



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. **4823**



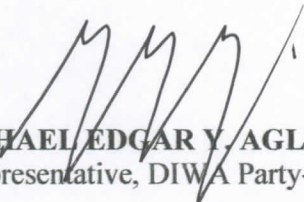
Introduced by **DIWA Party-list Representative Hon. Michael Edgar Y. Aglipay**

EXPLANATORY NOTE

Consistent with the national policy to promote adequate, safe, reliable, efficient, and environment-friendly public land transport for the riding public, DIWA recognizes and supports the PUV Modernization Program (PUVMP) of the Department of Transportation (DOTr). In line with its mandates, this representation believes that in order for the implementation of PUVMP to succeed, the Government must also provide a socially just, democratic, and public service-oriented framework of modernization for the PUJ sector, which is the primary sector that will be initially affected by the PUVMP.

The progress for the past two years appears to still be highly controversial with the strong opposition from various transport groups, the implementation of PUVMP continues to be in impasse. In light of all the learning we gathered from inquiries done in the 17th congress, this representation proposes a middle ground to provide clear guidance on how the modernization program should move forward - particularly with clear indication as to what are the roles and responsibilities of the government and of the industry stakeholders in making this happen.

This bill aims to push for a Win-Win-Win scenario wherein the welfares of all stakeholders –transport sector, riding public and government, are upheld. The objective is to provide an adequate, efficient, reliable, and environment sustainable PUVs to ensure the safety and comfort of the riding public, and at the same time promote the welfare and protect the rights of industry players, most especially the drivers and operators of our PUJs, who will be the frontline in dealing with initial implementation of PUVMP.


MICHAEL EDGAR Y. AGLIPAY
Representative, DIWA Party-list



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AN ACT
PROVIDING FOR A FAIR AND REASONABLE PUBLIC UTILITY JEEPNEY (PUJ)
MODERNIZATION PROGRAM TO FACILITATE TRANSITORY ASSISTANCE
TO PUBLIC UTILITY JEEPNEY DRIVERS, OPERATORS AND CONCERNED
STAKEHOLDERS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Section 1. Short Title. – This act shall be known as the “Fair and Reasonable Public Utility Jeepney Modernization Act.”

Sec 2. Declaration of policy. – It is hereby declared the policy of the state, in accordance with constitution, that the right to travel shall not be impaired, be it due to lack of means, access, or capability to pay of the general public. Public transportation and mobility, therefore, is a sector that should be developed, modernized and sustained by the state based on principles of justice, equity and ecological sustainability.

At the same time, the state acknowledges the transportation sector as both public service and enterprise. As an enterprise employing labor, deemed by law as the primary social economic force, the state must protect the rights of workers within the transportation service industry and promote their welfare. Towards this end, the state shall encourage the creation of a people-centered strategy that represents the core of economic and social development. It therefore ensures that the transportation sector develops and modernizes not just technologically, but also in accordance with principles of justice and equity, promoting full, productive employment and decent work for all.

Sec. 3. Objectives. – In support to the Department of Transportation (DOTr) Public Utility Vehicle Modernization Program (PUVMP) to provide reliable, safe, accessible, comfortable,

and environmentally sustainable public land transportation for the riding public, this act, aims to –

- (a) Ensure efficient and effective implementation of the PUVMP without sacrificing the rights and welfare of the PUV operators and drivers, specifically the PUJ sector, who are mandated to upgrade their fleet in terms of operation and vehicles, by providing specific mandates to fill in the loopholes and break the impasse among the stakeholders –the transport sector, riding public and implementing agencies;
- (b) Ensure that the security of tenure of long-standing drivers in the PUV industry will be protected and that their right to work until retirement will not be compromised;
- (c) Provide a means of support to drivers/operators who can no longer take part in the Program due to various reasons, including those who choose to pursue work in a different sector and thus require retraining and reskilling; and
- (d) Guarantee genuine and fair competition, and a level playing field within the PUV sector;

Sec. 4. Fair and Reasonable PUJ Modernization Program (PUJMP). – In line with the existing PUVMP, the DOTr is hereby mandated to create a specific PUJ Modernization Program, here in referred to as “PUJMP” in order to enhance the safety, efficiency and sustainability of public ground transportation and at the same time provide a reasonable transition and support program for the affected stakeholders in the transport sector, specially the PUJ Operators and/or drivers.

Sec 5. Fleet Modernization and Engine and replacement specification. –

- (a) All existing PUJ units will be tested and evaluated in terms of roadworthiness and physical stability. Thereafter, all PUJ units that were tested and confirmed to be roadworthy by the DOTr and Department of Trade and Industry’s bureau of Philippine standards (DTI-BPS) shall be allowed to take part in the PUJMP by requiring only engine replacement to Euro 4 (or better); body make modification to comply with the required boarding and alighting from the curbside; and fabricate provisions for GPS, CCTV, and Automatic Fare Collection System.
- (b) To assist the affected stakeholders in the transport sector, the remaining budget under DTI’s Comprehensive Automotive Resurgence Strategy (CARS) program shall be used to incentivize and support the creation and assembly of locally manufactured PUV units and parts;
- (c) To ensure a fair and reliable test evaluation, only emission testing centers duly authorized and accredited by the DTI, and which follow the standards set by the Department of Environment and Natural Resources (DENR) and DOTr shall be used in registering PUVs in regular emission testing; and
- (d) DOTr shall plan for a phased implementation of the PUJMP following a three (3) year transition period from the effectivity of this Act, which shall carry-on with the pilot

implementation in Metro Manila and Other highly urbanized areas during the first two (2) years and thereafter the rest of the country.

Sec 6. Financial Assistance.

- (a) Government Subsidy. – PUJ drivers/operators who are required to modernize or buy vehicles shall be given a government financial assistance amounting to One Hundred Thousand Pesos (Php100,000.00) to lighten the capital burden of modernization.
- (b) Optional PUJ unit buy-out arrangement. – The government may offer a buy-out arrangement of old PUJ units for Four Hundred Thousand Pesos (php400,000.00) per unit to Drivers/Operators who opt to surrender their old PUJ units, provided that only PUJ units, which are evaluated and confirmed to be road-worthy shall be qualified for the buy-out option.
- (c) Loan Interest/ Payment Options. –
 - i. A tripartite mechanism involving government, financing institutions and PUV operators/owners shall be established to set policies for the loan program and other issues on implementation. Loan requirements shall be simplified and tailored to the current situation and standing of PUV drivers and operators.
 - ii. The interest rate on loan amortization shall not exceed 5% fixed annual interest considering the mass/public nature of PUV services.
 - iii. The loan amortization period shall be at least ten (10) years; subject to re-computation once a driver/operator decides to shorten the said period or is able to pay in full before its maturity: provided, that the total cost of the monthly amortization shall be proportional to the monthly income of a PUV driver or operator.

Sec 8. Compensation option. – Drivers/operators who opt not to take part in the PUJMP shall be given reasonable amount of financial assistance and shall be endorsed to the Department of Labor and Employment (DOLE) for assistance in their Livelihood Development Assistance Program; and/or Technical Education and Skills Development Authority (TESDA) for skills training to enable them to venture into other forms of employment, trade, or livelihood.

Sec 9. Priority Right on Route Assignment. – In case of route rationalization, affected operators with existing PUV CPC or franchise in the area shall be given the priority right in route assignment, provided that, long term existing/residential operators/drivers within a particular area may also be considered in route assignments.

Sec. 10. Single Unit Operators. – Existing single unit operators shall be allowed to take part in the Program and to continue to hold on to their CPC or franchise, as long as they comply with the required vehicle specifications and operations in the PUVMP. Single unit operators may be encouraged to consolidate but not required.

Sec 11. Appropriations. – the equivalent of twenty percent (20%) annual share on of the total gross collections of the motor vehicle user's charge (MVUC) collected pursuant to republic act no. 8794, as amended, shall be utilized to fund this Act. The amount shall be indicated as a separate line item under the budget of the DOTr in the annual general Appropriations Act. (GAA).

Sec 12. Implementing Rules and regulations. – The secretary of the Department of Transportation, in consultation with the DTI, DOLE, TESDA and other relevant government agencies and transport sector groups, shall issue the rules and regulation necessary for the effective implementation of this Act within sixty (60) days of its effectivity;

Sec 13. Separability Clause. – If for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect

Sec 14. Repealing Clause. – All laws, executive orders, presidential decrees, rules and regulations or parts thereof contrary to or inconsistent with any provisions of this act are hereby repealed, amended or modified accordingly.

Sec 15. Effectivity. – This act shall take effect fifteen (15) days after its publication in the official gazette or in two (2) national newspapers of general circulation.

Approved,