

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

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1677

Introduced by Rep. Nerissa Corazon Soon-Ruiz, M.D.

EXPLANATORY NOTE

In the hierarchy of "For Hire" motorized vehicles, in terms of seating capacity, the bottom two classes are the tricycle (motorcycle with a side-car) and the jeepney. Generally, the seating capacity of the former is 5 persons while that of the latter is at least 15 persons. There is, therefore, a wide gap between the two classes in terms of seating capacity.

It has been observed that in many parts of the country, particularly in small towns and rural areas, an intermediate class of "For Hire" vehicles is most appropriate. It was on this premise that a new type of public transport known as the "Filcab" was created under the Department of Transportation and Communications Department Order No. 95-850.

Under Department Order No. 95-850, the "filcab" is described as a four (4) wheeled vehicle with a capacity of 11-12 persons. It may operate a door-to-door service within a zone or a fixed route of not more than fifteen (15) kilometers and shall complement, rather than directly compete with higher classes of public transport. Service fares may be sent on a zonal basis or based on distance.

At present, it is the Land Transportation Franchising and Regulatory Board (LTFRB) and the Land Transportation Office that regulate and issue franchises in the operation of filcabs. This procedure however is not responsive to the needs of the public and the interest of the operators of filcabs. The LTFRB and the LTO operate on a

national level whereas the filcab is more similar to the tricycle in the hierarchy of "For Hire" motorized vehicles and operate mainly in small towns and rural areas.

Considering that it is the Sanggunian of cities and municipalities that regulate and issue franchises for tricycles under the Local Government Code, it is only proper that this rule should apply in the case of filcabs not only to give life and meaning to the principle of local autonomy but mainly in recognition of an established fact that the local sanggunians are in a better position to regulate these type of "For Hire" vehicles considering that these vehicles operate within their jurisdiction. Besides, this decentralization of governmental function would facilitate the regulation and issuance of franchises of filcabs considering that LTFRB is too undermanned to perform its mandated functions.

This bill, therefore, proposes that filcabs be regulated by the local government units concerned which are in a better position to determine their desirability in their respective areas of jurisdiction.

NERISSA CORAZON SOON-RUIZ, M.D.

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AN ACT AMENDING SECTIONS 447 AND 458 OF REPUBLIC ACT NO. 7160 OTHERWISE KNOW AS THE LOCAL GOVERNMENT CODE

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

SECTION 1. Section 447 (a)(3)(vi) of R.A. 7160 is hereby amended to read as follows:

"Section 447. *Powers, Duties, Functions and Compensation.* (a) The *Sangguniang Bayan*, as the legislative body of the municipality, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the municipality and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the municipality as provided for under Section 22 of this Code, and shall:

Xxx xxxx xxxx

(3) Subject to the provisions of Book II of this Code, grant franchises, enact ordinances levying taxes, fees and charges upon such conditions and for purposes intended to promote the general welfare of the inhabitants of the municipality, and pursuant to this legislative authority shall:

xxx xxxx xxxx

(vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of tricycles and **FILCABS** and grant franchises for the operation thereof within the territorial jurisdiction of the municipality. **FOR PURPOSES OF THIS ACT, FILCAB IS DEFINED AS A FOUR-WHEELED VEHICLE WITH A SEATING CAPACITY OF SEVEN TO FOURTEEN PERSONS, EXCLUDING AIRCONDITIONED ASIAN UNTILITY VEHICLES. IT MAY OPERATE A DOOR-TO-DOOR SERVICE WITHIN A ZONE OR A FIXED ROUTE OF NOT MORE THAN FIFTEEN KILOMETERS AND SHALL**

COMPLEMENT RATHER THAN DIRECTLY COMPETE WITH HIGHER CLASSES OF PUBLIC TRANSPORT. FARES MAY BE SENT ON A ZONAL BASIS OR BASED ON DISTANCE."

Xxx xxxx xxxx

SECTION 2. Section 458 (3)(vi) of R.A. 7160 is hereby amended to read as follows:

"*Section 458. Powers, Duties, Functions and Compensation.* – (a) The Sangguniang Panlungsod, as the legislative body of the city, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the city and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the city as provided for under Section 22 of this Code, and shall:

Xxx xxxx xxxx

(3) Subject to the provisions of Book II of this Code, enact ordinances granting and authorizing the issuance of permits or licenses upon such conditions and for such purposes intended to promote the general welfare of the inhabitants of the city, and pursuant to this legislative authority shall:

Xxx xxxx xxxx

(vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of tricycles and **FILCABS AS DEFINED UNDER SECTION 447 (3)(vi) OF THIS CODE** and grant franchises for the operation thereof within the territorial jurisdiction of the city."

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SECTION 3. *Separability Clause.* – If, for any reason, any part or provision of this Act shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 4. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.