Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7428

Introduced by Representative Manuel Luis T. Lopez

EXPLANATORY NOTE

On 5 August 2020, the House Committee on Metro Manila Development concluded its hearings on the dire situation of the public utility vehicle (PUV) sector in Metro Manila aggravated by the coronavirus disease 2019 (COVID-19) pandemic.

According to the Land Transportation Franchising & Regulatory Board's (LTFRB) Public Land Transport Roadmap during Period of Community Quarantine, 121,405 PUV units were affected when all modes of public land transport were put to a halt in Metro Manila under the Enhanced Community Quarantine (ECQ) starting on March 16, 2020. Traditional public utility jeepneys (PUJs) have the biggest share of affected units at 50,072.

It was only upon the declaration of General Community Quarantine on June 1, 2020, or two months and a half later, that PUVs were allowed to resume operations. Even then, only limited units of selected PUVs namely city buses, point-to-point buses, taxis, transport network vehicle services, and shuttle services, were allowed to operate at 50% capacity in selected routes.

On June 22, 2020, PUJs were finally allowed to resume operations but only if compliant with the PUV Modernization Program. After several complaints and protests from transport workers, 6,002 units of traditional PUJs were allowed to resume operations on July 3, 2020. However, upon the reversion back to Modified ECQ on August 4, 2020, traditional PUJs allowed to operate were further limited to 968 units only.

Since the wake of the pandemic, hundreds of thousands of transport workers in the PUV sector have lost significant wages or have lost their livelihoods altogether. A conservative estimate of lost wages of affected transport workers during the ECQ period only would amount to over 5 billion pesos.

1 Land Transportation Franchising & Regulatory Board (LTFRB), Public Land Transport Roadmap during Period of Community Quarantine, August 7, 2020, p. 7.
<table>
<thead>
<tr>
<th>Mode of Service</th>
<th>Estimated Daily Wage per Worker (PhP/day)</th>
<th>No. of Authorized Units</th>
<th>Total Estimated Daily Wage (PhP/day)</th>
<th>Total Estimated Lost Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBs</td>
<td>400.00</td>
<td>4,647</td>
<td>1,858,800</td>
<td>197,032,800</td>
</tr>
<tr>
<td>P2P</td>
<td>400.00</td>
<td>922</td>
<td>368,800</td>
<td>39,092,800</td>
</tr>
<tr>
<td>Taxi</td>
<td>400.00</td>
<td>29,968</td>
<td>11,987,200</td>
<td>1,270,643,200</td>
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<tr>
<td>TNVS</td>
<td>400.00</td>
<td>23,776</td>
<td>9,510,400</td>
<td>1,008,102,400</td>
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<tr>
<td>Modern PUJ</td>
<td>400.00</td>
<td>1,732</td>
<td>692,800</td>
<td>73,436,800</td>
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<tr>
<td>Traditional PUJ</td>
<td>400.00</td>
<td>50,072</td>
<td>20,028,800</td>
<td>2,123,052,800</td>
</tr>
<tr>
<td>UV Express</td>
<td>400.00</td>
<td>10,288</td>
<td>4,115,200</td>
<td>436,211,200</td>
</tr>
<tr>
<td>Total</td>
<td><strong>400.00</strong></td>
<td><strong>121,405</strong></td>
<td><strong>48,562,000</strong></td>
<td><strong>5,147,572,000</strong></td>
</tr>
</tbody>
</table>

Amidst the devastating implications of a complete halt on all modes of public land transport during the community quarantine, the corresponding government assistance and support for all affected transport workers have been underwhelming.

During the executive meeting called by the Committee on Metro Manila Development on July 21, 2020, the Department of Transportation (DOTr) said that it is still waiting for the issuance of the Special Allotment Release Order (SARO) from the Department of Budget and Management (DBM) to provide subsidy to affected transport workers. Moreover, any subsidy would be limited to all operating public utility jeepneys only. As for fuel subsidy, the DOTr is likewise still coordinating with the DBM. There were also no programs mentioned that would assist displaced transport workers to find new livelihoods.

During the hearings and executive meetings, the oft-repeated issues on the PUV modernization were also raised. Drivers and operators of traditional PUJJs either demanded for adequate government assistance and support for the modernization or for the delay of the PUV modernization altogether. These demands are not without merit. After almost four months of tigil pasada, it is unreasonable to expect operators or drivers of traditional PUJJs to be able to comply with PUV modernization requirements, which include purchasing a modern jeepney unit at Php 2-2.5 million. It bears stressing that the DOTr provides a subsidy of Php 160,000 only under the PUV Modernization Program.

The series of hearings conducted by the Committee on Metro Manila Development surfaced poor, disjointed, and sluggish policy formulation and planning on the part of the

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2 Philippine Statistics Authority, 2017 Labor Force Survey, median basic pay per day of drivers and mobile plant operators.
3 LTFTRB, Public Land Transport Roadmap during Period of Community Quarantine, p. 7.
4 This assumes that only one transport worker is affected per unit.
concerned government agencies and instrumentalities. While the Committee on Metro Manila Development has already provided concrete short-term and long-term recommendations, this bill is also being proposed to once and for all provide a clear framework and program for the modernization of the PUV sector.

The modernization of the PUV sector remains as an important mitigation response to the climate crisis because it will reduce the sector’s greenhouse gas (GHG) emissions through the use of modern, low-carbon technologies. However, in the midst of the pandemic, it is all the more important to ensure the transition to a modernized PUV sector is in accordance with the principles of justice and equity.

To ensure that no transport workers will be left behind in this transition, the proposed measures seeks to systematically integrate the concept of just transition in various phases of policy formulation, planning, and other tools and techniques in the modernization of the PUV sector by all concerned agencies and instrumentalities of the government. Moreover, it provides transitional support in the form of vehicle subsidy, fuel subsidy, concessional loan, and livelihood support to all affected transport workers.

While we continue to ramp up our response to COVID-19 and the climate crisis, it is equally important that we do not dismiss the plight of the transport workers in the PUV sector. These workers should not be victims but rather, our partners in responding to this pandemic and in reaching our shared vision for a modernized PUV sector.

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

HON. MANUEL LUIS C. LOPEZ
Representative
1st District, City of Manila
Republic of the Philippines

HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7423

Introduced by Representative Manuel Luis T. Lopez

AN ACT

PROVIDING FOR A JUST AND EQUITABLE TRANSITION TO A MODERNIZED PUBLIC UTILITY VEHICLE SECTOR, WITH TRANSITIONAL SUPPORT FOR TRANSPORT WORKERS, AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the “Just Transition to a Modernized PUV Sector Act”.

SEC. 2. Declaration of Policy. – Cognizant of its commitment in the Paris Agreement to respond to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, the State hereby declares as policy the modernization of the public utility vehicle (PUV) sector to reduce its greenhouse gas (GHG) emissions through the use of low-carbon technologies.

At the same time, the State acknowledges the PUV sector as both a public service and an enterprise. As an enterprise, the PUV sector employs labor which is deemed by law as the primary social economic force. The State shall protect the rights of transport workers within the PUV sector and promote their welfare. Towards this end, the State shall systematically integrate the concept of just transition in various phases of policy formulation, planning, and other tools and techniques in the modernization of the PUV sector by all concerned agencies and instrumentalities of the government.

The State therefore ensures that the modernization of the PUV sector will include all affected transport workers in the low-carbon transition, in accordance with the principles of justice and equity, promoting full and productive employment and decent work for all.

SEC. 3. Objectives. – This Act shall have the following objectives:

a. To reduce the GHG emissions of the PUV sector, improve safety and comfort of the riding public, and improve working conditions for transport workers through a people-centered and just modernization plan;
b. To phase-out existing high-carbon PUVs while protecting the security of
tenure of affected transport workers, such as long-standing drivers and
operators, in the PUV sector and their right to work until retirement;

c. To provide assistance and support to displaced transport workers,
especially those who can no longer take part in the PUV sector due to
various reasons and require retraining and reskilling; and

d. To guarantee genuine and fair competition and a level playing field within
the PUV sector.

SEC. 4. Framework Strategy and Program on Just Transition to a Modernized
PUV Sector. – The Department of Transportation (DOTr), Department of Labor and
Employment (DOLE), and Climate Change Commission (CCC), in consultation with other
concerned agencies, Panel of Technical Experts, and stakeholders, shall, within three (3)
months from the effectivity of this Act, formulate a Framework Strategy on Just Transition
to a Modernized PUV. Provided, that, the DOTr shall establish a stakeholder consultation
space, where stakeholders, including but not limited to PUV drivers, operators,
conductors, other transport workers, and the riding public, are regularly engaged
through an open and inclusive process where they can provide recommendations to the
DOTr and other relevant government agencies. The Framework shall be reviewed every
three (3) years or as may be deemed necessary.

The Framework shall serve as the basis for the Just Transition to a Modernized
PUV, which will reduce the PUV sector’s GHG emissions, improve safety and comfort of
the riding public, and improve working conditions for transport workers in the PUV
sector. The Program shall include, but not limited to, the following components:

a. Assessment of the GHG emissions and mitigation potential of the PUV
sector;

b. Assessment of available and locally manufactured low-carbon technologies
and costs;

c. Identification and assessment of stakeholders;

d. Formulation of a phase-out plan, with transitional support to affected
transport workers;

e. Advocacy and information dissemination; and

f. Monitoring and evaluation.

SEC. 5. Panel of Technical Experts. – The DOTr shall constitute a national panel
of technical experts consisting of practitioners in disciplines that are related to public
transport planning, urban planning, and climate change. The Panel shall provide technical
advice to the DOTr in transportation, technologies, climate science, and best practices for
just transition. The DOTr shall set the qualifications and compensation for the technical
experts. It shall provide resources for the operations and activities of the Panel.

SEC. 6. Engine and Replacement Specifications. –

a. PUVs tested and proven to be road-worthy by the DOTr and Department of Trade and Industry’s Bureau of Philippine Standards (DTI-BPS) shall only be required to have engines replaced to be Euro 4-compliant.

b. The remaining budget under DTI’s Comprehensive Automotive Resurgence Strategy (CARS) program shall be used to incentivize and support the creation and assembly of locally manufactured public land transport vehicles units and parts.

c. Only emission testing centers duly authorized by the DTI, and which follow the standards set by the Department of Environment and Natural Resources (DENR) and DOTr shall be used in registering of new PUV models and in regular emission testing.

d. DOTr shall plan for a phased implementation of the Program following a ten (10)-year transition period.

SEC. 7. Transitional Support. –

a. Vehicle subsidy – The DOTr shall provide financial assistance to affected drivers and operators not lower than 50% of the cost per unit to lighten the capital burden of modernization.

b. Fuel subsidy – The DOTr shall pay for a portion of the fuel consumed by affected drivers on a bi-weekly basis; Provided, that, the DOTr shall determine the amount of the fuel subsidy and the mandated number of months for the provision of the fuel subsidy after consultation with affected drivers.

c. Concessional loan –

i. A tripartite mechanism involving government, financing institutions, and affected transport workers shall be established to set policies for a concessional loan program to affected transport workers. Loan requirements shall be simplified and tailored to the current situation and standing of affected transport workers.

ii. The interest rate on loan amortization shall not exceed 1% annual interest.

iii. The loan amortization period shall be at least fifteen (15) years, subject to re-computation once the transport worker decides to shorten the said period or is able to pay in full before its maturity.

d. Livelihood support –
i. Displaced drivers or operators who can no longer take part in the public land transportation industry due to, but not limited to, financial incapacity or failure to qualify for a loan, shall be given financial assistance of no less than Three Hundred Thousand Pesos (P300,000.00) to enable the displaced driver or operator to venture into other forms of livelihood.

j. Displaced transport workers shall be entitled to dedicated trainings and seminars to ensure qualification and employability in other forms of livelihood.

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

**SEC. 9. Implementing Rules and Regulations.** – Within sixty (60) days from the effectiveness of this Act, the Secretary of the DOTr, in consultation with the Land Transportation Franchising and Regulatory Board and other relevant government agencies and transport sector groups, shall issue the rules and regulations necessary for the effective implementation of this Act.

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

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

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

Approved,