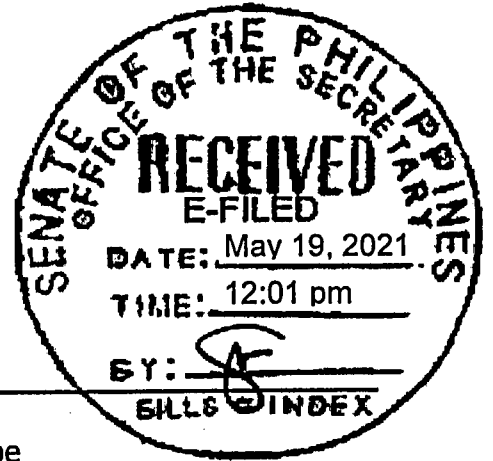


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE
P.S. Res. No. 727



Introduced by Senator Grace Poe

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO LOOK INTO, IN AID OF LEGISLATION, THE DISMAL PERFORMANCE OF THE SERVICE CONTRACTING PROGRAM UNDER THE BAYANIHAN TO RECOVER AS ONE ACT, IN ORDER TO SEEK CLARIFICATION ON THE ISSUES HOUNDING ITS IMPLEMENTATION AND ASSESS THE CAPACITY OF THE LAND TRANSPORTATION AND FRANCHISING BOARD (LTFRB) TO UNDERTAKE SUCH PROGRAM, WITH THE END IN VIEW OF HASTENING ITS IMPLEMENTATION AND ENSURING THAT THE OBJECTIVES OF THE LAW ARE REALIZED

1 WHEREAS, Article II, Section 9, of the 1987 Constitution guarantees that the
2 State shall promote a just and dynamic social order that will ensure the prosperity
3 and independence of the nation and free the people from poverty through policies
4 that provide adequate social services, promote full employment, a rising standard of
5 living, and an improved quality of life for all.

6 WHEREAS, in this light, and to provide economic assistance to Filipinos amid
7 the onslaught of the COVID-19 pandemic, Republic Act No. 11494 or the Bayanihan
8 to Recover as One (Bayanihan 2) was enacted;

9 WHEREAS, recognizing that transportation sector is one of the industries
10 hardest hit by the pandemic, Bayanihan 2 allotted P 5.58 billion to provide temporary
11 livelihood to displaced workers in the industry through service contracting of public
12 utility vehicles (PUVs);¹

13 WHEREAS, under the service contracting program, the Department of
14 Transportation (DOTr), through the Land Transportation and Franchising Regulatory

¹ Republic Act No. 11494 (An Act Providing for Covid-19 Response and Recovery Interventions and Providing Mechanisms to Accelerate the Recovery and Bolster the Resiliency of the Philippine Economy, Providing Funds Therefor, and For Other Purposes). Retrieved from <https://www.officialgazette.gov.ph/2020/09/11/republic-act-no-11494/>

1 Board (LTFRB), was directed to pay public transportation operators a performance-
2 based subsidy based on vehicle-kilometers travelled and compliance with agreed
3 upon performance indicators;²

4 WHEREAS, the service contracting program was for support to transport
5 workers amid the implementation of the reduced passenger capacity in PUVs, ensure
6 efficient and safe operations of public transportation, and support the mobility
7 requirements of frontline workers;³

8 WHEREAS, Bayanihan 2 was signed into law on 11 September 2020 and on
9 13 November 2020, the total amount of P 5.58 billion for service contracting was
10 downloaded to the LTFRB⁴;

11 WHEREAS, the validity of this funding was extended under Republic Act No.
12 11519 but is now set to expire soon on June 30, 2021;

13 WHEREAS, as of 12 May 2021, a measly P 332.3 million or 6% of the total
14 funding was disbursed as payouts to PUV drivers;⁵

15 WHEREAS, per LTFRB Memorandum Circular Nos. 2020-079 and 2021-028,
16 drivers of modern jeepneys should be paid P 800 a day, while PUB drivers should get
17 P 1,200, if the threshold for kilometers travelled were met. If not, the kilometer rate
18 of P 45.50 for PUB drivers and P 27 for modern and traditional PUJ drivers will apply;

19 WHEREAS, drivers are also set to receive P 4,000 as initial subsidy upon
20 signing the service contract,⁷ additional one-time incentive of P 25,000 for
21 onboarded PUV drivers as of April 30, P 20,000 for those who will join from May 1 to
22 June 15, and a merit payout of P 7,000 weekly for logging into the System Apps for
23 at least five (5) days in a given week;⁸

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² Public Utility Vehicle Service Contracting Program of Works. Submitted by the Department of Transportation during the budget deliberations for FY 2021.

³ Ibid.

⁴ Bayanihan 2 Accomplishment Report as of 13 November 2020. Submitted by the Department of Transportation during the budget deliberations for FY 2021.

⁵ (18 May 2021). LTFRB official Facebook page. Retrieved from <https://www.facebook.com/1416241841951073/posts/2907706032804639/>

⁷ LTFRB Memorandum Circular No. 2020-079

⁸ LTFRB Memorandum Circular Nos. 2021-030

1 WHEREAS, as of May 18, 12,371 drivers already received the P 4000 – initial
2 payout while 2,933 drivers were already granted the P 25,000 subsidy;¹⁰

3 WHEREAS, if it is true that the service contracting program started on 25
4 November 2020¹¹ and assuming that all the 12,371 drivers are entitled to P 800 per
5 day as salary, then the P 332.3 million disbursed as of May 18 was only enough to
6 pay for 21 days;

7 WHEREAS, given the numbers above, there are clearly monumental delays in
8 the distribution of payouts of the LTFRB. In truth, according to Monica Acha of the
9 Province of Iloilo Transport Service Cooperative, it took them four (4) months before
10 receiving their first payout in April and that many of them have not even received
11 the P 4,000 initial subsidy;¹²

12 WHEREAS, there are also concerns raised regarding inadequate payments as
13 in the case of Ernie Cruz, a jeepney driver in Mandaluyong City and chairperson of
14 the National Confederation of Transport Workers' Union (NCTU), who said that some
15 drivers who drove over 120 kilometers in one day received payouts for around 20 to
16 25 kilometers only;¹³

17 WHEREAS, according to the commuter group Komyut, the discrepancy in the
18 kilometers travelled could be attributed to glitches in the GPS tracking, network
19 connection, and incorrect route data that enter the system;¹⁴

20 WHEREAS, aside from the delayed and inadequate payments, there is also the
21 issue of lengthy application process and added requirements when LTFRB added
22 franchise consolidation as a requirement to qualify for the service contracting
23 program for intra-regional routes under Memorandum Circular No. 2021-029 (LTFRB
24 MC No. 2021-029);¹⁵

¹⁰ (18 May 2021). LTFRB official Facebook page. Retrieved from
<https://www.facebook.com/1416241841951073/posts/2907706032804639/>

¹¹ Dela Cruz, R. (2020 November 27). Tugade urges PUV drivers to join service contracting program.
Retrieved from <https://www.pna.gov.ph/articles/1123196>

¹² Luna, F. (2021 May 05). Delayed service contracting program leaves many transport workers on
sidelines. Retrieved from <https://www.philstar.com/headlines/2021/05/05/2096064/delayed-service-contracting-program-leaves-many-transport-workers-sidelines>

¹³ Rey, A. (2021 May 05). Delayed, inadequate payments hound LTFRB's PUV contracting program.
Retrieved from <https://www.rappler.com/nation/payment-issues-ltfrb-public-utility-vehicle-contracting-program>

¹⁴ Ibid.

¹⁵ Ibid.

1 WHEREAS, since applying for consolidation in 2019, drivers also complained
2 of not being able to participate in the service contracting program despite endless
3 assessments;¹⁶

4 WHEREAS, at this rate, it highly unlikely that the LTFRB will be able to
5 onboard their target 60,000 PUV drivers¹⁷ in the program;

6 WHEREAS, LTFRB MC No. 2021-029 also excluded from the program all
7 conductors of buses involved in providing free rides to medical frontliners and
8 authorized persons outside of residence (APORS) resulting to displaced bus
9 conductors having to beg for alms;¹⁸

10 WHEREAS, the enactment of Bayanihan 2 was certified as urgent by the
11 Office of the President last year and was immediately acted upon by both houses of
12 Congress precisely because the assistance envisioned to be provided by the law is
13 urgently needed by Filipinos;

14 WHEREAS, it is unfortunate, therefore, that the manner in which some
15 programs under the law is being implemented does not reflect the same resolve and
16 urgency, as with only a little over a month until the expiration of the law, target
17 beneficiaries are still yet to maximize the benefits the law intends to provide;

18 WHEREAS, the low disbursement rate, the reported delays and inaccuracies in
19 the payouts, the lengthy processing of applications, and the exclusion of some
20 transport workers in the service contracting program should be addressed
21 immediately by the LTFRB;

22 WHEREAS, the above grievances erodes the good intentions of the program
23 and, inadvertently, adds to the sufferings of the sector it is created to assist;

24 WHEREAS, it is imperative that the causes of these complaints be identified to
25 determine whether simply extending the validity of Bayanihan 2 will address the
26 problems or if certain reforms are needed to ensure effective implementation;

¹⁶ Luna, F. (2021 May 05). Delayed service contracting program leaves many transport workers on sidelines. Retrieved from <https://www.philstar.com/headlines/2021/05/05/2096064/delayed-service-contracting-program-leaves-many-transport-workers-sidelines>

¹⁷ Ibid.

¹⁸ (2021 May 10). Without income for a month, conductors start begging for alms on buses. Retrieved from <https://www.gmanetwork.com/news/news/metro/786943/without-income-for-a-month-conductors-start-begging-for-alms-on-buses/story/>

1 RESOLVED BY THE SENATE, as it is hereby resolved, to direct the appropriate
2 Senate Committee to look into, in aid of legislation, the dismal performance of the
3 Service Contracting Program under the Bayanihan to Recover as One Act, in order to
4 seek clarification on the issues hounding its implementation and assess the capacity
5 of the Land Transportation and Franchising Board (LTFRB) to undertake such
6 program, with the end in view of hastening its implementation and ensuring that the
7 objectives of the law are realized.

Adopted,


GRACE POE