

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

House Bill No. **4913**



INTRODUCED BY REP. PM VARGAS

AN ACT
PROMOTING COMMUTERS' WELFARE BY CREATING A UNIVERSAL
CONTACTLESS SMART CARD FOR PUBLIC TRANSPORTATION IN
METROPOLITAN MANILA

EXPLANATORY NOTE

Modernizing public transportation remains a challenge in the Philippines, especially in Metro Manila where urban transportation is marred by heavy congestion due to the huge difference between private vehicles and public utility vehicles. With an underdeveloped public transportation system, commuters often face the heavy burden of traffic inconvenience and are inappropriately incentivized further to invest in private vehicles instead.

As part of the government's efforts to strongly modernize public transportation, the Department of Transportation (DOTr) issued on June 19, 2017, the Department Order No. 2017-011 or the Public Utility Vehicle Modernization Program (PUVMP), a flagship program of the Duterte administration which envisions a restructured, modern, well-managed and environmentally sustainable transport sector where drivers and operators have stable, sufficient and dignified livelihoods while commuters get to their destinations quickly, safely and comfortably.

Prior the PUVMP, reloadable contactless smart cards known as Beep Cards have been created in 2015 and have been utilized to pay the fare for rail-based rapid transit transportation through Metro Manila railway lines such as the LRT Line 1, LRT Line 2, MRT Line 3, and select bus lines among others. The Beep card was created, implemented, and operated by AF Payments Incorporated, and is also used in lieu of cash in some convenience stores and other businesses.

The idea of contactless smart cards has made it convenient for commuters to travel and is thus integrated to the modernization plan of the government.

However, a different contactless smart card was issued for yet another public transportation program. In 2016, the Bagong Jeep (BEEP) program was launched in Metro Manila coinciding with the implementation of the national government's PUVMP. The BEEP Program has utilized the "BeepRides" card, a different contactless smart card from the "Beep" card used by rail-based rapid transportation systems.

This unnecessary delineation has confused the riding public to the point that the DOTr has to release a statement on the difference of the two smart cards.¹ It was clarified that PUV operators are the ones who choose which automatic fare collection system (AFCS) they will use for their operations, as long as it is in line with the DOTr's directive to utilize contactless transactions in public transport.

Amidst the risks of the COVID-19 pandemic, cashless transaction systems have been mainstreamed as part of public health and safety measures and to curb the spread of the coronavirus through avoiding or minimizing physical contact. In October 2020, the DOTr has also implemented the "No Beep Card, No Ride" policy for passenger buses in the EDSA Busway.

In this "new normal", contactless smart cards have introduced a safer, and more convenient way to traverse public transportation. However, the hefty costs of having multiple contactless smart cards or "beep cards" for different public transportation schemes defeats the purpose of convenience and economic sustainability.

A one-card-fits-all system for public transportation is a plausible solution to address these concerns. In the many cities of the world including London, Paris, Hong Kong, and Seoul which have achieved the integration of fares using smart cards, all displayed an increase in the number of passengers of public transportation.²

¹ Manila Bulletin. 2020. "BeepRides' for e-jeepneys different from 'Beep' cards for EDSA Busway — DOTr" <https://mb.com.ph/2020/10/03/beeprides-for-e-jeepneys-different-from-beep-cards-for-edsa-busway-dotr/> (Retrieved Online 14 September 2022)

² Seoul Solution. 2017. "One Card Fits All: Integrated Public Transport Fare System." <https://seoulsolution.kr/en/content/one-card-fits-all-integrated-public-transport-fare-system> (Retrieved Online 14 September 2022)

As the country faces a looming shortage of Beep cards³, technological advancement must be coupled with ergonomic solutions. These circumstances pose an opportunity to further develop our policies especially commuter transactions in public transportation.

This bill seeks to further strengthen our support for the welfare of Filipino commuters by establishing a universal contactless smart card system for public transportation in Metro Manila. By centralizing stored-value payments and transactions into one “beep card”, we remove barriers of expensive and unnecessary costs of public transportation. In turn, this convenience in public transportation would incentivize Filipinos to commute and hopefully minimize congestion in the region, ultimately promoting sustainable transportation and transit-oriented development.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



REP. PM VARGAS

Fifth District, Quezon City

³ Manila Bulletin. 2022. “Group urges DOTr to use contactless payment amid looming Beep card shortage” <https://mb.com.ph/2022/08/22/group-urges-dotr-to-use-contactless-payment-amid-looming-beep-card-shortage/> (Retrieved Online 14 September 2022)

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

SECTION 1. Short Title. – This Act shall be known as the “*Universal Beep Card Act.*”

SECTION 2. Declaration of Policy. – Pursuant to the constitutional provisions, international laws and conventions which guarantee the freedom of movement, general welfare, public safety, health and balances ecology, it is the declared policy of the State to promote and protect the right of the people to efficient, safe, convenient, accessible and inclusive transportation and mobility.

Towards this end, the State shall promulgate and implement policies and programs that will ensure the welfare and dignity of the commuting public, address challenges of mobility amidst rapid urbanization, reduce road congestion and air pollution, mitigate transport-related health hazards, and improve access to services and markets, thereby fostering social equity, economic development and ecological balance.

The State shall endeavour to build the necessary social and physical systems to diversify mobility options, promote integrated and sustainable transportation, and ensure transit-oriented urban development, with preferential consideration of the rights and interest of the commuting public.

SECTION 3. Definition of Terms. – For the purposes of this Act, the following terms shall mean:

- (a) “*Beep Cards*” – are contactless smart cards or stored-value cards which are reloadable and are utilized for paying and transacting fares in public transportation systems;
- (b) “*Commuter*” – refers to a natural person who travels from one place to another, through models of public transportation to reach their destination;
- (c) “*Integrated transportation*” refers to the development of transportation systems that enables the efficient and safe transit and intermodal transfers of people through the development of transportation infrastructure and facilities, the coordination of routes and frequencies of public transportation, utilities, and ticketing and fare systems.
- (d) “*Mobility*” refers to the ability of a person to travel to, from, and around his/her city or residence to conduct daily activities;
- (e) “*Public transportation*” refers to shared passenger transport services available for use by the general public, including, but not limited to, buses, trains, rails, rapid transits, taxis, and ferry systems;
- (f) “*Public transportation utilities*” refers to common carriers engaged in the business of carrying and transporting passengers or good or compensation, offering their services to the public;
- (g) “*Public utility vehicle (PUV)*” refers to any public utility bus, taxicab, public utility jeepney, school transport service, tourist transport service, utility vehicle express service, bus rapid transit, airport bus, premium taxi, transport network vehicle service, shuttle bus and other motor vehicles classified or as may hereinafter be classified by the Land Transportation and Franchising Board or an appropriate agency as such;
- (h) “*Public transport or PUV operator*” refers to any person or entity in whose name a Certificate of Public Convenience is issued by LTFRB to operate a public transport service for compensation and for a covered period of time;
- (i) “*Sustainable transportation*” refers to any means of transport that is safe, accessible, affordable, and environment-friendly. It includes but not limited to the use of non-motorized and health-promoting means of transport, development of urban transport systems that are fuel-efficient and space-saving, and the promotion of transit-oriented development;
- (j) “*Transit-oriented development*” refers to mixed-use development designed to maximize access to public transportation.

SECTION 4. *Integrated Transportation Fare System.* – There shall be established an integrated transportation fare system to increase the efficiency of public transportation operations in concerned areas, geared towards sustainable transportation and transit-oriented development.

SECTION 5. *Universal Beep Cards.* – The integrated transportation fare system shall utilize a “universal beep card” that would serve as a one-card-fits-all contactless smart card for transacting in different modes of public transportation. The universal beep cards shall be made available and accessible to the commuting public and shall adhere to the standard size for credit and debit cards for convenience.

SECTION 6. *Coverage.* – This Act shall cover modernized public transportation in Metropolitan Manila as prescribed and recommended by the Department of Transportation (DOTr), which shall include but is not limited to buses, modern jeepneys (i.e. Bagong Jeep), trains, and other rail-based transportation systems.

SECTION 7. *Lead Agency.* – The Department of Transportation (DOTr) shall be the lead agency in implementing this Act. For the purpose of achieving the objectives of the Act, the DOTr shall coordinate with all public utility vehicle operators and consult with commuter organizations and stakeholders.

SECTION 8. *Implementing Rules and Regulations.* – The DOTr, with the assistance of concerned government agencies and relevant stakeholders, shall promulgate the necessary rules and regulations to implement the provisions of the Act within sixty (60) days from the approval of this Act.

SECTION 9. *Appropriations.* – The amount necessary to implement the provisions of this Act shall be charged against the current year’s appropriations of the DOTr. Thereafter, such sums as may be needed for its continued implementation shall be included in the annual General Appropriations Act.

SECTION 10. *Separability Clause.* – If any if this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of other provisions hereof.

SECTION 11. *Repealing Clause.* – All laws, decrees, executive order, and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 12. *Effectivity.* – This Act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,