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SENATE

S. No. 2220

RECEIVED BY. *js*

Introduced by Senator Ralph G. Recto

**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 impacts every economic and social activity. It provides the physical link among people, products and services.¹ It is therefore legitimate and indispensable to safeguard an industry that is vital to economic growth, social development, prosperity and, ultimately, peace and which plays a crucial role in everyone's life by meeting the demand for the sustainable mobility of both people and goods.²

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, colorum vehicles, poor road conditions, traffic congestion, and air pollution greatly 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 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 employee benefits such as Social Security System, Philhealth and Pag-IBIG Fund.

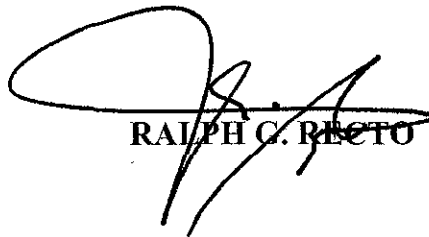
Likewise, the proposed legislation aims to promote and develop the road transportation sector by providing short-course trainings to be designed and conducted by the Technical Education and Skills Development Authority; putting up free common

¹ <http://www.neda7.net.ph/wordpress/wp-content/uploads/2013/04/Chapter-3B-Infrastructure.pdf>

² http://www.iru.org/en_about-road-transport

transportation terminal facilities; creating a One Stop Transportation Services Office and establishing a Road Transportation Surety Fund Program.

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



RALPH C. RECTO

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SENATE

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

12 To attain the foregoing policy:

- 13 (a) The State shall provide full access to government support and services to the road
14 transportation sector;
- 15 (b) The State shall prioritize investments in transportation related programs to enable the
16 road transportation sector to participate in the country’s development;
- 17 (c) The State shall formulate national policies and guidelines for the integrated and
18 comprehensive road transportation programs in the national and local levels;

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

- 20 (a) “Road Transportation Sector” shall refer to operators, owners and their employees
21 engaged in the movement of people and commodities for a fee; passengers; and those in
22 transportation-related businesses who provide goods and services to the general public.
- 23 (b) “Road Transportation” shall refer to the transportation of passengers and goods on the
24 road, which includes but is not limited to public utility vehicles such as buses, jeepneys,
25 coaches, trucks, motorcycles and tricycles.

1 (c) "National Road Transportation Group" shall refer to the representative association to be
2 established and organized to cater to a national constituency, and whose mandate
3 includes the protection of the interests and rights of road transportation operators, owners
4 and workers; passengers and those in transportation-related businesses to ensure
5 economic growth and prosperity through the sustainable mobility of people and goods.

6 (d) "Road Transportation Education" shall refer to non-degree programs aimed to provide
7 education and training in the planning, design, construction, and operation of vehicles for
8 road transportation.

9 **SEC. 4. *Right to Organize and to Participate in Democratic Exercises.*** – Every road
10 transportation association shall have the right to organize and determine its programs and
11 projects on road transportation subject to their charter and bylaws: *Provided*, That it does not
12 infringe on the basic rights and freedom of those belonging to the road transportation sector:
13 *Provided*, further, That the road transportation sector shall also have the right to participate in the
14 deliberation of issues and in the formulation of policies that affect them, including the guarantee
15 of representation in the governing boards or appointment in government instrumentalities.

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

19 **SEC. 6. *Right to Collective Bargaining.*** – All road transportation workers shall have the
20 right to engage in collective bargaining with road transportation operators and owners to promote
21 the interests of employees such as, just compensation, health benefits and social security.

22 **SEC. 7. *Right to Free Legal Assistance.*** – An indigent member of the road transportation
23 sector who becomes a party to a transportation-related civil and/or criminal case, may avail of
24 free legal assistance, counseling and representation before the courts from the Public Attorney's
25 Office, subject to existing rules and regulations.

26 **SEC. 8. *Social Protection.*** – The road transportation workers shall be enrolled in the
27 Social Security System, Philhealth and Pag-Ibig Fund. The employer or operators shall deduct
28 from the workers' income or salary the monthly social security contribution based on the
29 respective schedule of contributions and remit their corresponding share of contribution to the
30 SSS, Philhealth and Pag-IBIG: *Provided*, That, if the road transportation worker is paid on a
31 commission basis, the monthly premium payments to SSS, Philhealth and Pag-IBIG shall be
32 shouldered by their operators or employers.

33 **SEC. 9. *Creation of National Road Transportation Group.*** – There shall be established a
34 National Road Transportation Group to represent the road transportation sector in policy-making
35 and decision-making affairs in the national and local level.

36 There shall be a national representative in the governing boards and government
37 instrumentalities, to include, but not limited to, the Land Transportation Franchising and
38 Regulatory Body (LTFRB), Toll Regulatory Board (TRB), Land Transportation Office (LTO)

1 and Department of Transportation and Communication (DOTC). It shall have its set of officers
2 elected in an annual election.

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

5 (a) Recommend policies that will empower the road transportation sector;

6 (b) Monitor all activities, legislation, policies and events that will impact on the road
7 transportation sector;

8 (c) Dialogue with intergovernmental bodies and all other stakeholders concerned on the
9 role and importance of the road transportation industry, of its position on various
10 issues and sharing of reliable data and information;

11 (d) Cooperate with governing and legislative bodies in order to contribute to informed
12 and effective legislation, to maintain balance between the needs and interests of all;
13 and

14 (e) Provide services and information to road transportation operators and workers, such
15 as but not limited to reporting legislative developments, legal assistance, professional
16 training and road transportation credit assistance.

17 **SEC. 10.** *The Road Transportation Charter and Bylaws.* – There shall be a Road
18 Transportation Group charter and bylaws crafted by the heads or representatives of all accredited
19 road transportation associations and ratified by a simple majority.

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

25 If, at any time, an officer or representative ceases to be a bona fide member of the
26 represented transportation group, through expulsion, resignation, or any manner of removal
27 sanctioned by its association and by-laws, his position shall automatically be declared vacant and
28 shall be filled up accordingly as provided in the Charter and Bylaws.

29 **SEC. 12.** *Creation of a One Stop Transportation Services Office.* – A one stop processing
30 and approval center shall be created at least in every province and city to facilitate and expedite
31 the business application process enrollment in social security, Pag-IBIG and Philhealth benefits
32 and to serve existing and potential investors in the road transportation sector in order to enhance
33 the investment climate. The DOTC, LTO, LTFRB, SSS, Philhealth, Pag-IBIG and other
34 government agencies concerned shall collaborate, agree and commit to share resources and
35 responsibilities in facilitating the required documentation and registration procedures.

36 **SEC. 13.** *Establishment of a Road Transportation Surety Fund Program.* – The Road
37 Transportation Surety Fund Program shall be created under the Land Bank of the Philippines
38 (LBP) for the purpose of funding special programs for the development of the road transportation

1 sector in accordance with the rules and regulations of the Banko Sentral ng Pilipinas. The
2 Program shall provide financing start-up and access to credit for road transportation sector
3 members and cooperatives.

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

- 7 (a) Basic driving skills;
8 (b) transportation laws, traffic signs, rules and regulations;
9 (c) safe driving practices,
10 (d) basic automotive troubleshooting to develop a competent and responsible driver; and
11 (e) design, construction, and operation of various types of road transportation.

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

15 The Land Transportation Office is hereby mandated to classify all drivers' license,
16 whether non-professional, professional or commercial driver's license, according to the types of
17 vehicles to be driven and require all applicants for professional driver's license to undergo a
18 commercial driver's license training from TESDA-accredited training schools and pass the
19 written and practical examinations before the issuance of a license.

20 **SEC. 15. Establishment of Free Common Transportation Terminal Facilities.** – Every
21 Local Government Unit is mandated to establish free common transportation terminal facilities
22 in order to provide more convenient access to mass transportation system to the commuting
23 public.

24 **SEC. 16. Allocation of Funds.** – Ten percent (10%) of the funds generated from the
25 Motor Vehicle User's Charge shall be allocated to implement this Act.

26 **SEC. 17. Implementing Rules and Regulations.** – The DOTC, DOJ, DepEd and TESDA
27 within ninety (90) days from the effectivity of this Act shall formulate and promulgate rules and
28 regulations to implement the provisions of this Act.

29 **SEC. 18. Separability Clause.** – If for any reason, any part or provision of this Act is
30 declared invalid or unconstitutional, the remaining parts or provisions hereof not affected thereby
31 shall remain in full force and effect.

32 **SEC. 19. Repealing Clause.** – All laws, presidential decrees, executive orders, rules and
33 regulations contrary to or inconsistent with the provisions of this Act are hereby repealed,
34 amended or modified accordingly.

35 **SEC. 20. Effectivity.** – The Act shall take effect after fifteen (15) days following its
36 publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,