

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

HOUSE BILL NO. 1025



Introduced by ANGKLA Party-list Representative JESULITO A. MANALO

**AN ACT MODERNIZING THE PUBLIC LAND TRANSPORTATION
INDUSTRY AND CREATING FOR THIS PURPOSE THE LAND
TRANSPORTATION FRANCHISING COMMISSION, APPROPRIATING
FUNDS THEREFOR AND FOR OTHER PURPOSES.**

EXPLANATORY NOTE

Public transportation service is relevant in all aspects of society. It plays a vital role in social development by transporting people, goods and services. Public transportation service affects land use and development blueprints, creates jobs and triggers economic growth. All of these are important when considering the benefits of public transportation to Philippine society.

Considering the far-reaching impact of an efficient public transportation system, it is imperative that the needs of the riding public, as well as goods and services, are sufficiently met. The transportation of goods, services and the Filipino riding public, whether by taxicab, jeepney, truck, bus or train, must be of such quality that it can serve as the backbone of economic progress.

In 1987, President Corazon C. Aquino, through Executive Order No. 202, created the Land Transportation Franchising and Regulatory Board (LTFRB) with the primary objective of providing world-class land transportation services contributing to the over-all development of the country, improvement of the socio-economic status of its stakeholders, and promotion of the welfare of the general public.

Today, more than a quarter of a century has passed and our public land transportation industry is still lagging behind compared to our Asian neighbours. In the meantime, public transportation continues to require much needed changes to serve the general public. Currently, it is the riding public that

continues to carry the burden of an inefficient transportation system, making it difficult for them to go to school, go to work and move around to achieve maximum potential. Thus, there is a need to revisit Executive Order No. 202, as well as the pertinent provisions of Executive Order No. 292, to achieve the goal that brought the law to its existence.

An efficient, modern and reliable public transportation system should be the primary mode of movement for each and every Filipino. It should be the transport of choice.

The bill seeks to modernize and strengthen the public land transport system and the administrative body that manages the same, and ultimately to help the latter accomplish its mission of ensuring that the commuting public has adequate, safe, convenient, environment-friendly and dependable public land transportation services charging reasonable rates, through the implementation of land-based transportation policies, programs, and projects responsive to an investment-led and demand-driven industry. Transportation policies, programs, and projects that are responsive to an investment-led and demand-driven industry can be best achieved by increasing the representation of the private sector and technical experts in public services. Finally, there is a notable absence from the private sector and technical experts, yet they represent a substantial portion of the population that are affected by the actions of the LTFRB.

Accordingly, there is a pressing need to review the current administrative body, the Land Transportation and Franchising Regulatory Board and amend its composition. The expansion of the agency is necessary to include several departments of the government that have an impact on the public land transportation system, which is of national importance. This bill aims to enhance the public land transport industry as a whole so that the industry can properly contribute to the upliftment of the lives of the riding public.

Moreover, the Philippine Congress, the branch of the Government allowed to grant franchises, shall now exercise its oversight functions in the issuance and revocation of franchises to ensure that the administrative body adheres to its mandate.

As the country gears to more economic success, it is imperative that both the public and private sector work hand in hand in improving public transportation. Diverse representation can help better understand the needs of the all sectors involved, especially the riding public. There is an obligation to ensure that there is strong and effective corporate governance. Diversity provides check and balance and avoids the possibility of having a board comprised of individuals who share the same experiences and biases. The vision

of the Government is to efficiently cater to the needs of the public, without forfeiting a fair and business-friendly atmosphere that fosters premium service.



JESULITO A. MANALO
Party-list Representative
ANGKLA

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

SECTION 1. Short Title. This Act shall be known as the "Public Land Transportation Industry Modernization Act".

SECTION 2. Declaration of Policy. - The State recognizes the importance of public land transportation as mover and carrier not just of people, but goods and commodities, and the vital role it plays in the nation's development. It is thus hereby declared the policy of the State to improve, foster and develop an efficient public land transport and consequently increase the productivity of the country, to improve the quality of public land transport conditions and to make it the transport of choice. In so declaring, the State recognizes the essential part of the private sector and the latter's expertise in addressing the ever changing needs of the riding public and in coping with the evolving demands of modern living.

SECTION 3. Definition of Terms. - As used in this Act, the following terms shall mean:

(a) Commission - shall mean the Land Transportation Franchising Commission.

(b) Certificate of Public Convenience or CPC - shall mean the license or authority granted for the operation of public and land transportation utilities and

services such as trucks, taxicabs, buses, jeepneys, trimobles and other motor vehicles.

(c) Decision - shall mean the final adjudication issued by the Commission *en banc*, through a written Resolution, bearing the concurrence and signature of at least four of its members, relative to the issuance, amendment, revision, extension, suspension, revocation or cancelation of any CPC.

(d) DOTC or Department - shall mean the Department of Transportation and Communications.

(e) E.O. No. 202 - shall mean Executive Order No. 202 promulgated by President Corazon C. Aquino creating the Land Transportation Franchising and Regulatory Board.

(f) E.O. No. 292 - shall mean Executive Order No. 292, known as the "Administrative Code of 1987" promulgated by President Corazon C. Aquino subsequent to E.O. No. 202.

(g) Public Utility Operator or Operator - shall mean a person or entity that is granted a CPC as defined under this Act.

SECTION 4. Creation of the Land Transportation Franchising Commission. - There is hereby created the Land Transportation Franchising Commission, hereinafter referred to as the "Commission", which is a government owned and controlled corporation (GOCC), wholly owned by the Republic of the Philippines. The Commission shall be under the supervision and control of the Department of Transportation and Communication (DOTC).

SECTION 5. Composition of the Board of Commissioners. - The Commission shall be composed of a Chairman and eight (8) other members, constituted as follows:

(a) Secretary of the DOTC shall serve as *ex-officio* Chairman of the Commission.

(b) The other eight (8) members shall be:

(i) Director General of the National Economic Development Authority (NEDA) who shall sit as *ex-officio* member;

(ii) Secretary of the Department of Public Works and Highways (DPWH) who shall likewise sit as *ex-officio* member;

