

**Republic of the Philippines
House of Representatives
Quezon City**

**NINETEENTH CONGRESS
First Regular Session**



HOUSE BILL NO. 1331

Introduced by Hon. Felimon M. Espares
COOP-NATCCO PARTYLIST

AN ACT

**ESTABLISHING THE TRANSPORTATION COOPERATIVES DEVELOPMENT LOAN
FUND, APPROPRIATING AND SOURCING FUNDS THEREOF AND FOR OTHER
PURPOSES.**

EXPLANATORY NOTE

The Transportation Cooperative Sector plays a vital role in providing safe, efficient, and environment friendly land and sea transport services in the movement of goods and passengers geared towards structural economic growth and development of the country. Thus, along with the other sector of the industry, is considered as partner of the government in building a sustainable nation.

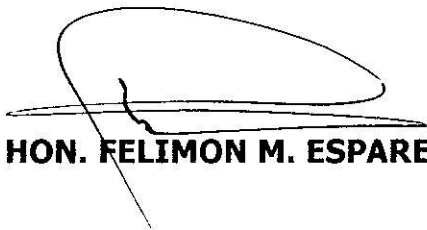
R.A. 9520, otherwise known as the Philippine Cooperative Code of 2008, under Art. 2. Declaration of Policy, par.2 provides that "Towards this end, the government and all its branches, subdivisions, instrumentalities and agencies shall ensure the provision of technical guidance, financial assistance and other services to enable said cooperatives to develop into viable and responsive economic enterprises and thereby bring about a strong cooperative movement that is free from any conditions that might infringe upon the autonomy or organizational integrity of cooperatives".

In reality, however, the Transportation Cooperative Sector, more often than not is treated second class citizen in their dealings with the different government agencies, notwithstanding the various privileges and preferential treatment accorded to them by the

very provisions of R.A. 9520, particularly Article 62 thereof. Further, the said Transportation Cooperatives could hardly access to credit facilities of government and commercial financing institutions because of stringent security requirements. Furthermore, the Sector, while very much willing to comply with the modernization program on land and sea safety standards for public utility vehicles and vessels, they are deprived of financial assistance from various government projects for so many other reasons.

The proposed measure will strengthen/ensure competitiveness and viability of the Transportation Cooperative Sector as responsive economic enterprises and a tool to ameliorate the social and economic conditions of land and sea public utility transportation workers and their families by providing them sustainable employment opportunities and increase their take home pay/income.

Thus, the early passage of this Bill is earnestly requested.



HON. FELIMON M. ESPARES

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PURPOSES.**

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

SECTION 1. Title. - This Act shall be known as **"The Transportation Cooperatives Development Loan Fund Act."**

SECTION 2. Declaration of Policy. - It is hereby declared the policy of the State to promote the viability and growth of the Transportation Cooperative Sector as provider of a safe, efficient, and environment friendly land and sea transport services in the movement of goods and passengers geared towards structural economic growth and development of the country.

Toward this end, the State shall recognize the Transportation Cooperative System as a tool towards the integration and rationalization of land and sea public transport system, not only as a means to effect economy and efficiency in the movement of goods and passengers, but also as a potent measure to ameliorate the social and economic conditions of public transportation workers and their families through various strategies that will ensure sustainable employment opportunities and increase their take home pay/income.

The government and all its branches, subdivisions, instrumentalities and agencies shall ensure the provision of technical guidance, financial assistance and other incentives to

the Transportation Cooperative sector as partner of the government in building a sustainable nation.

SECTION 3. The Transportation Cooperatives Development Loan Fund. -

There is hereby established a “**Transportation Cooperative Development Loan Fund**” as principal source of financial assistance to the Transportation Cooperative Sector to pursue its various economic activities to attain its primary objective of improving the lives of the land and sea public transport workers, more so in the implementation of the Public Utility Vehicle Modernization Program (PUVMP).

The Fund shall be sourced from the Motor Vehicle User’s Charge on owners of all types of motor vehicles as provided for under Republic Act No. 8794 promulgated on June 27, 2000 in the amount of **FIFTY (50) BILLION (P50,000,000,000.00) PESOS ONLY.**

SECTION 4. Use of the Funds. - The Fund herein established/appropriated will be used as a principal source of financial assistance exclusively for Transportation cooperatives duly registered with the Cooperative Development Authority and accredited with the Department of Transportation (DOTr), thru the Office of Transportation Cooperatives, which shall include but not limited to:

1. Transport Modernization/vehicle/vessel acquisition program that conforms to land and sea safety standards and environment friendly/clean air compliant, and the maximum age requirement of public utility vehicles pursuant to DOTr Department Order No, 2002-30 and LTFRB Memorandum Circular No. 201-017 and Resolution No. 2013-01 and MARINA’s modernization program, more so the PUVMP pursuant to DOTr DO No. 2017-011;
2. Engagement in Allied Businesses pursuant to Art. 112 of R.A. 9520 and Rule V, Section 2 of its implementing Rules and Regulations as follows:
 - a. Importation, distribution and marketing of petroleum products in accordance with existing laws;
 - b. Operation of gasoline stations and transportation service centers;
 - c. Importation, distribution and marketing of spare parts and supplies; and
 - d. Marketing of vehicle/drivers insurance policies.

3. Establishment of manufacturing/assembly and repair shops for the transportation cooperative sector's land and sea requirements.

SECTION 5. Administration of the Fund. - To administer the fund and provide policy guidelines in the usage of the same, a Board of Administrator hereby created and shall be composed of the following;

DOTr Sec or Usec. for Land Transportation	-	Chairman
OTC Chairman	-	Vice-Chairman
LTFRB Chairman	-	Member
DBP Representative	-	Member
Department of Energy Representative	-	Member
NFTC Representative	-	Member
Sectoral Apex Organization for Public Utilities	-	Member
President		

Likewise, the Board of Administrators shall create and organize a Management Group to handle the operation and management of the Fund.

SECTION 6. Implementing Rules and Regulations. The Board of Administrators created under Section 4 likewise shall promulgate the necessary Implementing Rules and Regulations for the effective and efficient implementation of this Act.

SECTION 7. Effectivity. This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved.



HON. FELIMON M. ESPARES
COOP NATCCO PARTY LIST