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SENATE

S. No. 840

RECEIVED BY: 

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Introduced by Senator Ralph G. Recto

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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 impacts every economic and social activity. It provides the physical link among people, products and services.<sup>1</sup> 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.<sup>2</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, 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

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

<sup>2</sup> [http://www.iru.org/en\\_about-road-transport](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.

*mjma*

  
**RALPH G. RECTO**

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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 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 encourage  
9        the road 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  
16       the road transportation sector to participate in the country’s development; and  
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  
22       those in transportation-related businesses who provide goods and services to the  
23       general public.

1 (b) "Road Transportation" shall refer to the transportation of passengers and goods on  
2 the road, which includes but is not limited to public utility vehicles such as buses,  
3 jeepneys, coaches, trucks, motorcycles and tricycles.

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

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

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

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

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

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

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

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

4       There shall be a national representative in the governing boards and government  
5 instrumentalities, to include, but not limited to, the Land Transportation Franchising and  
6 Regulatory Body (LTFRB), Toll Regulatory Board (TRB), Land Transportation Office (LTO)  
7 and Department of Transportation and Communication (DOTC). It shall have its set of officers  
8 elected in an annual election.

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

- 11       (a) Recommend policies that will empower the road transportation sector;
- 12       (b) Monitor all activities, legislation, policies and events that will impact on the road  
13           transportation sector;
- 14       (c) Dialogue with intergovernmental bodies and all other stakeholders concerned on the  
15           role and importance of the road transportation industry, of its position on various  
16           issues and sharing of reliable data and information;
- 17       (d) Cooperate with governing and legislative bodies in order to contribute to informed  
18           and effective legislation, to maintain balance between the needs and interests of all;  
19           and
- 20       (e) Provide services and information to road transportation operators and workers, such  
21           as but not limited to reporting legislative developments, legal assistance,  
22           professional training and road transportation credit assistance.

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

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

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

35       **SEC. 12. *Creation of a One Stop Transportation Services Office.*** – A one stop processing  
36 and approval center shall be created at least in every province and city to facilitate and expedite  
37 the business application process enrollment in social security, Pag-IBIG and Philhealth benefits  
38 and to serve existing and potential investors in the road transportation sector in order to enhance

1 the investment climate. The DOTC, LTO, LTFRB, SSS, Philhealth, Pag-IBIG and other  
2 government agencies concerned shall collaborate, agree and commit to share resources and  
3 responsibilities in facilitating the required documentation and registration procedures.

4 **SEC. 13. *Establishment of a Road Transportation Surety Fund Program.*** – The Road  
5 Transportation Surety Fund Program shall be created under the Land Bank of the Philippines  
6 (LBP) for the purpose of funding special programs for the development of the road transportation  
7 sector in accordance with the rules and regulations of the Banko Sentral ng Pilipinas. The  
8 Program shall provide financing start-up and access to credit for road transportation sector  
9 members and cooperatives.

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

- 13 (a) Basic driving skills;
- 14 (b) transportation laws, traffic signs, rules and regulations;
- 15 (c) safe driving practices,
- 16 (d) basic automotive troubleshooting to develop a competent and responsible driver;
- 17 and
- 18 (e) design, construction, and operation of various types of road transportation.

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

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

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

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

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

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

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

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

Approved,