



Republic of the Philippines
DEPARTMENT OF TRANSPORTATION

DEPARTMENT ORDER NO. 2020- 012

**Subject: REQUIRING CASHLESS OR CONTACTLESS
TRANSACTION FOR ALL VEHICLES TRAVELING ON
TOLL EXPRESSWAYS**

DATE: 13 AUGUST 2020

WHEREAS, pursuant to the Title XV Chapter 1 of Executive Order No. 292, the Department of Transportation and Communication (DOTC) (now Department of Transportation) ¹ is the primary policy, planning, programming, coordinating, implementing, regulating and administrative entity of the Executive Branch of the government in the promotion, development and regulation of dependable and coordinated networks of transportation and communication systems, as well as in the fast, safe, efficient and reliable postal, transportation and communication services, and has authority to administer and enforce all laws, rules and regulations relative to transportation.

WHEREAS, Section 3 of Republic Act 2000, otherwise known as the "Limited Access Highway Act" authorized then Department of Public Works and Communications (now the Department of Transportation) to plan, designate, establish, regulate, vacate, alter, improve and provide limited access facilities for public use whether it is the opinion that traffic conditions, present or future, will justify such special facilities.

WHEREAS, DOTC Department Order No. 2007-15 declared the following as "Limited Access Facilities", to wit:

1. South Luzon Expressway (SLEX);
2. Manila-Cavite Toll Expressway (Coastal Road);
3. North Luzon Expressway;
4. South Metro Manila Skyway;
5. Southern Tagalog Arterial Road (STAR) Tollway;
6. Subic-Clark-Tarlac Expressway (SCTEX); and

¹ Republic Act No. 10844 became law in 2016 and created the Department of Information and Communications Technology (DICT) and renamed the DOTC to Department of Transportation

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7. All other road networks, including any extension of the existing expressway facilities mentioned above, that may be constructed, established and/or operated as expressway toll facilities by law from time to time.

WHEREAS, in the case of *Mirasol v. DPWH and TRB* (G.R No. 158793, 8 June 2006), the Supreme Court confirmed the authority of the then DOTC (now the Department of Transportation) to "regulate, restrict, or prohibit access to limited access facilities";

WHEREAS, Republic Act 8792, or the Electronic Commerce Act of 2000, aims to facilitate domestic and international dealings, transactions, arrangements, agreements, contracts and exchanges and storage of information through the utilization of electronic, optical and similar medium, mode, instrumentality and technology to recognize the authenticity and reliability of electronic documents related to such activities and to promote the universal use of electronic transaction in the government and general public;

WHEREAS, Republic Act 8792, or the Electronic Commerce Act of 2000, mandated, among others, the Department of Transportation to "aggressively promote and implement a policy environment and regulatory framework that shall lead to the substantial reduction of costs of including, but not limited to, lease lines, land, satellite and dial-up telephone access, cheap broadband and wireless accessibility by government departments, agencies, bureaus, offices, government owned and controlled corporations, local government units, other public instrumentalities and the general public, to include the establishment of a government website portal and a domestic internal exchange system to facilitate strategic access to government and amongst agencies thereof and the general public and for the speedier flow of locally generated internal traffic within the Philippines.

WHEREAS, on 24 March 2020, Republic Act No. 11469 or the Bayanihan To Heal As One Act was passed as a result of the COVID-19 pandemic and declared as a policy the urgent need to, among others, "mitigate, if not contain, the transmission of COVID-19" and to "partner with the private sector and other stakeholders to deliver these measures and programs quickly and efficiently;

WHEREAS, in line with the E-Commerce Act of 2000 and considering the COVID-19 pandemic, the Department of Transportation recognizes the need to fast-track its digitization program to achieve contactless transactions during the land travel especially in limited access facilities;

WHEREAS, to achieve social distancing and maximum efficiency in the use of the tollways, there is a pressing need to require all vehicles using the tollways to use cashless or contactless transaction as means of alleviating queuing and traffic congestion at the toll plazas. Moreover, to promote public health, good order or safety and general welfare of the people, the State, in the valid exercise of its police power may establish and administer comprehensive and integrated programs for transportation and communications and to issue orders, rules and regulations.

NOW THEREFORE, I ARTHUR P. TUGADE, Secretary of the Department of Transportation, by virtue of the powers vested in me by law, hereby order that:

Section 1. Declaration of Policy. It is hereby declared that all vehicles shall enter and use tollway facilities through cashless or contactless transaction, initially as a measure to mitigate the transmission of COVID-19 and subsequently as a means to ensure a more efficient flow of traffic within expressway.

Section 2. Obligations of Implementing Agencies. The following agencies are hereby directed to undertake specific programs within three (3) months for the purpose of ensuring a smooth implementation of this policy:

- a. **Toll Regulatory Board (TRB).** Pursuant to its function as the implementing authority over limited access facilities, the TRB is hereby directed to promulgate rules and regulations that will require concessionaires and operators of toll expressways to transition to a one hundred percent (100%) electronic toll collection lanes.

To address the COVID-19 pandemic, the TRB shall ensure that concessionaires and operators shall install electronic tags or other cashless systems, such as, but not limited to, RFID, Automated Fare Collection System (AFCS), etc. for all motorists and motor vehicles using the toll expressways and transact only thru the cashless mode of payment of toll not later than 2 November 2020.

- b. **Land Transportation Office (LTO).** Pursuant to its mandate under Republic Act No. 4136, as amended, to register motor vehicles, and consistent with its Cashless or Contactless Transaction Program under Memo Circular No. 2020-2181 on the implementation of the new Land Transportation Management System (LTMS), the LTO is hereby directed to come up with a study which will explore ways and means to allow full Cashless or Contactless System along expressways bearing in mind the (i) rights of private toll concessionaires under their respective agreements; (ii) need for a smooth and convenient flow of traffic in the

expressway; and (iii) enforcement of traffic laws in the expressway, without imposing undue burden on the motorists.

The LTO shall also ensure compliance with this policy through the imposition of penalties consistent with Republic Act No. 4136 and the DOTC-LTO-LTFRB Joint Administrative Order (JAO) No. 01-14 (Revised Schedule of Fines and Penalties for Violations of Laws, Rules, and Regulations Governing Land Transportation).

- c. **Land Transportation and Franchising Regulatory Board (LTFRB).** Pursuant to its mandate of regulating public utility vehicles (PUVs), the LTFRB shall (i) monitor PUVs' compliance with the LTFRB Memo Circular No. 2020-020 requiring all PUVs to install electronic tags or other cashless system in their units; and (ii) issue rules and regulations that will sustain a cashless or contactless transaction when using the expressways.

Section 3. Separability Clause. If any part or provision of this Department Order is held unconstitutional or invalid, other parts or provisions which are not affected will continue to remain in full force and effect.

Section 4. Repealing Clause. All other Department Order, Circulars, Special Orders, Office Orders, and/or issuances inconsistent herewith are hereby superseded or modified accordingly.

Section 5. Effectivity. This Department Order shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or in newspaper of general circulation or the filing of three (3) copies thereof with the University of the Philippines Law Center.


ARTHUR P. TUGADE


DOT-OSCC OUTGOING 20-00938