
Introduced by Sen. Juan Miguel F. Zubiri

AN ACT
ESTABLISHING THE TRANSPORTATION COOPERATIVES DEVELOPMENT LOAN
FUND, APPROPRIATING AND SOURCING FUNDS THEREOF AND FOR OTHER
PURPOSES.

EXPLANATORY NOTE

The transportation cooperative sector plays a vital role in providing safe, efficient, and environment-friendly land and sea transport services in the movement of goods and passengers geared towards structural economic growth and development of the country. Thus, along with other sectors of the industry, is considered as partner of the government in building a sustainable nation.

R.A. 9520, otherwise known as the Philippine Cooperative Code of 2008 affirms that the government and all its branches, subdivisions, instrumentalities and agencies shall ensure the provision of technical guidance, financial assistance and other services to enable cooperatives to develop into viable and responsive economic enterprises and thereby bring about a strong cooperative movement that is free from any conditions that might infringe upon the autonomy or organizational integrity of cooperatives. In reality, however, our transportation cooperatives seldom enjoy the various privileges and preferential treatment afforded to them by R.A. 9520. Furthermore, our transportation cooperatives can hardly access credit facilities of the government or commercial financing institutions because of stringent security requirements. While our transportation cooperatives are very much willing to comply with the existing modernization program on land and sea safety standards for public utility vehicles and vessels, they are deprived of financial assistance from various government projects for so many other reasons.

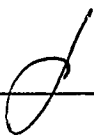
This proposed measure seeks to provide our transportation cooperatives sustainable employment opportunities by making available loan facilities so they can keep

up with the challenges brought about by the changing times, thus ameliorating the social and economic conditions of land and sea public utility transportation workers and their families in the process.

In view of the foregoing, the swift passage of this bill is earnestly sought.



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

SECTION 1. Short Title. – This Act shall be known as the “Transportation
Cooperatives Development Loan Fund Act.”

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to
promote the viability and growth of the transportation cooperative sector as the primary
provider and source of safe, efficient, and environment-friendly land and sea transport
service in the transport of passengers and goods geared towards structural economic
growth and development of the country.

Towards this end, the State shall recognize the transportation cooperative system
as a tool towards the integration of land and sea public transport system, not only as a
means to effect economy and efficiency in the movement of goods and passengers, but
also as a measure to ameliorate the social and economic conditions of public
transportation workers and their families through various strategies that will ensure
sustainable employment opportunities.

The government and all its branches, subdivisions, instrumentalities and agencies
shall ensure the provision of technical guidance, financial assistance and other incentives
to the transportation cooperative sector as partner of the government in building a
sustainable nation.

SEC. 3. Transportation Cooperatives Development Loan Fund. - There is hereby established a "Transportation Cooperative Development Loan Fund" as principal source of financial assistance to the Transportation Cooperative Sector to pursue its various economic activities to attain its primary objective of improving the lives of the land and sea public transport workers, more so in the implementation of the Public Utility Vehicle Modernization Program (PUVMP).

The Fund, in the amount of FIVE (5) BILLION (P5,000,000,000.00) PESOS, shall be sourced from the Motor Vehicle User's Charge on owners of all types of motor vehicles as provided for under Republic Act No. 8794.

SEC. 4. Use of the Funds. - The Fund herein established and appropriated will be used as a principal source of financial assistance exclusively for Transportation cooperatives duly registered with the Cooperative Development Authority and accredited with the Department of Transportation (DOTr), thru the Office of Transportation Cooperatives (OTC), which shall include but not limited to:

1. Transport modernization or vehicle/vessel acquisition programs that conform to land and sea safety standards taking in consideration the roadworthiness of public utility vehicles pursuant to DOTr Department Order No. 2002-30, LTFRB Memorandum Circular No. 2012-017 and Resolution No. 2013-01, MARINA's modernization program, and DOTr DO No. 2017-011;
2. Engagement in Allied Businesses pursuant to Art. 112 of R.A. 9520 and Rule V, Section 2 of its implementing Rules and Regulations as follows:
 - a. Importation, distribution and marketing of petroleum products in accordance with existing laws;
 - b. Operation of gasoline stations and transportation service centers;
 - c. Importation, distribution and marketing of spare parts and supplies; and
 - d. Marketing of vehicle/drivers insurance policies.
3. Establishment of manufacturing/assembly and repair shops for the transportation cooperative sector's land and sea requirements.

SEC. 5. Administration of the Funds. - To administer the Fund and provide policy guidelines in the usage of the same, a Board of Administrators is hereby created and shall be composed of the following:

1	DOTr Sec or Usec. for Land Transportation	-	Chairperson
2	OTC Chairperson	-	Vice-Chairperson
3	LTFRB Chairperson	-	Member
4	CDA Chairperson	-	Member
5	Department of Energy Representative	-	Member
6	DBP Representative	-	Member
7	NFTC Representative	-	Member
8	Sectoral Apex Organization for Public Utilities		
9	President	-	Member

10 Likewise, the Board of Administrators shall create and organize a Management
11 Group to handle the operation and management of the Fund.

12 **SEC. 6. Implementing Rules and Regulations.** – The Board of Administrators
13 created under Section 4 likewise shall promulgate the necessary Implementing Rules and
14 Regulations for the effective and efficient implementation of this Act..

15 **SEC. 7. Effectivity.** - This Act shall take effect fifteen (15) days after its
16 publication in two (2) newspapers of general circulation.

Approved.