

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



**TWENTIETH CONGRESS**

First Regular Session

House Bill No. **1191**

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**Introduced by Representative**

**BRIAN DANIEL POE LLAMANZARES, PhD, MNSA**

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**AN ACT ALLOCATING GOVERNMENT FUNDS FOR THE JEEPNEY  
MODERNIZATION PROCESS TO ELIMINATE DRIVER DEBT, ESTABLISHING A  
SUBSIDY AND PUBLIC-PRIVATE MECHANISM TO SUPPORT MODERN  
TRANSPORT, PROVIDING DEBT RELIEF, SKILLS RETRAINING, AND ECONOMIC  
PROTECTIONS FOR PUBLIC UTILITY JEEPNEY OPERATORS AND DRIVERS,  
AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

This bill seeks to establish a comprehensive, pro-poor, and inclusive approach to public transportation modernization through the enactment of the "Jeepney Drivers' Debt Forgiveness and Modernization Act." It aims to support the government's long-standing goal of upgrading the public utility jeepney (PUJ) system while ensuring that drivers and operators are not left behind or burdened in the process.

It is known to many that jeepneys have long served as the backbone of public transportation in the Philippines—providing affordable, accessible, and reliable mobility,

especially to the working class. However, the implementation of the current Public Utility Vehicle (PUV) Modernization Program has caused financial distress to thousands of PUJ drivers and operators. Many were forced to take out costly loans or consolidate into cooperatives just to comply, often resulting in heavy debt, income loss, or even job displacement.

Recognizing this, the bill proposes several critical reforms. Foremost, it seeks to cancel outstanding debts incurred under the modernization scheme through a government-funded debt forgiveness program, administered by the Land Bank of the Philippines and the Development Bank of the Philippines. Affected drivers and operators will be relieved from paying modernization-related loans, provided they meet the conditions set under the law.

Additionally, the bill mandates the creation of a Modernization Subsidy and Grant System, where qualified drivers and operators may receive up to 90% of the cost of a modern jeepney unit as a direct subsidy. This aims to remove the financial barriers that prevent individual and small-scale operators from complying with modernization standards.

To further broaden accessibility, this proposed measure removes the mandatory requirement to consolidate into cooperatives. Independent operators who comply with safety and regulatory standards will still be eligible for assistance, ensuring fairness in access to government support.

A Public-Private Partnership (PPP) mechanism will also be introduced to ensure long-term support for procurement, maintenance, and supply chains—prioritizing local manufacturers to stimulate green transport industries and job creation in the country.


The bill also includes a strong economic protection component, which provides for skills retraining, upskilling, and financial literacy programs through the Department of Labor and Employment (DOLE) and the Technical Education and Skills Development Authority (TESDA). During the transition, affected drivers shall be provided monthly financial assistance for up to twelve (12) months.

In order to avoid abrupt job losses, the measure proposes a six-year gradual phase-out of traditional PUJs. During this period, provisional permits will be issued to operators undergoing transition to modern units.

A Fair Fare Pricing Framework will be established by the Land Transportation Franchising and Regulatory Board (LTFRB) to ensure a balance between commuter affordability and operator viability. A Fare Subsidy Fund will also be created to help low-income commuters during the modernization period.

Through this bill, we aim to modernize Philippine transport with justice, equity, and compassion at its core. It envisions a transport future that is efficient and environmentally sound—but also humane and socially inclusive.

*The passage of the bill is earnestly sought.*

A handwritten signature in black ink, appearing to read 'Brian Poe', with a long horizontal stroke extending to the right.

HON. BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

Representative

FPJ Panday Bayanihan Party-List

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**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 "Jeepney Drivers' Debt Forgiveness and Modernization Act."

**SECTION 2. Declaration of Policy.** – It is the policy of the State to modernize public transportation while upholding social justice, economic protection, and inclusive progress. The government recognizes the contributions of public utility jeepney (PUJ) drivers and operators and shall ensure that modernization efforts shall not lead to their displacement, indebtedness, or undue burden.

**SECTION 3. Definition of Terms.** – For the purpose of this Act:

- a. PUJ – refers to Public Utility Jeepneys.
- b. Debt Forgiveness – refers to the cancellation of unpaid loans or financial obligations related to PUJ modernization.
- c. Qualified Driver/Operator – refers to individuals or entities who have operated PUJs as of the effectivity of this Act and comply with safety and regulatory requirements.
- d. Modern Jeepney – refers to transport units compliant with DOTr and LTFRB standards, including electric or hybrid PUJs.
- e. Public-Private Partnership (PPP) – refers to cooperative arrangements between the government and private sector to implement this Act.
- f. Phase-Out Program – refers to the gradual transition from traditional to modern PUJs.

**SECTION 4. Establishment of the Jeepney Modernization Debt Forgiveness Program.**

- a. All outstanding debts incurred by qualified PUJ drivers or operators under the prior modernization program shall be cancelled upon compliance with the requirements provided under this Act.
- b. Affected financial institutions shall be compensated through a government-funded settlement scheme, administered by the Land Bank of the Philippines and the Development Bank of the Philippines.

**SECTION 5. Creation of a Modernization Subsidy and Grant System.**

- a. The Department of Transportation (DOTr), in coordination with the Department of Budget and Management (DBM), shall allocate annual funding for the direct subsidy of modern jeepney units.
- b. Subsidies and grants shall cover up to 90% of vehicle cost for qualified operators or drivers.
- c. Local electric vehicle (EV) manufacturers and fabricators shall be prioritized as suppliers to stimulate domestic green industries.

**SECTION 6. Public-Private Partnerships for Procurement and Maintenance.**

- a. The DOTr shall establish PPP arrangements for vehicle procurement, maintenance depots, and supply chain logistics.

- b. Priority shall be given to cooperatives, associations, or micro-enterprises engaging in the manufacture and maintenance of modern jeepneys.

#### **SECTION 7. Optional Cooperative Participation.**

The requirement for consolidation into transport cooperatives or corporations to access modernization financing is hereby removed. Independent operators who comply with safety and regulatory standards shall be equally eligible for subsidies and grants.

#### **SECTION 8. Economic Protection and Skills Retraining.**

- a. The Department of Labor and Employment (DOLE) and Technical Education and Skills Development Authority (TESDA) shall establish retraining, upskilling, and financial literacy programs for displaced or transitioning PUJ drivers.
- b. Monthly transition assistance shall be provided for a period not exceeding twelve (12) months during the transition phase.

#### **SECTION 9. Gradual Phase-Out Program.**

- a. A six-year transition period shall be established to gradually replace traditional jeepneys without abrupt displacement.
- b. Operators may continue to operate traditional PUJs under provisional permits while undergoing transition.

#### **SECTION 10. Fair Fare Pricing Framework.**

- a. The Land Transportation Franchising and Regulatory Board (LTFRB) shall issue pricing guidelines to balance affordability for commuters and sustainability for operators.
- b. A special Fare Subsidy Fund shall be created for low-income commuters during the transition phase.

**SECTION 11. Appropriations.** – An initial appropriation of ₱30 billion pesos shall be allocated from the General Appropriations Act, with succeeding appropriations to be included in the annual national budget.

**SECTION 12. Implementing Rules and Regulations (IRR).** – Within sixty (60) days from the effectivity of this Act, the DOTr, DBM, DOLE, and other relevant agencies shall promulgate the necessary rules and regulations.

**SECTION 13. Separability Clause.** – If any provision of this Act is declared unconstitutional or invalid, the remaining provisions shall not be affected.

**SECTION 14. Repealing Clause** – All laws, decrees, executive orders, and rules inconsistent with this Act are hereby repealed or amended accordingly.

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

*Approved,*