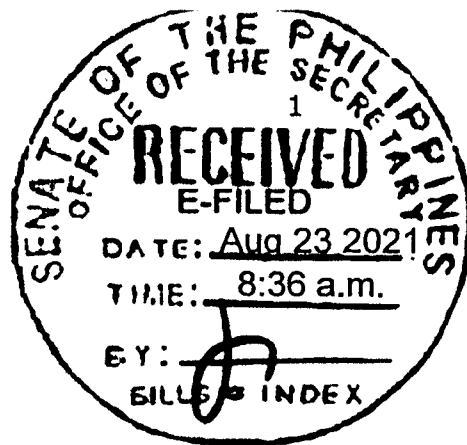


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Third Regular Session* )



SENATE  
P.S. Res. No. 852

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Introduced by Senator Grace Poe

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**RESOLUTION**

**DIRECTING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE FINDING OF THE COMMISSION ON AUDIT THAT ONLY P3.02 MILLION OR A MERE 0.05% OF THE APPROPRIATIONS FOR P5.58 BILLION SERVICE CONTRACTING UNDER REPUBLIC ACT NO. 11494, OTHERWISE KNOWN AS THE "BAYANIHAN TO RECOVER AS ONE ACT", WERE ACTUALLY RELEASED TO BENEFICIARIES, WITH THE END IN VIEW OF EXPEDITING THE RELEASE OF RELIEF TO PUV DRIVERS WHO WERE DEPRIVED OF THEIR SOURCE OF INCOME AND REDUCED TO BEGGING IN THE MIDST OF THE COVID-19 PANDEMIC**

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

6           WHEREAS, Article VI, Section 23 (2) of the Constitution also provides: "In times  
7 of war or other national emergency, the Congress may, by law, authorize the  
8 President, for a limited period and subject to such restrictions as it may prescribe, to  
9 exercise powers necessary and proper to carry out a declared national policy. Unless  
10 sooner withdrawn by resolution of the Congress, such powers shall cease upon the  
11 next adjournment thereof."

12           WHEREAS, on 08 March 2020, President Rodrigo Roa Duterte issued  
13 Presidential Proclamation 922 entitled "Declaring a State of Public Health Emergency  
14 Throughout the Philippines";

1 WHEREAS, in accordance with the above, Republic Act No. 11494, otherwise  
2 known as the "*Bayanihan to Recover As One Act*" or "Bayanihan 2" was enacted into  
3 law on 01 September 2020;

4 WHEREAS, one of the objectives of R.A. No. 11494 is to "reduce the adverse  
5 impact of impact of COVID-19 on the socioeconomic well-being of all Filipinos through  
6 the provision of assistance, subsidies, and other forms of socioeconomic relief";

7 WHEREAS, in line with this declared policy, Section 04 (pp) of R.A. No. 11949  
8 authorized the President to "reprogram, reallocate, and realign from savings on other  
9 items in the FY 2020 GAA in the Executive Department as may be necessary and  
10 beneficial to fund measures that address and respond to the COVID-10 pandemic,  
11 including social amelioration for affected communities and the recovery of areas,  
12 sectors and affected communities and the recovery of areas, sectors and industries  
13 severely affected x x x"

14 WHEREAS, Section 10 (g) of R.A. No. 11494 appropriated P9.5 billion to finance  
15 the following programs of the Department of Transportation (DOTr):

- 16 (1) P2.604 billion to assist the critically impacted business in the transportation  
17 industry;
- 18 **(2) P5.58 billion to provide temporary livelihood to displaced workers**  
19 **in the industry through service contracting, regardless of**  
20 **quarantine levels, of public utility vehicles;** (emphasis supplied)
- 21 (3) P1.316 billion to develop accessible sidewalks and protected bicycle lanes,  
22 procurement of bicycles, and related safety equipment for bicycle  
23 distribution, sharing, and lending programs, and procurement of bicycle  
24 racks;

25 WHEREAS, service contracting refers to an arrangement wherein the national  
26 government directly subsidizes the operations of public utility vehicles (PUVs). In this  
27 manner, the PUVs would remain financially viable despite the lessened revenue due  
28 to the reduced carrying capacity for passengers in observance of social distancing  
29 rules;

30 WHEREAS, the 2020 Annual Audit Report by the Commission on Audit (COA)  
31 showed only P3.02 million or 0.05% of the funds appropriated for the Service  
32 Contracting was actually disbursed and utilized for PUV Contracting;

1 WHEREAS, the breakdown of the budget utilization for the service contracting  
2 program as reported by the COA is reproduced below:

Description	Allotment	Obligation	Disbursement
	<i>(in Php)</i>		
PUV Contracting	5,485,000,000.00	9,603,346.29	3,020,000.00
Administrative and Other Operating Costs	67,817,904.00	49,170,000.00	4,917,000.00
PIU and Contingency Funds	27,182,096.00	946,742.96	874,042.96
<b>Total</b>	<b>5,580,000,000.00</b>	<b>59,720,089.25</b>	<b>8,811,042.96</b>

3 WHEREAS, the amount of P3.02 million represents the *actual amount* disbursed  
4 to PUV operators, with the remaining P5.79 million representing administrative costs,  
5 meaning that the cost to administer the program was more than the actual benefits  
6 distributed;

7 WHEREAS, the COA attributed the low disbursement rate to "various delays"  
8 incurred in the implementation of the Service Contracting Program, as follows:

<b>Delayed Activities</b>	<b>No. of weeks delayed (as of 12/31/2020)</b>
Preparation and finalization of Communication Plan	5 weeks
Transfer of funds to the LTFRB	3 weeks
Gathering and verification of drivers and PUV units' data	5 weeks
Coordination with Stakeholders	13 weeks (total)
Condition of Procurement Activities	6 weeks (total)
Awarding of Service Contracts	10 weeks (total)
Implementation of the Program	7 weeks

1 WHEREAS, the findings of the COA report line up with feedback from civil  
2 society groups that actual payments were extremely delayed, with some drivers being  
3 onboarded in December 2020 but receiving their first weekly payout in April 2021;

4 WHEREAS, in addition, the COA also noted that only 29,871 drivers or 49.79%  
5 of the 60,000 targeted driver-beneficiaries were registered in the Program, of which  
6 only 2,125 were onboarded, and only 346 actually activated their LTFRB Driver App;

7 WHEREAS, the facts as detailed by the COA belie the statement of the DOTR  
8 that "Everybody (is) happy in service contracting";

9 WHEREAS, it can be recalled that many jeepney drivers were reduced to  
10 begging<sup>1</sup> on the streets due to the various travel bans as well as reduced capacity to  
11 take in passengers;

12 WHEREAS, bus conductors also faced the same predicament, being reduced to  
13 begging for alms as they did not have any income for a whole month<sup>2</sup>;

14 WHEREAS, as of end-June 2021, the LTFRB has only released P1.5 billion of  
15 the total P5.6 billion for the program, and has not yet released all payouts to drivers  
16 as of 5 August 2021<sup>3</sup>;

17 WHEREAS, land transportation was one of the sectors most hard-hit by the  
18 economic recession from COVID-19 pandemic. Estimates from the Philippine Statistics  
19 Authority (PSA) show that the Gross Value Added (GVA) of the sector recorded a  
20 decline of 30.1% or 123.84 million pesos at the height of the pandemic;

21 WHEREAS, such lack of urgency in distributing aid in a time of widespread need  
22 and suffering is unconscionable and betrays a lack of compassion in the DOTR;

23 WHEREAS, there is a need not only for a deeper probe but also the exaction of  
24 accountability among the public officials who must be held liable for their gross  
25 mismanagement of funds meant to be provided as aid;

26 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved by the Senate of  
27 the Philippines, to direct the appropriate Senate Committee/s to conduct an inquiry,

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<sup>1</sup> Ranis, Rhanarie & Conquilla, Jenalyn & Buncaras, Zaira & Tus, Jhoselle. (2021). *The Jeepney Drivers and their Lived Experiences During the COVID-19 Pandemic: A Phenomenological Qualitative Study in the Philippines*. International Journal Of Advance Research And Innovative Ideas In Education. 7. 10.6084/m9.figshare.14033339.v1.

<sup>2</sup> Garcia, M. "Without income for a month, conductors start begging for alms on buses" *GMA News*(10 May 2021). Retrieved from <https://www.gmanetwork.com/news/news/metro/786943/without-income-for-a-month-conductors-start-begging-for-almson-buses/story/>

<sup>3</sup> <http://cnnphilippines.com/news/2021/8/5/PUV-drivers-service-contracting-payment-ECQ.html>

1 in aid of legislation, on the finding of the Commission on Audit that only P3.02 million  
2 or a mere 0.05% of the appropriations for P5.58 billion Service Contracting under  
3 Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act",  
4 were actually released to beneficiaries, with the end in view of expediting the release  
5 of relief to PUV drivers who were deprived of their source of income and reduced to  
6 begging in the midst of the COVID-19 pandemic.

Adopted,

  
GRACE POE