

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 11247



Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

EXPLANATORY NOTE

The continuing modernization of public transportation is necessary to provide the riding public with a safer, more reliable, accessible, and efficient transport system. The transition, however, also presents significant financial and livelihood challenges to small public utility jeepney and tricycle operators and drivers who may not have the resources to immediately comply with modernization requirements.

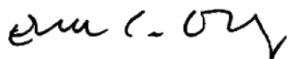
This measure seeks to ensure that modernization is inclusive and does not unnecessarily displace small transport operators and drivers. It provides a special low-interest financing window, with an interest rate not exceeding four percent (4%) per annum and a repayment period of at least seven (7) years, together with reasonable transition assistance for qualified small transport operators.

It likewise provides a minimum five-year transition period for small transport operators owning three (3) units or fewer and protects them from being compelled to consolidate with corporate operators solely to participate in the modernization program or access assistance under the Act.

To protect affected drivers, the measure provides for priority consideration for employment in modernized fleets, free retraining through TESDA, and transitional livelihood assistance for up to three (3) months, subject to eligibility requirements and availability of appropriations.

Through these measures, the bill seeks to make public transport modernization a just, gradual, and inclusive transition—modernizing the system while protecting the livelihood of those who have long provided this essential public service.

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


ERIC L. OLIVAREZ

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 11247

Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

**“AN ACT
PROVIDING INCENTIVES AND FINANCIAL ASSISTANCE FOR THE
MODERNIZATION OF PUBLIC UTILITY JEEPNEYS AND TRICYCLES,
ENSURING THE PROTECTION OF DRIVERS AND SMALL TRANSPORT
OPERATORS DURING THE TRANSITION, 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 *“Inclusive Public Transport Modernization Act.”*

SECTION 2. Declaration of Policy. - It is the policy of the State to continue the modernization of public transportation in a manner that promotes safe, reliable, accessible, affordable, and efficient public transport while protecting the livelihood of small transport operators and drivers during the transition.

SECTION 3. Low-Interest Financing. - The Land Bank of the Philippines and the Development Bank of the Philippines shall establish a special financing window for the acquisition of modernized public utility vehicles by qualified individual transport operators and small cooperative operators, with an interest rate not exceeding four percent (4%) per annum and a repayment period of not less than seven (7) years, subject to applicable banking, credit, prudential, and government financial regulations.

The concerned government financial institutions shall adopt simplified and reasonable documentary and credit requirements appropriate to qualified small transport operators, consistent with prudent lending standards.

The National Government shall, subject to the availability of appropriations, provide such interest-rate support, credit guarantees, or other appropriate financial mechanisms as may be necessary to facilitate the implementation of this Section.

SECTION 4. Graduated Compliance and Voluntary Consolidation. - Small transport operators owning three (3) units or fewer shall be given an extended compliance period of not less than five (5) years from the effectivity of this Act to comply with applicable modernization requirements.

No qualified small transport operator shall be compelled to consolidate with a

corporate operator solely as a condition for continued participation in the modernization program or access to assistance under this Act.

Nothing herein shall impair the lawful authority of the Land Transportation Franchising and Regulatory Board (LTFRB) or other competent government agencies to enforce safety, environmental, route, and public-service requirements.

SECTION 5. Driver Protection. — Displaced drivers of phased-out or replaced covered vehicles shall be given priority consideration for employment by modernized fleet operators serving the same route and shall be entitled to free retraining and skills development through the Technical Education and Skills Development Authority (TESDA), subject to applicable licensing, safety, and competency requirements.

SECTION 6. Transitional Livelihood Assistance. - Drivers whose livelihood is temporarily interrupted by modernization-related vehicle replacement or transition shall be entitled, subject to eligibility requirements and availability of appropriations, to a transitional livelihood allowance for a period not exceeding three (3) months.

SECTION 7. Implementing Rules and Regulations. - Within ninety (90) days from the effectivity of this Act, the Department of Transportation (DOTr), in coordination with the LTFRB, TESDA, Department of Labor and Employment (DOLE), Land Bank of the Philippines, Development Bank of the Philippines, and other concerned agencies, shall promulgate the rules and regulations necessary for the implementation of this Act.

SECTION 8. Appropriations.- The amount necessary for the implementation of this Act shall be charged against the current appropriations of the concerned agencies and thereafter included in the annual General Appropriations Act, subject to existing budgeting, accounting, and auditing laws, rules, and regulations.

SECTION 9. Harmonization, Separability, Repealing and Effectivity Clauses. - This Act shall be implemented in harmony with existing laws and government programs on public transport modernization.

If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall remain in full force and effect.

All laws, rules, regulations, and issuances, or parts thereof, inconsistent with this Act are hereby repealed, amended, or modified accordingly.

This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.