

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



**HOUSE OF REPRESENTATIVES**

**H. B. No. 4544**

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Introduced by Rep. Vilma Santos-Recto  
6<sup>th</sup> District of Batangas

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**AN ACT  
PROVIDING FOR A MAGNA CARTA FOR THE ROAD TRANSPORTATION  
SECTOR**

**EXPLANATORY NOTE**

The Philippine Constitution mandates the protection and enhancement of the right of all people to human dignity and the reduction of social and economic inequities. The State also guarantees the rights of all sectors, including those in the road transportation industry, to participate in the policy and decision-making processes affecting their rights and benefits as provided by law.

Transportation provides the physical link in every economic and social activity. It is therefore legitimate and indispensable to safeguard an industry that is vital to economic growth and social development. It plays a crucial role in everyone's life as it meets the demand for the sustainable mobility of both people and goods.<sup>1</sup>

For the past four decades, the perennial problems of the road transportation industry remain unsolved. The high cost of fuel, abusive traffic law enforcers, problems in the issuance of franchise of public utility vehicles, proliferation of colorum vehicles, poor road conditions, traffic congestion, and air pollution immensely affect the road transportation sector.

This measure aims to provide for the institutionalization of the participatory mechanisms for the road transportation sector by including at least one representative from

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<sup>1</sup> [http://www.iru.org/en\\_about-road-transport](http://www.iru.org/en_about-road-transport)

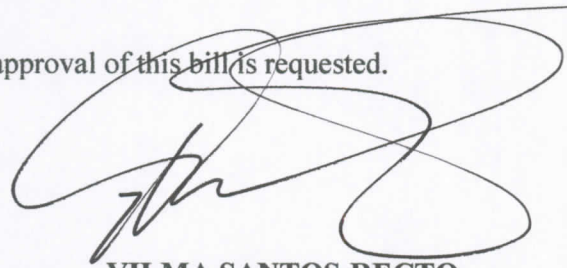
the sector in the governing boards of government instrumentalities in the national and local level.

As a piece of legislation that intends to empower and comprehensively protect the rights of the road transportation sector, particularly the road transportation workers, the following provisions are included:

- a) Creation of a Road Incident Complaints and Investigation Office;
- b) Free legal assistance, counseling and representation for indigent members of the road transportation sector; and
- c) Mandatory enrollment of road transportation workers in institutions providing employee benefits such as Social Security System, Philhealth and Pag-IBIG Fund.

Likewise, the proposed legislation aims to promote and develop the road transportation sector by providing short-course trainings to be designed and conducted by the Technical Education and Skills Development Authority. The bill requires the construction of a free common transportation terminal facilities and creation of a One-Stop Transportation Services Office as well as the establishment of a Road Transportation Surety Fund Program.

With the foregoing considered, immediate approval of this bill is requested.

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above the printed name.

**VILMA SANTOS-RECTO**

HOUSE OF REPRESENTATIVES

H. B. No. 4544

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Introduced by Rep. Vilma Santos-Recto  
6<sup>th</sup> District of Batangas

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AN ACT  
PROVIDING FOR A MAGNA CARTA FOR THE ROAD TRANSPORTATION  
SECTOR

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

1       Section 1. *Title.* – This Act shall be known as the “Magna Carta for the Road  
2       Transportation Sector Act”.

3       Sec. 2. *Declaration of Policy.* – It is the declared policy of the State to guarantee the  
4       rights of those in the road transportation industry to participate in the policy and decision  
5       making processes affecting their rights, welfare and privileges. The State shall provide a  
6       mechanism to uplift the standard of living and quality of life of those in the road  
7       transportation sector. They must be empowered to meet their minimum basic needs, through  
8       partnership with the government. It is likewise vital that the State shall recognize and  
9       encourage the road transportation sector as its partner to achieve the goals towards effective  
10      delivery and implementation of a wide range of safe, efficient and affordable road  
11      transportation services to the people.

12      To attain the foregoing policy:

13           (a)       The State shall provide full access to government support and services  
14      to the road transportation sector;

15           (b)       The State shall prioritize investments in transportation-related  
16      programs to enable the road transportation sector to participate in the country’s  
17      development; and

18           (c)       The State shall formulate national policies and guidelines for the  
19      integrated and comprehensive road transportation programs in the national and local  
20      levels.



1       Sec. 3. *Definition of Terms.* – As used in this Act, the following shall mean:

2           (a) *Road Transportation Sector* – shall refer to operators, owners and their  
3 employees engaged in the movement of people and commodities for a fee; passengers;  
4 and those in transportation-related businesses who provide goods and services to the  
5 general public.

6           (b) *Road Transportation* – shall refer to the transportation of passengers and  
7 goods on the road, which includes but is not limited to public utility vehicles such as  
8 buses, jeepneys, taxis, TNVS providers, coaches, trucks, motorcycles and tricycles.

9           (c)       *National Road Transportation Group* – shall refer to the representative  
10 association to be established and organized to cater to a national constituency, and  
11 whose mandate includes the protection of the interests and rights of road transportation  
12 operators, owners and workers; passengers and those in transportation-related  
13 businesses to ensure economic growth and prosperity through the sustainable mobility  
14 of people and goods.

15           (d) *Road Transportation Education* – shall refer to non-degree programs aimed to  
16 provide education and training in the planning, design, construction, and operation of  
17 vehicles for road transportation.

18       Sec. 4. *Right to Organize and to Participate in Democratic Exercises.* – Every road  
19 transportation association shall have the right to organize and determine its programs and  
20 projects on road transportation subject to their charter and bylaws: *Provided*, That it does not  
21 infringe on the basic rights and freedom of those belonging to the road transportation sector:  
22 *Provided*, further, That the road transportation sector shall also have the right to participate in  
23 the deliberation of issues and in the formulation of policies that affect them, including the  
24 guarantee of representation in the governing boards or appointment in government  
25 instrumentalities.

26       Sec. 5. *Right Against Abusive Traffic Law Enforcers.* – The State shall establish a Road  
27 Incident Complaints and Investigation Office directly under the Department of Justice to  
28 receive and act on complaints against traffic abuses.

29       Sec. 6. *Right to Collective Bargaining.* – All road transportation workers shall have the  
30 right to engage in collective bargaining with road transportation operators and owners to  
31 promote the interests of employees such as, just compensation, health benefits and social  
32 security, among others.

33       Sec. 7. *Right to Free Legal Assistance.* –An indigent member of the road transportation  
34 sector who becomes a party to a transportation-related civil and/or criminal case, may avail of

1 free legal assistance, counseling and representation before the courts from the Public  
2 Attorney's Office, subject to existing rules and regulations.

3       Sec. 8. *Social Protection.* – The road transportation workers shall be enrolled in the  
4 Social Security System (SSS), Philhealth and Pag-Ibig Fund. The employer or operators shall  
5 deduct from the workers' income or salary the monthly social security contribution based on  
6 the respective schedule of contributions and remit their corresponding share of contribution to  
7 the SSS, Philhealth and Pag-IBIG: *Provided, That*, if the road transportation worker is paid  
8 on a commission basis, the monthly premium payments to SSS, Philhealth and Pag-IBIG  
9 shall be shouldered by the worker but, the operator may assist in facilitating the remittance to  
10 said institutions.

11       Sec. 9. *Creation of a National Road Transportation Group.* – There shall be established  
12 a National Road Transportation Group to represent the road transportation sector in policy-  
13 making and decision-making affairs in the national and local level.

14       There shall be a national representative in the governing boards and government  
15 instrumentalities, to include, but not limited to, the Land Transportation Franchising and  
16 Regulatory Body (LTFRB), Toll Regulatory Board (TRB), Land Transportation Office  
17 (LTO) and Department of Transportation (DOTr). It shall have its set of officers elected in  
18 an annual election.

19       The National Road Transportation Group shall be involved in activities which include,  
20 but are not limited to:

- 21           (a)       Recommend policies that will empower the road transportation sector;
- 22           (b)       Monitor all activities, legislation, policies and events that will impact  
23 on the road transportation sector;
- 24           (c)       Dialogue with intergovernmental bodies and all other stakeholders  
25 concerned on the role and importance of the road transportation industry, of its position  
26 on various issues, and sharing of reliable data and information;
- 27           (d)       Cooperate with governing and legislative bodies in order to contribute  
28 to informed and effective legislation, to maintain balance between the needs and  
29 interests of all; and
- 30           (e)       Provide services and information to road transportation operators and  
31 workers, such as but not limited to reporting legislative developments, legal assistance,  
32 professional training and road transportation credit assistance.



1       Sec. 10. *The Road Transportation Charter and Bylaws.* – There shall be a Road  
2       Transportation Group charter and by-laws crafted by the heads or representatives of all  
3       accredited road transportation associations and ratified by a simple majority of all its  
4       members.

5       Sec. 11. *Qualifications of Road Transportation Representatives.* - No person shall be  
6       elected as a Road Transportation Group representative unless he is a citizen of the  
7       Philippines, at least thirty (30) years of age, able to read and write, a *bona fide* member of  
8       any legitimate road transportation association for at least one (1) year prior to the election,  
9       and has never been convicted of any administrative, civil or criminal offense involving moral  
10      turpitude.

11      If, at any time, an officer or representative ceases to be a *bona fide* member of the  
12      represented transportation group, through expulsion, resignation, or any manner of removal  
13      sanctioned by its association and by-laws, the position shall automatically be declared vacant  
14      and shall be filled up accordingly as provided in the charter and by-laws.

15      Sec. 12. *Creation of a One-Stop Transportation Services Office.* – A one-stop  
16      processing and approval center shall be created at least in every province and city to facilitate  
17      and expedite the business application process, enrollment in social security, Pag-IBIG and  
18      Philhealth benefits and to serve existing and potential investors in the road transportation  
19      sector in order to enhance the investment climate. The DOTr, LTO, LTFRB, SSS, Philhealth,  
20      Pag-IBIG and other government agencies concerned shall collaborate, agree and commit to  
21      share resources and responsibilities in facilitating the required documentation and registration  
22      procedures.

23      Sec. 13. *Establishment of a Road Transportation Surety Fund Program.* – The Road  
24      Transportation Surety Fund Program shall be created under the Land Bank of the Philippines  
25      (LBP) and the Development Bank of the Philippines (DBP) for the purpose of funding special  
26      programs for the development of the road transportation sector in accordance with the rules  
27      and regulations of the Banko Sentral ng Pilipinas. The Program shall provide financing start-  
28      up and access to credit for road transportation sector members and cooperatives.

29      Sec. 14. *Road Transportation Education.* – The Technical Education and Skills  
30      Development Authority (TESDA) is mandated to design and conduct short-course trainings  
31      on road transportation education. The courses shall focus on the following:

- 32           (a) Basic driving skills;
- 33           (b) Transportation laws, traffic signs, rules and regulations;
- 34           (c)       Safe driving practices;

1 (d) Automotive troubleshooting to develop a competent and responsible driver;  
2 and

3 (e) Design, assembly, manufacture, and operation of various types of road  
4 transportation.

5 The Department of Education (DepEd) is hereby required to incorporate in the high  
6 school curriculum a subject that aims to provide basic driving skills and education on traffic  
7 laws, rules and regulations.

8 The LTO is hereby mandated to classify all drivers' license, whether non-professional,  
9 professional or commercial driver's license, according to the types of vehicles to be driven  
10 and require all applicants for professional driver's license to undergo a commercial driver's  
11 license training from TESDA-accredited training schools and pass the written and practical  
12 examinations before the issuance of a license.

13 Sec. 15. *Establishment of Free Common Transportation Terminal Facilities.* – Every  
14 Local Government Unit is mandated to establish free common transportation terminal  
15 facilities in order to provide more convenient access to mass transportation system to the  
16 commuting public.

17 Sec. 16. *Allocation of Funds.* – Ten percent (10%) of the funds generated from the  
18 Motor Vehicle User's Charge shall be allocated to implement this Act to be provided in the  
19 annual General Appropriations Act.

20 Sec. 17. *Implementing Rules and Regulations.* – Within ninety (90) days from the  
21 effectivity of this Act, the DOTr in coordination with the DOJ, DepEd and TESDA, shall  
22 formulate rules and regulations to effectively implement the provisions of this Act.

23 Sec. 18. *Separability Clause.* – If any portion or provision of this Act is declared  
24 unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain  
25 in force and effect.

26 Sec. 19. *Repealing Clause.* – Any law, presidential decree or issuance, executive order,  
27 letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby  
28 repealed or modified accordingly.

29 Sec. 20. *Effectivity.* – This Act shall take effect fifteen (15) days following its complete  
30 publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,