

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1846



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.,**
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G.
HORIBATA AND HON. NICOLAS ENCISO VIII

EXPLANATORY NOTE

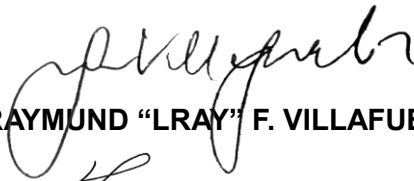
The jeepney has always been a symbol of the Filipino culture, showcasing strength and history. But the good'ol mighty *dyip* has been stuck living in the traditional times despite the rapid progress of modernity in the present times. Jeepneys as a public utility vehicle serves a significant contribution to our economy and mostly to each Filipino who struggle the everyday life of public transport

Jeepney modernization has been attempted since the time of President Fidel V. Ramos. It has been a tireless negotiation between the government and jeepney drivers and operators. There is no doubt that this major transport issue remains pivotal today and there is no other right time to give it more attention to but now.

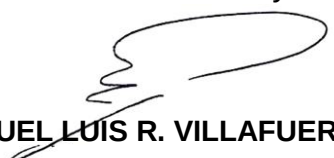
This proposed measure seeks to strike a balance between the need safety, environmental soundness and preservation of livelihood. Jeepneys will now only be required to replace their engines to make them Euro 4 compliant. Moreover, the government shall provide financial assistance which shall not be less than 10% of the price per unit, and the interest rate on loan amortization shall not exceed 4% diminishing annual interest considering the public nature of PUV services.

This bill envisions a modern jeepney transportation program that best suits the needs of both Filipino passengers and common carriers which is patterned for the safety and development of the Philippine public transport system.

In view of the foregoing, the immediate approval of this measure is earnestly sought.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.


TSUYOSHI ANTHONY G. HORIBATA


MIGUEL LUIS R. VILLAFUERTE


NICOLAS ENCISO VIII

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1846

Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.,**
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G.
HORIBATA AND HON. NICOLAS ENCISO VIII

AN ACT
PROVIDING FOR A JUST AND HUMANE PUBLIC UTILITY VEHICLE (PUV)
MODERNIZATION PROGRAM, WITH TRANSITORY ASSISTANCE AND
SERVICES RENDERED TO PUV DRIVERS, OPERATORS AND STAKEHOLDERS,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

Section 1. *Short Title.* – This Act shall be known as the "*Just and Humane Public Utility Vehicles Modernization Act.*"

Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State, in accordance with the Constitution, that the right to travel shall not be impaired, be it due to lack of means, access, or capability to pay of the general public. Public transportation and mobility, therefore, is a sector that should be developed, modernized and sustained by the State based on principles of justice, equity and ecological sustainability.

At the same time, the State acknowledges the transportation sector as both public service and enterprise. As an enterprise employing labor, deemed by law as the primary social economic force, the State must protect the rights of workers within the transportation service industry and promote their welfare. Towards this end, the State shall encourage the creation of a people-centered strategy that represents the core of economic and social development. It therefore ensures that the transportation sector develops and modernizes not just technologically, but also in accordance with

principles of justice and equity, promoting full, productive employment and decent work for all.

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

- (a) To make public land transportation safer, more comfortable, and environmentally sustainable for the riding public through the modernization of Public Utility Vehicles (PUVs) while ensuring that the security of tenure of long-standing drivers in the PUV industry will be protected and that their right to work until retirement will not be compromised;
- (b) To provide a means of support to drivers who can no longer take part in the PUV sector due to various reasons, including those who choose to pursue work in a different sector and thus require retraining and reskilling; and
- (c) To guarantee genuine and fair competition, and a level playing field within the PUV sector.

Sec. 4. PUV Modernization Program (PUVMP). – A PUV Modernization Program, herein referred to as "the Program" is hereby established in order to enhance the safety, efficiency and sustainability of public ground transportation. The Department of Transportation (DOTr), in consultation with other concerned agencies and stakeholders, shall develop and promulgate guidelines and policies for the phased transition from the current PUVs to standards-compliant vehicles. The DOTr shall also provide for consultation and policy-making spaces through which stakeholders in the process can provide recommendations and reform options to DOTr and other relevant government agencies.

Sec. 5. Engine and Replacement Specification. –

- (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 PUV 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 PUVs in regular emission testing; and

(d) DOTr shall plan for a phased implementation of the program following a five (5) year transition period.

Sec. 6. *Financial Assistance.* –

(a) Government Subsidy - Government financial assistance provided to drivers/operators who elect to modernize shall not be lower than 10% of the price per unit to lighten the capital burden of modernization.

(b) Loan Interest/Payment Options

i. A tripartite mechanism involving government, financing institutions and PUV operators/owners shall be established to set policies for the loan program and other issues on implementation. Loan requirements shall be simplified and tailored to the current situation and standing of PUV drivers and operators.

ii. The interest rate on loan amortization shall not exceed 4% diminishing annual interest considering the mass/public nature of PUV services.

iii. The loan amortization period shall be at least fifteen (15) years; subject to re-computation once a driver/operator decides to shorten the said period or is able to pay in full before its maturity: *Provided*, that the total cost of the monthly amortization shall be proportional to the monthly income of a PUV driver or operator.

Sec. 8. *Compensation Option.* – A driver who can no longer take part in the PUV sector due to the Program shall be given a reasonable amount of financial assistance to enable them to venture into other forms of livelihood.

Sec. 9. 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. 10. Appropriations. – The equivalent of twenty percent (20%) annual share on of the total gross collections of the Motor Vehicle User's Charge (MVUC) collected pursuant to Republic Act No. 8794, as amended, shall be utilized to fund this Act. The amount shall be indicated as a separate line item under the budget of the DOTr in the annual General Appropriations Act (GAA).

Sec. 11. Implementing Rules and Regulations. – The Secretary of the Department of Transportation, in consultation with other relevant government agencies and transport sector groups, shall issue the rules and regulations necessary for the effective implementation of this Act within sixty (60) days of its effectivity;

Sec. 12. 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. 13. 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. 14. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) national newspapers of general circulation.

Approved,