

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

House Bill No. 3560

Introduced by Representative Ralph G. Recto

**AN ACT
PROVIDING FOR A MAGNA CARTA FOR THE ROAD TRANSPORTATION
SECTOR**

EXPLANATORY NOTE

The Philippine Constitution mandates the protection and enhancement of the right of all people to human dignity and the reduction of social and economic inequities. The State also guarantees the rights of all sectors, including those in the road transportation industry, to participate in the policy and decision-making processes affecting their rights and benefits as provided by law.

Transportation provides the physical link in every economic and social activity. It is therefore legitimate and indispensable to safeguard an industry that is vital to economic growth and social development. It plays a crucial role in everyone's life as it meets the demand for the sustainable mobility of both people and goods.¹

For the past four decades, the perennial problems of the road transportation industry remain unsolved. The high cost of fuel, abusive traffic law enforcers, problems in the issuance of franchise of public utility vehicles, proliferation of colorum vehicles, poor road conditions, traffic congestion, and air pollution immensely affect the road transportation sector.

¹ <http://www.iru.org/en/about-road-transport>

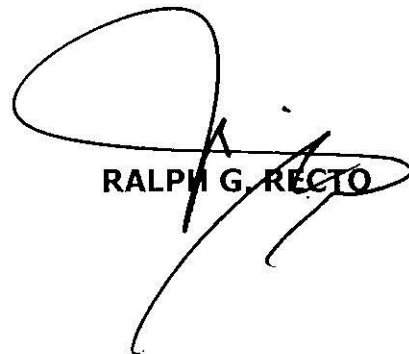
This measure aims to provide for the institutionalization of the participatory mechanisms for the road transportation sector by including at least one representative from the sector in the governing boards of government instrumentalities in the national and local level.

To empower and comprehensively protect the rights of the road transportation sector, particularly the road transportation workers, the following provisions are included in the proposed measure:

- a) Creation of a Road Incident Complaints and Investigation Office;
- b) Free legal assistance, counseling and representation for indigent members of the road transportation sector; and
- c) Mandatory enrollment of road transportation workers in institutions providing employee benefits such as Social Security System, Philhealth and Pag-IBIG Fund.

Likewise, the proposed legislation aims to promote and develop the road transportation sector by providing short-course trainings to be designed and conducted by the Technical Education and Skills Development Authority. The bill requires the construction of a free common transportation terminal facilities and creation of a One-Stop Transportation Services Office as well as the establishment of a Road Transportation Surety Fund Program.

With the foregoing considered, immediate approval of this bill is requested.



RALPH G. RECTO

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 3560

Introduced by Representative Ralph G. Recto

AN ACT
PROVIDING FOR A MAGNA CARTA FOR THE ROAD TRANSPORTATION
SECTOR

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

1 Section 1. *Title.* – This Act shall be known as the “Magna Carta for the Road
2 Transportation Sector Act”.

3 Sec. 2. *Declaration of Policy.* – It is the declared policy of the State to
4 guarantee the rights of those in the road transportation industry to participate in the
5 policy and decision- making processes affecting their rights, welfare and privileges.
6 The State shall provide a mechanism to uplift the standard of living and quality of
7 life of those in the road transportation sector. They must be empowered to meet
8 their minimum basic needs, through partnership with the government. It is likewise
9 vital that the State shall recognize and encourage the road transportation sector as
10 its partner to achieve the goals towards effective delivery and implementation of a
11 wide range of safe, efficient and affordable road transportation services to the
12 people.

13 To attain the foregoing policy:

14 (a) The State shall provide full access to government support and
15 services to the road transportation sector;

16 (b) The State shall prioritize investments in transportation-related
17 programs to enable the road transportation sector to participate in the
18 country’s development; and

1 (c) The State shall formulate national policies and guidelines for the
2 integrated and comprehensive road transportation programs in the national
3 and local levels.

4 Sec. 3. *Definition of Terms.* – As used in this Act, the following shall mean:

5 (a) *Road Transportation Sector* – shall refer to operators, owners
6 and their employees engaged in the movement of people and commodities for
7 a fee; passengers; and those in transportation-related businesses who provide
8 goods and services to the general public;

9 (b) *Road Transportation* – shall refer to the transportation of
10 passengers and goods on the road, which includes but is not limited to public
11 utility vehicles such as buses, jeepneys, taxis, TNVS providers, coaches, trucks,
12 motorcycles and tricycles;

13 (c) *National Road Transportation Group* – shall refer to the
14 representative association to be established and organized to cater to a
15 national constituency, and whose mandate includes the protection of the
16 interests and rights of road transportation operators, owners and workers;
17 passengers and those in transportation-related businesses to ensure economic
18 growth and prosperity through the sustainable mobility of people and goods;
19 and

20 (d) *Road Transportation Education* – shall refer to non-degree
21 programs aimed to provide education and training in the planning, design,
22 construction, and operation of vehicles for road transportation.

23 Sec. 4. *Right to Organize and to Participate in Democratic Exercises.* – Every
24 road transportation association shall have the right to organize and determine its
25 programs and projects on road transportation subject to their charter and bylaws:
26 *Provided,* That it does not infringe on the basic rights and freedom of those
27 belonging to the road transportation sector: *Provided,* further, That the road
28 transportation sector shall also have the right to participate in the deliberation of
29 issues and in the formulation of policies that affect them, including the guarantee of
30 representation in the governing boards or appointment in government
31 instrumentalities.

1 Sec. 5. *Right Against Abusive Traffic Law Enforcers.* – The State shall establish
2 a Road Incident Complaints and Investigation Office directly under the Department
3 of Justice to receive and act on complaints against traffic abuses.

4 Sec. 6. *Right to Collective Bargaining.* – All road transportation workers shall
5 have the right to engage in collective bargaining with road transportation operators
6 and owners to promote the interests of employees such as, just compensation,
7 health benefits and social security, among others.

8 Sec. 7. *Right to Free Legal Assistance.* –An indigent member of the road
9 transportation sector who becomes a party to a transportation-related civil and/or
10 criminal case, may avail of free legal assistance, counseling and representation
11 before the courts from the Public Attorney's Office, subject to existing rules and
12 regulations.

13 Sec. 8. *Social Protection.* – The road transportation workers shall be enrolled in
14 the Social Security System (SSS), Philhealth and Pag-Ibig Fund. The employer or
15 operators shall deduct from the workers' income or salary the monthly social security
16 contribution based on the respective schedule of contributions and remit their
17 corresponding share of contribution to the SSS, Philhealth and Pag-IBIG: *Provided,*
18 That, if the road transportation worker is paid on a commission basis, the monthly
19 premium payments to SSS, Philhealth and Pag-IBIG shall be shouldered by the
20 worker but, the operator may assist in facilitating the remittance to said institutions.

21 Sec. 9. *Creation of a National Road Transportation Group.* – There shall be
22 established a National Road Transportation Group to represent the road
23 transportation sector in policy-making and decision-making affairs in the national
24 and local level.

25 There shall be a national representative in the governing boards and
26 government instrumentalities, to include, but not limited to, the Land Transportation
27 Franchising and Regulatory Body (LTFRB), Toll Regulatory Board (TRB), Land
28 Transportation Office (LTO) and Department of Transportation (DOTr). It shall have
29 its set of officers elected in an annual election.

30 The National Road Transportation Group shall be involved in activities which
31 include, but are not limited to:

1 (a) Recommend policies that will empower the road transportation
2 sector;

3 (b) Monitor all activities, legislation, policies and events that will
4 impact on the road transportation sector;

5 (c) Dialogue with intergovernmental bodies and all other
6 stakeholders concerned on the role and importance of the road transportation
7 industry, of its position on various issues, and sharing of reliable data and
8 information;

9 (d) Cooperate with governing and legislative bodies in order to
10 contribute to informed and effective legislation, to maintain balance between
11 the needs and interests of all; and

12 (e) Provide services and information to road transportation
13 operators and workers, such as but not limited to reporting legislative
14 developments, legal assistance, professional training and road transportation
15 credit assistance.

16 Sec. 10. *The Road Transportation Charter and Bylaws.* – There shall be a Road
17 Transportation Group charter and by-laws crafted by the heads or representatives of
18 all accredited road transportation associations and ratified by a simple majority of all
19 its members.

20 Sec. 11. *Qualifications of Road Transportation Representatives.* – No person
21 shall be elected as a Road Transportation Group representative unless he is a citizen
22 of the Philippines, at least thirty (30) years of age, able to read and write, a *bona*
23 *fide* member of any legitimate road transportation association for at least one (1)
24 year prior to the election, and has never been convicted of any administrative, civil
25 or criminal offense involving moral turpitude.

26 If, at any time, an officer or representative ceases to be a *bona fide* member of
27 the represented transportation group, through expulsion, resignation, or any manner
28 of removal sanctioned by its association and by-laws, the position shall automatically
29 be declared vacant and shall be filled up accordingly as provided in the charter and
30 by-laws.

31 Sec. 12. *Creation of a One-Stop Transportation Services Office.* – A one-stop
32 processing and approval center shall be created at least in every province and city to

1 facilitate and expedite the business application process, enrollment in social security,
2 Pag-IBIG and Philhealth benefits and to serve existing and potential investors in the
3 road transportation sector in order to enhance the investment climate. The DOTr,
4 LTO, LTFRB, SSS, Philhealth, Pag-IBIG and other government agencies concerned
5 shall collaborate, agree and commit to share resources and responsibilities in
6 facilitating the required documentation and registration procedures.

7 *Sec. 13. Establishment of a Road Transportation Surety Fund Program.* – The
8 Road Transportation Surety Fund Program shall be created under the Land Bank of
9 the Philippines (LBP) and the Development Bank of the Philippines (DBP) for the
10 purpose of funding special programs for the development of the road transportation
11 sector in accordance with the rules and regulations of the Banko Sentral ng Pilipinas.
12 The Program shall provide financing start-up and access to credit for road
13 transportation sector members and cooperatives.

14 *Sec. 14. Road Transportation Education.* – The Technical Education and Skills
15 Development Authority (TESDA) is mandated to design and conduct short-course
16 trainings on road transportation education. The courses shall focus on the following:

- 17 (a) Basic driving skills;
- 18 (b) Transportation laws, traffic signs, rules and regulations;
- 19 (c) Safe driving practices;
- 20 (d) Automotive troubleshooting to develop a competent and
21 responsible driver; and
- 22 (e) Design, assembly, manufacture, and operation of various types
23 of road transportation.

24 The Department of Education (DepEd) is hereby required to incorporate in the
25 high school curriculum a subject that aims to provide basic driving skills and
26 education on traffic laws, rules and regulations.

27 The LTO is hereby mandated to classify all drivers' license, whether non-
28 professional, professional or commercial driver's license, according to the types of
29 vehicles to be driven and require all applicants for professional driver's license to
30 undergo a commercial driver's license training from TESDA-accredited training
31 schools and pass the written and practical examinations before the issuance of a
32 license.

1 Sec. 15. *Establishment of Free Common Transportation Terminal Facilities.* –
2 Every Local Government Unit is mandated to establish free common transportation
3 terminal facilities in order to provide more convenient access to mass transportation
4 system to the commuting public.

5 Sec. 16. *Allocation of Funds.* – Ten percent (10%) of the funds generated from
6 the Motor Vehicle User's Charge shall be allocated to implement this Act to be
7 provided in the annual General Appropriations Act.

8 Sec. 17. *Implementing Rules and Regulations.* – Within ninety (90) days from
9 the effectivity of this Act, the DOTr in coordination with the DOJ, DepEd, TESDA and
10 the National Economic and Development Authority, shall formulate rules and
11 regulations to effectively implement the provisions of this Act.

12 Sec. 18. *Separability Clause.* – If any portion or provision of this Act is declared
13 unconstitutional, the remainder of this Act or any provisions not affected thereby
14 shall remain in force and effect.

15 Sec. 19. *Repealing Clause.* – Any law, presidential decree or issuance,
16 executive order, letter of instruction, rule or regulation inconsistent with the
17 provisions of this Act is hereby repealed or modified accordingly.

18 Sec. 20. *Effectivity.* – This Act shall take effect fifteen (15) days following its
19 complete publication in the *Official Gazette* or in at least two (2) newspapers of
20 general circulation.

Approved,