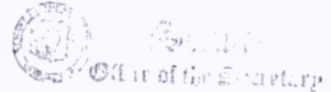


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE
S. No. 2056

'18 OCT -8 A10 :09

RECEIVED

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**AN ACT PROVIDING FOR A JUST AND EQUITABLE TRANSITION FOR
PUBLIC UTILITY VEHICLE (PUV) MODERNIZATION, WITH TRANSITORY
ASSISTANCE AND SERVICES RENDERED TO PUV DRIVERS, OPERATORS AND
STAKEHOLDERS**

EXPLANATORY NOTE

Naniniwala ako na kaya nating magtayo ng ligtas, mahusay at makabagong sistema ng transportasyon na ikatutuwa ng mga pasahero, pati na ng mga tsuper.

Tuwing may nakakausap akong kababayan na kakabalik lang mula abroad, madalas kong naririnig ang reklamo sa trapik at sa mababang kalidad ng ating pampublikong transportasyon. Kung kaya nga naman ng ibang bansa tulad ng Japan o Singapore na magtayo ng mahusay na sistema ng tren at bus, bakit hindi natin magawa dito sa Pilipinas?

Nais natin umunlad at umasenso ang mga sistema ng jeepney at tricycle, bus at tren sa bansa – at naniniwala akong may kakayahan tayong gawin ito. Ngunit kailangan din natin siguraduhin na sa programang ito, walang masasagasaang Pilipino.

While we move toward building safer, more efficient and environmentally sustainable public transport systems, we must ensure that the livelihood of our

countrymen – the drivers, operators, and their respective families – are not collateral damage.

As such, we propose the passage of the Just Transitory Modernization of Public Utility Vehicles Act, a measure that will bring our transport system into the future while providing security of tenure and just compensation to PUV drivers and operators.

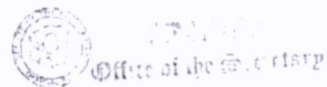
Through this measure, we can encourage drivers and operators to purchase new vehicles with reasonable loan and payment options, phase out vehicles over 20 years in operation, engine replacement only for those still proven and tested to be road worthy and provide sufficient compensation and financial assistance to those that wish to shift careers.

Tuwing may nakakausap akong mga driver at operator ng public utility vehicles (PUVs), madalas kong naririnig ang hangarin nilang pagandahin ang kanilang serbisyo at maging mas moderno. Ngunit sa hirap ng buhay at pangangailangan ng pamilya, wala silang kakayahan na gumastos para sa pagbabago.

Alisin natin ang pasan na ito para maging kasangga natin ang mga drivers at operators ng PUVs sa pinapangarap nating pagbabago. Ipasa po natin ang panukalang ito.

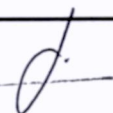
A handwritten signature in black ink, reading "Bam Aquino". The signature is written in a cursive, flowing style.

SEVENTEENTH CONGRESS OF THE)
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SENATE
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Introduced by: Senator Paolo Benigno "Bam" Aquino IV 

**AN ACT PROVIDING FOR A JUST AND EQUITABLE TRANSITION FOR
PUBLIC UTILITY VEHICLE (PUV) MODERNIZATION, WITH TRANSITORY
ASSISTANCE AND SERVICES RENDERED TO PUV DRIVERS, OPERATORS
AND STAKEHOLDERS**

*Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:*

1 Section 1. *Short Title.* – This Act shall be known as the "Makatarungang
2 Transisyon Tungo sa Modernisasyon."

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State, in
4 accordance with the Constitution, that the right to travel shall not be impaired, be it
5 due to lack of means, access, or capability to pay of the general public. Public
6 transportation and mobility, therefore, is a sector that should be developed,
7 modernized and sustained by the State based on principles of justice, equity and
8 ecological sustainability.

9 At the same time, the State acknowledges the transportation sector as both
10 public service and enterprise. As an enterprise employing labor, deemed by law as
11 the primary social economic force, the State must protect the rights of workers
12 within the transportation service industry and promote their welfare. Towards this

1 end, the State shall encourage the creation of a people-centered strategy that
2 represents the core of economic and social development. It therefore ensures that
3 the transportation sector develops and modernizes not just technologically, but also
4 in accordance with principles of justice and equity, promoting full, productive
5 employment and decent work for all.

6 Sec. 3. *Objectives.* – This Act shall have the following objectives:

- 7 (a) To make public ground transportation safer, more comfortable, and
8 environmentally sustainable for the riding public through the
9 modernization of Public Utility Vehicles (PUVs) while ensuring that the
10 security of tenure of long-standing drivers in the PUV industry will be
11 protected and that their right to work until retirement will not be
12 compromised;
- 13 (b) To provide means of support to drivers who can no longer take part in
14 the PUV sector due to various reasons, including those who choose to
15 pursue work in a different sector and thus require retraining and
16 reskilling;
- 17 (c) To guarantee genuine and fair competition and a level playing field
18 within the PUV sector.

19 Sec. 4. PUV Modernization Program (PUVMP). - A PUV Modernization Program
20 is hereby established in order to enhance the safety, efficiency and sustainability of
21 public ground transportation. The Department of Transportation (DOTr), in
22 consultation with other concerned agencies and stakeholders, shall develop and
23 promulgate guidelines and policies for the phased transition from the current PUVs
24 to standards-compliant vehicles. The DOTr shall also provide for consultation and
25 policy-making spaces through which stakeholders in the process can provide
26 recommendations and reform options to DOTr and other relevant government
27 agencies.

1 *Sec. 5. Engine and Replacement Specifications. -*

- 2 (a) Jeepney units tested and proven to be road-worthy by the DOTr and
3 Department of Trade and Industry's Bureau of Philippine Standards
4 (DTI-BPS) shall only be required to have engines replaced to be
5 Euro 4 compliant.
- 6 (b) The remaining budget under DTI's Comprehensive Automotive
7 Resurgence Strategy (CARS) program shall be used to incentivize
8 and support the creation and assembly of locally manufactured
9 jeepney units and parts.
- 10 (c) Only emission testing centers duly authorized by the DTI, and which
11 follow the standards set by the Department of Environment and
12 Natural Resources (DENR) and DOTr shall be used in registering of
13 jeepney models and in regular emission testing.
- 14 (d) DOTr shall plan for a phased implementation of the program
15 following a five (5) year transition period.

16 *Sec. 6. Financial Assistance. -*

- 17 (a) Government Subsidy - Government financial assistance provided to
18 drivers/operators shall not be lower than 20% of the price per unit
19 to lighten the capital burden of modernization.
- 20 (b) Loan Interest/Payment Options
- 21 i. A tripartite mechanism involving government, financing
22 institutions and transport workers shall be established to set
23 policies for the loan program and to address unresolved issues
24 on implementation. Loan requirements shall be simplified and
25 tailored to the current situation and standing of jeepney drivers
26 and operators.
- 27 ii. The interest rate on loan amortization shall not exceed 3%
28 diminishing annual interest considering the mass/public nature
29 of jeepney transport services.
- 30 iii. The loan amortization period shall be at least fifteen (15) years;
31 subject to re-computation once a driver/operator decides to

1 shorten the said period or is able to pay in full before its
2 maturity.

3 *Sec. 7. Compensation Option.* – A driver who can no longer take part in the
4 PUV sector due to, but not limited to, retirement, economic incapacity and failure to
5 qualify for a loan contract, shall be given financial assistance of no less than Three
6 Hundred Thousand Pesos (P300,000.00) to enable the driver to venture into other
7 forms of livelihood.

8 *Sec. 8. PUV Sector Competitiveness Enhancement.* - To prevent unwanted
9 competition between drivers and operators planning on operating in the same area,
10 a "first usage"/"first presence" policy shall be implemented. Long-term
11 existing/residential operators/drivers within a particular area shall be given priority in
12 route assignment.

13 *Sec. 9. Implementing Rules and Regulations.* – Within sixty (60) days from
14 the effectivity of this Act, the Secretary of the Department of Transportation, in
15 consultation with LTFRB and other relevant government agencies and transport
16 sector groups, shall issue the rules and regulations necessary for the effective
17 implementation of this Act.

18 *Sec. 10. Separability Clause.* – If for any reason, any part or provision of this
19 Act is declared invalid or unconstitutional, the remaining parts or provisions not
20 affected thereby shall remain in full force and effect.

21 *Sec. 11. Repealing Clause.* – All laws, executive orders, presidential decrees,
22 rules and regulations or parts thereof contrary to or inconsistent with any provisions
23 of this Act are hereby repealed, amended or modified accordingly.

1 Sec. 12. *Effectivity.* – This Act shall take effect fifteen (15) days after its
2 publication in the Official Gazette or in two (2) national newspapers of general
3 circulation.

Approved,