

No. of cases/complaints filed and processed	170
% of permit, license, or certificate holders with two or more recorded incidents/violations over the last three years	5%
% of filed cases/complaints resolved within one month	70%

Enforcement

No. of violations and complaints acted upon and reports issued	17
% of certificate/permit holders or licensees with two or more adverse findings during monitoring	2%
% of detected non-compliance issued with notice for rectification within seven days of detection	90%

NOTE: Exclusive of Targets funded from other sources, e.g. Special Account in the General Fund.

D. OFFICE OF TRANSPORTATION COOPERATIVES

STRATEGIC OBJECTIVES

MANDATE

The Office of Transportation Cooperatives was created under Executive Order No. 898 dated May 28, 1983. It is mandated to promulgate and implement rules and regulations that will govern the promotion, organization, registration (accreditation), regulation, supervision and development of Transportation Cooperatives.

VISION

It shall be a committed organization formulating a conducive policy environment that provides quality customer service, all towards directing and assisting the transport cooperatives to become self-reliant and globally competitive socio-economic transport and business enterprises, and providing professionalized transport and allied services with socio-economic empowered members and investors/workers (operators, drivers and allied workers).

MISSION

To gear the transportation cooperatives system towards maximum integration and rationalization of a sustainable, environment-friendly public transit and transport system, and to uplift the socio-economic condition of public utility transportation workers

KEY RESULT AREAS

Rapid, inclusive and sustained economic growth

SECTOR OUTCOME

Access to markets and seamless interconnection of the entire country

ORGANIZATIONAL OUTCOME

Public transportation cooperatives to facilitate accessibility and mobility of people, goods and services.

New Appropriations, by Program/Project

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
PROGRAMS					
100000000	General Administration and Support	P 5,636,000	P 3,981,000		P 9,617,000
300000000	Operations	5,914,000	1,188,000		7,102,000
	MFO 1: Transportation Cooperative Policy Services	2,525,000	580,000		3,105,000
	MFO 2: Transport Cooperative Promotion and Development Services	3,389,000	608,000		3,997,000
	Total, Programs	11,550,000	5,169,000		16,719,000
	TOTAL NEW APPROPRIATIONS	P 11,550,000	P 5,169,000		P 16,719,000
		=====	=====		=====

New Appropriations, by Central / Regional Allocation

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
REGION					
	National Capital Region (NCR)	P 11,550,000	P 5,169,000		P 16,719,000
	TOTAL NEW APPROPRIATIONS	P 11,550,000	P 5,169,000		P 16,719,000
		=====	=====		=====

Special Provisions(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Extensive promotion of the Transport Cooperatives (TC) program utilizing various media mileage to enhance public and/or stakeholders' awareness;
2. Enhance public-private partnership or establishment of linkages with NGAs/NGOs identified partners in the pursuit of the TC program's objectives;
3. Increase personnel requirements for deployment in the regions thereby bringing closer to the stakeholders the benefits of the TC program, and/or establishment of Regional Extension Offices; and
4. Formulation of programs and projects that will enhance employment opportunities to the workers of the public transport sector and their families thereby increasing their income.

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS

Targets

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MFO 1: TRANSPORT COOPERATIVE POLICY SERVICES

Formulation and Issuance of Guidelines, Rules and Regulations

No. of guidelines, rules and regulations updated, issued and disseminated	3
Ave. % of clients who rate the guidelines, rules and regulations as satisfactory or better	75%
% of guidelines, rules and regulations updated over the last three years	50%

MFO 2: TRANSPORT COOPERATIVE PROMOTION AND DEVELOPMENT SERVICES

Issuance of TC Accreditation Certificates

No. of applications for certificates acted upon	50
Average % of certificate holders who rate the process as satisfactory or better	85%
% of applications for certifications acted upon within one (1) month	100%

TC Certificate of Good Standing

No. of applications for certificates acted upon	200
% of certificate holders who rate the process as satisfactory or better	90%
% of certificates applications acted upon within one (1) day	100%

TC Operation Inspection

No. of TC Management and Operation Inspection Conducted	145
Ave. % of TC Compliance with rules, regulations, plans and programs	65%
% of detected deficiencies that are resolved	50%

Capacity/Capability Building Programs

No. of TC Capacity/Capability Building Programs executed/implemented	185
Ave. % of level/rate of effectiveness of the Program	90%
% of actual execution over the planned schedule	85%

Technical Development Assistance

No. of transportation cooperative technical development needs acted upon	215
% of transportation cooperative clients who rate the service as satisfactory or better	90%
% of detected deficiencies that are resolved	50%

E. OFFICE FOR TRANSPORTATION SECURITY

STRATEGIC OBJECTIVES

MANDATE

The Office for Transportation Security is designated as the single authority responsible for the security of the transportation system of the country, including but not limited to civil aviation, sea transport and maritime infrastructure, land transportation, rail system and infrastructure.

VISION

It shall be a world-class organization committed to and capable of ensuring and maintaining a secure and dependable transportation system

MISSION

To formulate, develop, maintain and implement national transport security programmes, plans, rules and regulations in accordance with international standards to secure the transportation system of the country

KEY RESULT AREAS

Rapid, inclusive and sustained economic growth

SECTOR OUTCOME

Access to markets and seamless interconnection of the entire country

ORGANIZATIONAL OUTCOME

Transport network for moving people, goods and services

New Appropriations, by Program/Project

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Current Operating Expenditures

		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
100000000	General Administration and Support	P 7,370,000	P 14,530,000		P 21,900,000
300000000	Operations	15,268,000	15,355,000		30,623,000
	MFO 1: Transport Security Advisory and Support Services	5,979,000	4,090,000		10,069,000
	MFO 2: Transport Security Regulatory Services	9,289,000	11,265,000		20,554,000
	Total, Programs	22,638,000	29,885,000		52,523,000
	TOTAL NEW APPROPRIATIONS	P 22,638,000	P 29,885,000		P 52,523,000

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New Appropriations, by Central / Regional Allocation

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REGION	<u>Current Operating Expenditures</u>			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
National Capital Region (NCR)	P 22,638,000	P 29,885,000		P 52,523,000
TOTAL NEW APPROPRIATIONS	P 22,638,000	P 29,885,000		P 52,523,000

Special Provision(s)

1. **Aviation Security Fees.** In addition to the amounts appropriated herein, Five Hundred Twenty Eight Million Seven Hundred Fifteen Thousand Pesos (P528,715,000) sourced from the collections of aviation security fees shall be used for the operating requirements of the National Civil Aviation Security Committee pursuant to LOI No. 414-A dated June 17, 1976: PROVIDED, That Twenty Three Million Seven Hundred Eighty Two Thousand Pesos (P23,782,000) shall be used exclusively for the procurement of airport security equipment.

Releases from said amount shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The Office for Transportation Security (OTS) shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments on the utilization of said amount including the list of airport security equipment purchased. The Administrator of OTS and the Office's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the OTS.

2. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Policy formulation
2. Increase compliance to National Transportation Security Programs
3. Capacity building through increase training activities for security screening officers, personnel and staff
4. Maintain/upgrade security screening equipment and attain at least 90% operational rate
5. Maintain 100% fill-up rate of personnel per DBM authorized manning requirement
6. Capability upgrade through acquisition of information technology, communications, mobility and technical/scientific equipment

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS

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Targets

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MFO 1: TRANSPORT SECURITY ADVISORY AND SUPPORT SERVICES

Advisory Services

No. of alert advisories issued	24
No. of information received and processed as a % of total no. of alert advisories	384
% of information received and processed within 24 hours	100%

Training and Support Services

No. of security personnel trained and certified	1,600
No. of security screening equipment deployed for operation	271

% of trainees who rate the training or support as satisfactory or better	90%
% of security screening equipment operational downtime	10%
% of security screening equipment operational within 72 hours upon notice of breakdown	86%
% of security training completed within prescribed Program of Instruction (POI)	100%
% of training programs that commence within five minutes of scheduled start time	100%

MFO 2: TRANSPORT SECURITY REGULATORY SERVICES**Application and Review**

No. of security plans and programs reviewed and acted upon	260
No. of compliance certificate applications acted upon	192
% of transport facilities with approved security plans and programs that had recorded security violations in the last three years	5%
% of compliance certificate applications acted upon within five working days	90%

Monitoring and Enforcement

No. of site inspections and audit/verification conducted	181
No. of security violations and complaints acted upon	14
No. of facilities with approved security plans and programs that had two or more recorded security breaches in the last three years	17
% of certificate holders with more than one recorded adverse findings	5%
% of terminals and transport-related facilities subjected to two or more scheduled inspections in the last three years	1%
% of detected non-compliance issued with notice for rectification within ten working days of detection	80%

F. PHILIPPINE COAST GUARD**STRATEGIC OBJECTIVES****MANDATE**

The Philippine Coast Guard is mandated to enforce regulations in accordance with all relevant maritime international conventions, treaties or instruments and national laws for the promotion of safety of life and property at sea within the maritime jurisdiction of the Philippines, enforce flag and port state control inspections and salvage operations, to enforce laws, promulgate and administer rules and regulations for the protection of marine environment and resources from offshore sources or pollution within the maritime jurisdiction of the Philippines and perform other functions as may be necessary in the fulfillment of its mandate.

VISION

It shall ensure a safe, clean and secure maritime environment

MISSION

To promote safety of life and property at sea, safeguard marine environment and resources, enforce all applicable laws within Philippine waters, and conduct maritime security operations and other activities in support of national development

KEY RESULT AREAS

Just and lasting peace and the rule of law

SECTOR OUTCOME

1. Safer and more secured environment conducive to national development
2. Full capability to uphold the sovereignty and territorial integrity of the state

ORGANIZATIONAL OUTCOME

A safe, clean and secure maritime environment

New Appropriations, by Program/Project

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
PROGRAMS					
100000000	General Administration and Support	P 1,191,949,000	P 452,658,000	P 14,911,000	P 1,659,518,000
200000000	Support to Operations	85,025,000	35,364,000	500,000	120,889,000
300000000	Operations	1,105,954,000	1,401,222,000	94,676,000	2,601,852,000
	MFO 1: Maritime Security and Patrol Services	486,345,000	1,005,605,000	550,000	1,492,500,000
	MFO 2: Search and Rescue Services	188,342,000	129,100,000	19,672,000	337,114,000
	MFO 3: Navigational Safety Services	91,182,000	103,667,000		194,849,000
	MFO 4: Maritime Safety and Environmental Protective Services	340,085,000	162,850,000	74,454,000	577,389,000
Total, Programs		2,382,928,000	1,889,244,000	110,087,000	4,382,259,000
TOTAL NEW APPROPRIATIONS		P 2,382,928,000	P 1,889,244,000	P 110,087,000	P 4,382,259,000
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New Appropriations, by Central / Regional Allocation

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
REGION					
	National Capital Region (NCR)	P 2,382,928,000	P 1,889,244,000	P 110,087,000	P 4,382,259,000
TOTAL NEW APPROPRIATIONS		P 2,382,928,000	P 1,889,244,000	P 110,087,000	P 4,382,259,000
		=====	=====	=====	=====

Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION**KEY STRATEGIES**

1. Strengthen and intensify maritime security particularly involving High Interest Vessels (HIV) such as passenger vessels, vessels passing through Malacañang complex and vessels involved in energy exploration
2. Support the operation of the National Coastwatch Center
3. Strengthen search and rescue (SAR) cooperation with AFP, PNP, GO's and NGO's through the establishment of MOA on collaborative SAR efforts which may include joint training or exercise, cooperation in development of SAR procedures, techniques, equipment or facilities and exchange pertinent SAR or communication information
4. Ensure coast guard visibility, vigilance and preparedness to pre-empt maritime infractions so as to immediately respond to call of duty to save lives, to protect the marine environment and to secure the maritime transport system through strategic deployment of PCG surface, air and shore-based capabilities to include readily deployable teams/units
5. Improve Aids to Navigation (ATON) operational efficiency through sustained conduct of ATON runs
6. Improve the capability of PCG Boarding and Inspection Teams in terms of the enforcement of regulations, standards and detection of safety environmental protection and security threats and hazards on board ships

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS**Targets**

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MFO 1: MARITIME SECURITY AND PATROL SERVICES

No. of kilometers of Phil. Coast patrolled/ monitored	41,348
% of detected incidents intercepted and apprehended	80%
% decrease in the number of maritime incidents/infractions against the average number of incidents/infractions over the last 3 years	10%
% of Philippine Coast under surveillance patrol more than 50 times a year	5%

MFO 2: SEARCH AND RESCUE SERVICES

No. of incidents reported	445
% of incidents with successful search and rescue	70%
% of incidents resolved within 6 hours	5%

MFO 3: NAVIGATIONAL SAFETY SERVICES

No. of nautical miles of shipping lanes under management	11,285
No. of marine incidents of ship collisions and other recorded navigational incidents in the last three years	333
% of incidents where defective navigation facilities replaced or repaired within thirty (30) days of detection	65%

MFO 4: MARITIME SAFETY AND ENVIRONMENTAL PROTECTION SERVICES**Inspections**

No. of vessels and facilities inspected by PCG on marine pollution regulations	9,085
No. of vessels and facilities inspected in the last two years with two or more defect notices issued as a % of the total number of ships issued with a defect notice	10
% of vessels and facilities subjected to two or more marine pollution compliance inspections in the last two years	11%

Monitoring

No. of vessels, sites and other facilities monitored and/or inspected with reports issued	931,083
% of submitted reports that resulted in the issuance of violation reports and penalties imposed	0.7%
% of vessels, sites and other facilities that have been inspected more than twice in the last two years	10%

Enforcement

No. of violations or complaints acted upon and reports issued	390
No. of vessels, sites and other facilities with three or more recorded violations in three years as a % of total violators	10%
% of detected violations that are resolved or referred for prosecution within five working days	3%

G. TOLL REGULATORY BOARD

STRATEGIC OBJECTIVES

MANDATE

Pursuant to Presidential Decree No. 1112, known as "Toll Operation Decree", the Toll Regulatory Board's mandate is the close supervision, monitoring and regulation of the construction, operation and maintenance of toll facilities and the collection of toll fees, as well as the rate that may be charged for the use of these facilities that may allow a private investor to recoup his investments and earn a reasonable rate of return.

VISION

It shall work towards establishing an effective and efficient toll road network in the country, built and managed in partnership with the private sector, geared towards the service of public interest

MISSION

To establish viable toll roads and facilities built and managed by the private sector, regulated and supervised by the government, in pursuit of sustainable economic development

KEY RESULT AREAS

Rapid, inclusive and sustained economic growth

SECTOR OUTCOME

Access to markets and seamless interconnection of the entire country

ORGANIZATIONAL OUTCOME

Transport network for moving people, goods and services

New Appropriations, by Program/Project

Current Operating Expenditures

<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
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PROGRAMS

100000000	General Administration and Support	P	4,990,000	P	4,879,000	P	80,000	P	9,949,000
300000000	Operations		7,044,000		6,222,000				13,266,000
	MFO 1: Tollway Regulatory Services		7,044,000		6,222,000				13,266,000
Total, Programs			12,034,000		11,101,000		80,000		23,215,000
TOTAL NEW APPROPRIATIONS		P	12,034,000	P	11,101,000	P	80,000	P	23,215,000

New Appropriations, by Central / Regional Allocation

Current Operating Expenditures

	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
REGION				
National Capital Region (NCR)	P 12,034,000	P 11,101,000	P 80,000	P 23,215,000
TOTAL NEW APPROPRIATIONS	P 12,034,000	P 11,101,000	P 80,000	P 23,215,000

Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

- Regular supervision and strict monitoring and regulation of the construction, operation and maintenance of toll roads for safety, security and convenience of the motoring public.
- Create Special Task Force that will report real-time information on tollway concerns, including incidents, accidents, and traffic situations, among others.

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS

Targets

MFO 1: TOLLWAY REGULATORY SERVICES

Monitoring

No. of cases/complaints acted upon	60
No. of sites inspected	12
No. of kilometers of tollway inspected	480
% of permit and certificate holders with two or more incidents recorded over the last three years	67%
% of filed cases/complaints resolved within one month	80%
% of tollway facilities inspected twice within a year	80%

Enforcement

No. of violations and complaints acted upon	607
No. of persons and entities with three or more recorded violations or complaints in the last three years as a % of total number of complaints	5
% of detected violations/complaints that are resolved or referred for prosecution within seven working days	80%

**GENERAL SUMMARY
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS**

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. Office of the Secretary	P 1,244,681,000	P12,209,326,000	P26,940,583,000	P40,394,590,000
B. Civil Aeronautics Board	30,542,000	24,060,000	900,000	55,502,000
C. Maritime Industry Authority	189,284,000	337,872,000	9,342,000	536,498,000
D. Office of Transportation Cooperatives	11,550,000	5,169,000		16,719,000
E. Office for Transportation Security	22,638,000	29,885,000		52,523,000
F. Philippine Coast Guard	2,382,928,000	1,889,244,000	110,087,000	4,382,259,000
G. Toll Regulatory Board	12,034,000	11,101,000	80,000	23,215,000
Total New Appropriations, Department of Transportation and Communications	P 3,893,657,000	P14,506,657,000	P27,060,992,000	P45,461,306,000