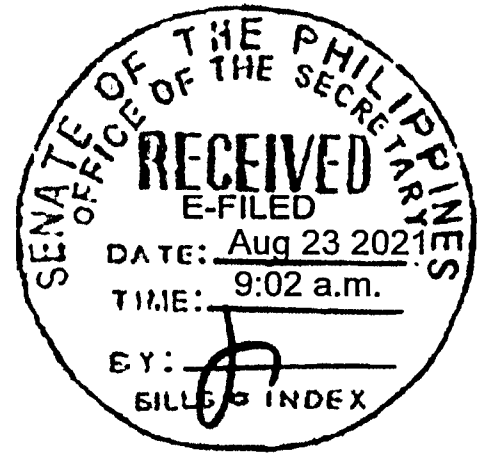


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

P.S. Res. No. 862

Introduced by SENATOR LEILA M. DE LIMA

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT
AN INQUIRY, IN AID OF LEGISLATION, INTO THE RECENTLY
RELEASED COMMISSION ON AUDIT REPORT WHICH FLAGGED THE
LOW UTILIZATION OF FUNDS OF THE LAND TRANSPORTATION
FRANCHISING AND REGULATORY BOARD UNDER ITS SERVICE
CONTRACTING PROGRAM WHICH LED TO DELAYED BENEFITS FOR
PUBLIC UTILITY VEHICLE DRIVERS

1 WHEREAS, Article II, Section 28 of the 1987 Constitution declares, in part, that
2 “[t]he State adopts and implements a policy of full public disclosure of all its
3 transactions involving public interest”;

4 WHEREAS, the 1987 Constitution also mandates that “[t]he Commission on
5 Audit shall have the power, authority, and duty to examine, audit, and settle all
6 accounts pertaining to the revenue and receipts of, and expenditures or uses of funds
7 and property, owned or held in trust by, or pertaining to, the Government, or any of
8 its subdivisions, agencies, or instrumentalities, including government-owned or
9 controlled corporations with original charters, and on a post-audit basis: (a)
10 constitutional bodies, commissions and offices that have been granted fiscal autonomy
11 under this Constitution; (b) autonomous state colleges and universities; (c) other
12 government-owned or controlled corporations and their subsidiaries; and (d) such
13 non-governmental entities receiving subsidy or equity, directly or indirectly, from or
14 through the Government, which are required by law or the granting institution to
15 submit to such audit as a condition of subsidy or equity”;

16 WHEREAS, Public Utility Vehicle (PUV) drivers are among the sectors most
17 severely affected by the COVID-19 pandemic. On and off restrictions to travel and
18 transportation imposed by the national government to control the spread of the virus

1 have likewise prevented PUV drivers from earning a steady source of income. In the
2 early months of the lockdowns in 2020, the government's lack of support had resulted
3 to drivers practically begging pedestrians and motorists for financial aid¹. A year after
4 the lockdown, the situation of PUV drivers is still the same²;

5 WHEREAS, in November of last year, the Land Transportation Franchising and
6 Regulatory Board (LTFRB) launched its Service Contracting Program as a means to
7 subsidize PUV drivers displaced by the COVID-19 pandemic. Under the program, PUV
8 drivers would be allowed to enter into transport service contracts with the government
9 to help in easing the impact of the pandemic in the transportation sector. The
10 government, in turn, would be providing the payouts for public transportation services
11 to the drivers who will receive a subsidy based on their performance;³

12 WHEREAS, the program was launched with a budget of around ₱5.58 billion as
13 part of Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and was
14 originally set to run from October to December of last year;⁴

15 WHEREAS, on 5 May 2021, transport groups urged the LTFRB to improve the
16 implementation of the Service Contracting Program. This is due to delayed and
17 inadequate payment problems which worsen the already difficult state of PUV drivers.
18 Drivers receive their payout in bulk instead of the supposed weekly payment which
19 results to drivers opting to get loans. Other drivers experienced technical glitches in
20 the GPS tracking which created burdensome discrepancies on their payout;⁵

21 WHEREAS, despite the extension of the Bayanihan to Recover as One Act to 30
22 June 2021, the LTFRB was still unable to fully utilize its budget and completely deliver
23 the program to its intended beneficiaries. This led the agency to initially announce on

¹ Beltran, M. (13 July 2020). *Philippines government driving jeepneys off the road*. Retrieved 13 August 2021, from <https://www.lowyinstitute.org/the-interpreter/philippines-government-driving-jeepneys-road>

² San Juan, A.D. (29 March 2021). *From 'kings of the road' to beggars: Transport leader makes case for full return of passenger jeepneys*. Retrieved 14 August 2021 from <https://mb.com.ph/2021/03/29/from-kings-to-beggars-transport-leader-makes-case-for-full-return-of-passenger-jeepneys/>

³ San Juan, A. D. (7 November 2020). *LTFRB launches service contracting program for PUV drivers*. Retrieved 13 August 2021, from <https://mb.com.ph/2020/11/07/ltfrb-launches-service-contracting-program-for-puv-drivers/>

⁴ *Ibid.*

⁵ Rey, A. (5 May 2021). *Delayed, inadequate payment hound LTFRB'S PUV contracting program*. Retrieved 14 August 2021 from <https://www.rappler.com/nation/payment-issues-ltfrb-public-utility-vehicle-contracting-program>

1 June 29, that it will tap its own budget under the 2021 General Appropriations Act
2 (GAA) to continue with its implementation;⁶

3 WHEREAS, on 5 August 2021, LTFRB said that they are hoping to release the
4 delayed payouts for the PUV drivers in Manila who provided free rides during the two-
5 week enhanced community quarantine period. The LTFRB Chief, however maintained
6 that there is no lapse in the management of the payout and averred that it is the bank
7 processing that is affecting the slow release of payments⁷;

8 WHEREAS, seven (7) days after, or on 12 August 2021, it was reported that the
9 Commission on Audit (COA) had flagged the LTFRB for using only one percent of the
10 P5.58 billion funds allocated to the program for drivers amid the COVID-19 pandemic
11 – an amount equivalent to roughly P59 million pesos⁸;

12 WHEREAS, according to the COA report, delays in the implementation of the
13 Service Contracting Program ranging from two to 10 weeks as of 31 December 2020
14 resulted in minimal fund utilization and led to the delayed benefits to the public utility
15 vehicle (PUV) drivers and operators who are beneficiaries in the program⁹;

16 WHEREAS, the COA report also pointed out that only around 29,800 drivers
17 or 49.79 percent of the 60,000 targeted driver participants were registered in the
18 program as of the end of 2020¹⁰;

19 WHEREAS, at the Laging Handa briefing on Thursday, LTFRB Chairperson
20 Martin Delgra III said that the Bureau had already released 26.55 percent of the total
21 budget of the Service Contracting Program. He also pointed out that the process
22 involved collection of data and preparation of payroll as well as other financial
23 documents which was not completed before the June 30 expiry of the Bayanihan to
24 Recover as One Act;¹¹

⁶ Marquez, C. (29 June 2021). *LTFRB seeks to extend PUV service program using 2021 budget as Bayanihan 2 expires*. Retrieved 13 August 2021, from <https://www.gmanetwork.com/news/news/nation/793358/ltfrb-seeks-to-extend-puv-service-program-using-2021-budget-as-bayanihan-2-expires/story/>

⁷ CNN Philippines (5 August 2021). *LTFRB hopes to pay PUV drivers under service contracting during ECQ Period*. Retrieved 14 August 2021 from <https://cnnphilippines.com/news/2021/8/5/PUV-drivers-service-contracting-payment-ECQ.html>

⁸ Rita, J. (12 August 2021). *COA flags LTFRB over using 1% of P5.5b funds for drivers' assistance*. Retrieved 13 August 2021 from <https://www.gmanetwork.com/news/news/nation/799093/coa-flags-ltfrb-over-using-only-1-of-p5-5b-funds-for-drivers-assistance/story/>

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

1 WHEREAS, with the emergence of even deadlier COVID-19 variants coupled
2 with the slow rollout of the government's vaccination program threatening to lead to
3 further restrictions on transport and mobility, the timely and efficient delivery of the
4 government's assistance and livelihood programs for the most vulnerable sectors
5 becomes all the more essential and should always remain as a priority;

6 WHEREAS, the LTFRB failed to fully deliver the Service Contracting Program
7 within its original timeframe. Even with the extension of the Bayanihan to Recover as
8 One Act, they still flopped in fully utilizing their allocated budget for the program.
9 These delays raise serious concerns on the capacity of the LTFRB to implement the
10 program in the first place;

11 WHEREAS, failure to implement a social assistance program addressed to a
12 particularly vulnerable sector of the society amounts to gross neglect on the part of the
13 government and the implementing agency to the prejudice of the program
14 beneficiaries;

15 WHEREAS, the Bayanihan Laws are clear mandates from our Congress to
16 ensure the survival of our country and our countrymen. They do not give much space
17 for shortcomings of our implementors, much less gross neglect;

18 WHEREAS, it is thus imperative for the Senate to conduct an inquiry on the
19 results of COA's audit and investigate the causes of delay in the implementation of the
20 Service Contracting Program and determine if the LTFRB is still equipped and able to
21 handle a program of this magnitude and scale as the pandemic continues to loom over
22 the country;

23 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, directing the
24 appropriate Senate Committee to conduct an inquiry, in aid of legislation, into the
25 recently released Commission on Audit report which flagged the low utilization of
26 funds of the Land Transportation Franchising and Regulatory Board under its service
27 contracting program which led to delayed benefits for public utility vehicle drivers.

Adopted,


LEILA M. DE LIMA