

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila  
**SIXTEENTH CONGRESS**  
**FIRST REGULAR SESSION**  
**HOUSE BILL NO. 3415**



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Introduced by **Honorable Oscar "Richard" S. Garin, Jr.**  
**1<sup>st</sup> District, Iloilo**

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**"AN ACT GRANTING POWER TO CITIES AND MUNICIPALITIES TO GRANT CERTIFICATES OF PUBLIC CONVENIENCE TO PUBLIC UTILITY VEHICLES (PUVs) PLYING A ROUTE EXCLUSIVELY WITHIN THEIR TERRITORIAL JURISDICTIONS, AMENDING SECTION 447 (3) (vi) AND SECTION 458 (3) (vi) OF REPUBLIC ACT No. 7160, AND FOR OTHER PURPOSES"**

**EXPLANATORY NOTE**

Presently, the most common mode of transportation within the territorial jurisdiction of a local government unit, especially in the rural areas, are tricycles and single motorcycles for hire commonly known as "habal habal." Each of these modes of transportation has its advantages and drawbacks. The drawbacks are mostly safety concerns, most significantly, the high incidence of traffic accidents involving these modes of transportation. Thus, the Department of the Interior and Local Government issued Memorandum No. 2007-01 and 2011-68 which, in essence, sought to ban tricycles in national highways used by four-wheeled vehicles exceeding four (4) tons in weight and where the normal speed would exceed forty (40) kilometers per hour.

If this ban, which apparently has for its purpose the safety of the vast majority of the public, those who cannot afford private means of transportation, is to be given full effect, and thus confine tricycle routes to provincial, municipal and barangay roads, what becomes of the riding public whose residences are located in the vicinity of national roads? This is the gap which the Bill seeks to address: To allow four-wheeled public utility vehicles to ply within the territorial limits of a local government unit.

The proposed measure is consistent with the concept of devolution and decentralization enshrined in the 1987 Constitution and in the Local Government of 1991. It enables local governments to quickly respond to the fast-changing "situation on the ground" as well as enable them to increase revenue collection.

Finally, this proposed measure is, by and large, aimed towards promoting better road safety for the riding public as well as encourage trade and commerce. By allowing four-wheeled vehicles to ply a route exclusively within the territorial jurisdiction of a local government unit, taking public conveyance from point A to point B would become a usual business transaction rather than a daily exercise of tempting one's fate.

It is earnestly prayed that this measure be given due consideration.



OSCAR "RICHARD" S. GARIN, JR.

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila  
**SIXTEENTH CONGRESS**  
**FIRST REGULAR SESSION**  
**HOUSE BILL NO. ~~3~~415**

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Introduced by **Honorable Oscar “Richard” S. Garin, Jr.**  
**1<sup>st</sup> District, Iloilo**

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**“AN ACT GRANTING POWER TO CITIES AND MUNICIPALITIES TO GRANT CERTIFICATES OF PUBLIC CONVENIENCE TO PUBLIC UTILITY VEHICLES (PUVs) PLYING A ROUTE EXCLUSIVELY WITHIN THEIR TERRITORIAL JURISDICTIONS, AMENDING SECTION 447 (3) (vi) AND SECTION 458 (3) (vi) OF REPUBLIC ACT No. 7160, AND FOR OTHER PURPOSES”**

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

**Section 1. Declaration of Policy.** – It is hereby declared the policy of the State to enhance the autonomy of local government units to make them more responsive to the changing times thereby making them more accountable to promote the general welfare of their constituents. Toward this end, the State shall further empower local governments through an enhanced system of decentralization whereby local government units shall be given more powers, authority, responsibilities, and resources.

**Section 2. Scope of this Act.** – This Act shall cover all public utility vehicles which a route exclusively within a territorial jurisdiction of a city or municipality.

**Section 3. Registration and Issuance of license plates.** – The Land Transportation Office may register any motor vehicle covered by this Act and issue a corresponding license plate thereto pursuant to Republic Act No. 4136 and existing laws, rules and regulations.

**Section 4. Power of the LGU to issue CPC.** – Upon effectivity of this Act, public utility vehicles covered herein shall secure a Certificate of Public Convenience from the Local Government Unit concerned. For this purpose:

a. Section 447 (3) (vi) of Republic Act 7160 otherwise known as the Local Government Code is hereby amended to read, as follows:

“(vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of tricycles and public utility vehicles and grant franchises for the operation thereof within the territorial jurisdiction of the municipality;

b. Section 458 (3) (vi) of Republic Act 7160 otherwise known as the Local Government Code is likewise amended to read as follows:

“(vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of tricycles and public utility vehicles and grant franchises for the operation thereof within the territorial jurisdiction of the city;”

**Section 5. Creation of the Local Franchising and Regulatory Offices. -**

There shall be a Local Franchising and Regulatory Office (LFRO) created in each city and municipality which shall be headed by a permanent employee of the Local Government Unit as may be designated or appointed by the Mayor. The LFROs shall hear applications/petitions for routes and shall recommend to the Sanggunian the approval or disapproval of such application/petition. Provided, however, that the Sanggunian shall not be bound by the recommendation of the Board and, upon good cause, may grant the Certificate of Public Convenience by way of an ordinance or may deny such application/petition by way of a resolution. Provided further, that any party adversely affected by the decision of the Sanggunian may take an appeal with the appropriate Regional Office of the Land Transportation Franchising and Regulatory Board.

**Section 6. Powers and Functions of the Local Franchising and Regulatory Office. – The Board shall have the following powers and functions:**

a. To 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 of Transportation and Communications;

b. To issue, amend, revise, suspend or cancel Certificates of Public Convenience or permits authorizing the operation of motorized vehicles as defined in this Act, and to prescribe the appropriate terms and conditions therefor;

c. To determine, prescribe and approve and periodically review and adjust, reasonable fares, rates and other related charges, relative to the operation of public land transportation services provided by motorized vehicles;

d. To issue preliminary or permanent injunctions, whether prohibitory or mandatory, in all cases in which it has jurisdiction, and in which cases the pertinent provisions of the Rules of Court shall apply;

e. To punish as for contempt of court, both direct and indirect, upon application with the Municipal Trial Court;

f. To issue subpoena and subpoena duces tecum and to summon witnesses to appear in any proceedings of the Board, to administer oaths and affirmations;

g. To conduct investigations and hearings of complaints for violation of the public service laws on land transportation and of its rules and regulations, orders, decisions and/ or ruling and to impose fines and/ or penalties for such violations;

i. To adopt rules and regulations governing proceedings before the Regional Franchising and Regulatory Office of the LTFRB. Except in pars. d, e and g hereof, the rules of procedure and evidence prevailing in the courts of law should not be controlling and it is the spirit and intention of said rules that the Board and the Regional Franchising and Regulatory Offices shall use every and all reasonable means to ascertain facts in its case speedily and objectively and without regard to technicalities of law and procedures, all in the interest of due process;



j. To fix, impose and collect, and periodically review and adjust, reasonable fees and other related charges for services rendered. Provided that, LGUs may not impose and collect such fees not presently imposed and collected by the LTFRB, except administrative fees.

k. To formulate, promulgate, administer, implement and enforce rules and regulations on land transportation public utilities, standard of measurements and/ or design, and rules and regulations requiring operators of any public land transportation service to equip, install and provide in their stations such devices, equipment facilities and operating procedures and techniques as may promote safety, protection, comfort and convenience to persons and property in their charges as well as the safety of persons and property within their areas of operations;

l. To coordinate and cooperate with other government agencies and entities concerned with any aspect involving public land transportation services with the end in view of effecting continuing improvement of such services; and,

m. To perform such other functions and duties as may be provided by law or ordinance as well as those powers which are proper or incidental to the purposes and objectives of this Act.

**Section 7. Basic regulations of a CPC. – The Certificate of Public Convenience issued by the Local Franchising and Regulatory Office under this Act shall contain the following:**

a. The PUV operator shall ensure that the commuting public has adequate, safe, convenient, environment-friendly and dependable public land transportation services at reasonable rates through the strict implementation of land-based transportation policies, programs, and projects responsive to an investment-led and demand-driven industry, and in adherence to the provisions of the Clean Air Act and other related environmental laws.

b. The PUV operator shall prohibit smoking or the act of carrying a lighted cigarette or other tobacco products within the terminal, garage and parking or waiting area or inside all PUVs and shall cause the prominent display of the "No Smoking" signs within the premises thereof and inside all PUVs.

c. The PUV operator shall not resort to cessation of service as a sign or demonstration of protest against any government decision or action under pain of suspension or cancellation of the authority to operate granted by the Board nor shall the PUV operator tolerate, allow or authorize personnel to join others committing acts prejudicial to the riding public, including, but not limited to, paralyzing transport services by intimidation, coercion or violence.

d. The PUV operator shall give his/her/its customers or users, all information and assistance pertaining to his services in order that they may secure proper, efficient and economical service.

e. It shall be unlawful for any PUV operator to give undue preferences or make unjust discrimination in his/her/its service.

f. Except for PUJs, the PUV operator shall adopt a commercial, trade or business name duly issued by any authorized government agency subject to the approval of the Board.

g. Should the PUV operator decide to adopt its own trade/company design, color scheme or combination of colors distinct from what is required by the Board such as in the case of (but not limited to) unit markings, uniforms and the like, the same should be subject to prior approval of the Board.

h. The installation of transit advertising materials and other types of markings on public utility vehicles shall be subject to the prior approval of the Board.

i. It shall be unlawful for any PUV operator to cause, allow or in any other manner help or consent to the registration in his/her/its name, fictitiously, surreptitiously or otherwise any equipment belonging to another person and/or to cause or allow or in any other manner help or consent to the operation of the same or of any other equipment, under his/her/its Certificate of Public Convenience.

j. The PUV operator shall charge the passenger and freight rates as authorized by the Board. In no case shall fares lower or higher than those

authorized be charged without previous authority from the Board. The PUV operator shall post a copy of the Fare Matrix in a conspicuous place at his/her/its office, terminal or waiting stations, and in the interior of each motor vehicle which is in actual service.

k. Children less than 1 meter in height shall be transported free of charge and those from 1 to 1.30 meters in height shall pay half fare. PUV operators shall provide in an adequate place in their motor vehicles the necessary markings for verifying the heights of the children passengers who are entitled to free or half fare.

l. The PUV operators shall grant fare discounts as prescribed by law, policies, rules and regulations to Senior Citizens and Persons with Disability.

m. The PUV operator shall grant fare discounts to Students during school days and shall cover only those currently enrolled in Pre-school, Elementary, Secondary and Collegiate schools, including academic, vocational or technical schools duly recognized by the Government EXCEPT: those of dancing and driving schools, short term courses of seminar type, and Post-graduate studies (those taking up medicine, law, masteral, doctoral degrees and the like).

n. The PUV operator shall not deprive passengers granted fare privileges and discounted fares with appropriate seats.

o. The PUV operator shall display the International Symbol of Accessibility in their units and shall designate seats in all their units specifically for the use of Persons with Disabilities as follows:

1. Owners of PUJs shall provide at least two (2) seats, at the convenience of the PWD I for the use of PWDs in their units.
2. Other passengers may use those designated seats if not occupied but shall yield them to incoming PWDs whenever the occasion arises.



**Section 8. Penalties.** – Any law to contrary notwithstanding, the penalties which may be imposed by the LGUs upon erring applicants or holders of CPCs shall not exceed the power to impose penalties for violation of ordinances granted upon them by the Local Government Code of 1991. Provided, that the penalty of cancellation of franchise and perpetual or special disqualification from applying for a franchise may be imposed upon repeat offenders.

**Section 9. Implementing Rules and Regulations.** – The Department of Transportation and Communication and the Department of Interior and Local Government, in consultation with the concerned Senate and House committees and other agencies shall formulate implementing rules and regulations pertinent to the provisions hereof within six (6) months after the effectivity of this Act.

**Section 10. Repealing Clause.** – All laws, issuances or any party thereof inconsistent with this Act are hereby repealed or modified accordingly.

**Section 11. Effectivity.** – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,