
Introduced by Senator Grace Poe

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RESOLUTION

URGING THE SENATE COMMITTEE ON PUBLIC SERVICES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE STATUS OF THE IMPLEMENTATION OF THE PUBLIC UTILITY VEHICLE MODERNIZATION PROGRAM (PUVM) OF THE DEPARTMENT OF TRANSPORTATION (DOTR), WITH THE END GOALS OF CRAFTING MEASURES PRIORITIZING EXISTING DRIVERS AND/OR OPERATORS OF PUVS, ENSURING REALISTIC AND DOABLE TERMS AND REGULATIONS FOR THEIR COMPLIANCE AND STRENGTHENING CHECKS AND BALANCES TO WEED OUT CORRUPTION IN THE MODERNIZATION PROCESS

1 WHEREAS, Section 5, Article 2 of the Constitution provides that "the
2 maintenance of peace and order, the protection of life, liberty, and property, and the
3 promotion of the general welfare are essential for the enjoyment by all the people of
4 the blessings of democracy";

5 WHEREAS, Section 9, Article of the Constitution likewise states that "the State
6 shall promote a just and dynamic social order that will ensure the prosperity and
7 independence of the nation and free the people from poverty through policies that
8 provide adequate social services, promote full employment, a rising standard of living,
9 and an improved quality of life for all";

10 WHEREAS, more importantly, Section 10, Article 2 of the Constitution mandates
11 that "the State shall promote social justice in all phases of national development";

12 WHEREAS, on 19 June 2017, the Department of Transportation (DOTr) issued
13 Department Order (DO) No. 2017-011 (Omnibus Guidelines on the Planning and
14 Identification of Public Road Transportation Services and Franchise Issuance) or the
15 "Public Utility Vehicle Modernization Program" (PUVM);

16

1 WHEREAS, among the major components of the PUVMP is fleet modernization
2 which includes development of new vehicle standards, industry consolidation of
3 smaller players via cooperatives or corporations, phasing out of old PUVs, among
4 others;

5 WHEREAS, in July of 2018, the Commission on Audit (COA) called out the DOTr
6 "for transferring only P88.5 million, or 15.54 percent, of its overall P569-million budget
7 intended for the Public Utility Vehicle (PUV) Rationalization and Modernization Program
8 to implementing agencies";¹

9 WHEREAS, in addition to the slow and dismal disbursements for the PUVM,
10 various transport groups around the country had been indignant on what they allege
11 as "anti-poor" mechanisms put into place for the implementation of the PUVM, namely:

- 12 a. Alliance for Concerned Transport Organizations (ACTO) president
13 Efren de Luna sued Land Transportation Franchising and
14 Regulatory Board (LTFRB) Chairman Martin Delgra III for
15 violation of Section 3(e) of the Anti-Graft and Corrupt Practices
16 Act for allegedly showing "bias and favoritism for several
17 transport groups who applied for Certificates of Public
18 Convenience (CPC) to operate newly-opened routes for PUVs";²
- 19 b. Reports regarding the DOTr selecting specific suppliers and/or
20 manufacturers of "modernized PUVs" from which modern PUVs
21 must be procured despite the availability of cheaper units from
22 other suppliers and/or manufacturers;
- 23 c. The move to implement "industry consolidation of small players"
24 and the specifications provided for "fleet modernization" are
25 allegedly pro-capitalists thereby making it impossible for existing
26 small operators and/or drivers to comply;
- 27
28 d. Financial assistance or government subsidy to be given to small
29 operators and/or drivers is not an assurance that the latter would

¹ <http://www.gmanetwork.com/news/news/nation/660885/coa-calls-out-dotr-over-dismal-disbursement-rate-for-puv-modernization-program/story/>

² <http://www.gmanetwork.com/news/news/nation/658191/acto-sues-ltfrb-chair-delgra-for-alleged-bias-in-puv-franchises/story/>

1 truly be granted assistance or subsidy due to lack of acceptable
2 assets as collateral; and

- 3 e. The government's modernization plan "could drive 600,000
4 jeepney drivers and 300,000 operators into unemployment";³

5
6 WHEREAS, the above-enumerated reports regarding the implementation of the
7 PUVM should be verified, clarified and/or explained by the DOTr and the LTFRB;

8 WHEREAS, though the intent behind the PUVM could be laudable and its desired
9 end-goals could be for the best interest of the country and the riding public, the
10 procedure or process in implementing said program should not be crafted in a manner
11 depriving existing operators and drivers a realistic and doable chance to modernize
12 lest their livelihood, as well as their families' means of living, be snatched away from
13 them;

14 NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved by the Senate of
15 the Philippines, to urge the Senate Committee on Public Services to conduct an inquiry,
16 in aid of legislation, into the status of the implementation of the Public Utility Vehicle
17 Modernization Program (PUVM) of the Department of Transportation (DOTr), with the
18 end goals of crafting measures prioritizing existing drivers and/or operators of PUVs,
19 ensuring realistic and doable terms and regulations for their compliance and
20 strengthening checks and balances to weed out corruption in the modernization
21 process;

22
23 *Adopted.*


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³ <http://newsinfo.inquirer.net/938539/piston-transportation-strike-jeepney-modernization-drivers-operators-unemployment>