

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



SENATE  
P.S. Res. No. 556

'17 DEC -4 P 1:07

RECEIVED BY: \_\_\_\_\_

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

**RESOLUTION**

**DIRECTING THE COMMITTEE ON PUBLIC SERVICES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PUBLIC UTILITY VEHICLE MODERNIZATION PROGRAM OF THE DEPARTMENT OF TRANSPORTATION, WITH THE END IN VIEW OF CRAFTING AN ALTERNATIVE POLICY TO ADDRESS THE CONCERNS OF DRIVERS AND OPERATORS AFFECTED, AND IMPLEMENTING A JUST TRANSITION AND MODERNIZATION PROGRAM THAT WILL PROVIDE VIABLE, EFFICIENT, FAST, SAFE, AND SUSTAINABLE TRANSPORTATION SYSTEMS IN THE COUNTRY**

**WHEREAS**, it is a policy of the State to ensure the establishment, promotion, development, operation, maintenance and regulation of viable, efficient, fast, safe and dependable transportation and communications systems as effective instruments for economic progress. In this regard, the Department of Transportation (DOTr) has been designated as the primary policy, planning, programming, coordinating, implementing, regulating and administrative entity of the Executive Branch in the pursuit of these goals;

**WHEREAS**, the Department of Transportation's mandate/duty to promulgate, administer, enforce, and monitor compliance of policies, laws, and regulations of public land transportation services is primarily exercised through the Land Transportation Franchising and Regulatory Board (LTFRB). The LTFRB's powers and functions include the duty to: (1) prescribe and regulate routes of service, economically viable capacities and zones or areas of operation of public land transportation services provided by motorized vehicles in accordance with the public land transportation development plans and programs approved by the Department, and (2) issue, amend, revise, suspend or cancel Certificates of Public Convenience or permits authorizing the operation of public land transportation services provided by motorized vehicles, and to prescribe the appropriate terms and conditions therefore;



**WHEREAS**, on June 19, 2017 the DOTr officially launched its Public Utility Vehicle (PUV) modernization program which orders the replacement of PUVs aged 15 years or older;

**WHEREAS**, the PUV modernization program aims to modernize existing transport service vehicles to meet safety, energy efficiency and emission standards through overhauling of the public transportation system;

**WHEREAS**, the DOTr issued the Omnibus Franchising Guidelines through Department Order 2017-011 which introduces reforms in granting of franchises by implementing new route planning rules, in coordination with local government units, and improved standards for operators and vehicles;

**WHEREAS**, according to LTFRB Chairman Martin Delgra, they have tallied 180,000 jeepneys that need to be replaced. The LTFRB will not allow replacement only of engines and chassis, the parts of the jeepney that the LTFRB uses as the basis of the age of a vehicle;

**WHEREAS**, DOTr and the Development Bank of the Philippines have signed a memorandum of understanding for a P1.5 billion loan facility alongside the official launch of a Program Assistance to Support Alternative Driving Approaches (PASADA), a program which will offer reasonable financing for transport corporations and cooperatives to allow them to acquire PUV units. The loan facility has a repayment period of 7 years with fixed interest rate of 6 percent per year, for the entire term of the loan;

**WHEREAS**, the PUV modernization program sparked complaints from transport and labor groups, claiming that the program is "anti-poor" and would lead to displacement of many drivers and small operators given that replacing old jeepney units would cost at least P1 million each;

**WHEREAS**, transport groups have conducted nationwide transport strikes in protest of the program citing several issues, including but not limited to: (1) lack of consultation with stakeholders, (2) possible decline in revenue of drivers and operators, (3) expensive and unaffordable new units, (4) insufficient government subsidy for drivers and small operators, and (4) rushed implementation of the program;

**WHEREAS**, Public Utility Vehicles, especially jeepneys, provide livelihood to thousands of operators and drivers in the country. While the PUV modernization program will provide a more convenient, environment-friendly and safer mass public transportation in the country, there should be a

sustainable plan to mitigate any negative impact of the program to our drivers and operators;

**WHEREAS**, there is a need to review and reassess the PUV modernization program to be able to implement a just transition and modernization, and to ascertain the program's impact to PUV drivers and operators who will be directly affected by the implementation of the program, and to ensure that the government is not imposing regulations which are unjust, arbitrary, or confiscatory;

**WHEREAS**, it is the responsibility of Congress to promote the welfare of the people by ensuring that all government policies and programs have undergone proper consultation in the essence and spirit of democracy and people's participation;

**WHEREAS**, it is the responsibility of Congress to guarantee that existing laws, rules and regulations are just and responsive to prevailing circumstances, to uphold transparency and regularity in all government issuances and policies, and to promote the welfare of the Filipino people by ensuring the availability of adequate, affordable, dependable, quality, and safe public transportation for all;

**NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, to direct the Committee on Public Services to conduct an inquiry, in aid of legislation, on the Public Utility Vehicle Modernization Program of the Department of Transportation, with the end in view of crafting an alternative policy to address the concerns of drivers and operators affected, and implementing a just transition and modernization program that will provide viable, efficient, fast, safe, and sustainable transportation systems in the country.

*Adopted,*



**JOSEPH VICTOR G. EJERCITO**