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DISCUSSION WITH AGENCIES/ENTITIES

COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Transportation	Update by the Land Transportation Franchising and Regulatory Board (LTFRB) on the status of implementation of the Service Contracting Program	<p>The Committee, chaired Rep. Edgar Mary Sarmiento (1st District, Samar), discussed with LTFRB the status of implementation of the Service Contracting Program covering the transport groups all over the country.</p> <p>At the outset, Rep. Sarmiento explained that the meeting was called to determine the reasons for the slow implementation of the Service Contracting Program and thereby identify possible solutions to problems confronting the implementing agencies.</p> <p>According to Rep. Sarmiento, the implementation of the Service Contracting Program was provided for under RA 11494 or the Bayanihan to Recover as One Act (Bayanihan 2). The objective is to provide assistance to critically impacted drivers and operators of public utility vehicles (PUV) due to the COVID-19 pandemic and the subsequent imposition of community quarantines. Under the Service Contracting Program, the government shall grant payouts to PUV drivers and operators for offering free transportation services to the public based on the number of kilometers traveled.</p> <p>Under the Bayanihan 2, Rep. Sarmiento said that an amount of P9.5 billion was allocated to the Department of Transportation (DOTr) to be distributed as follows: P5.58 billion for the PUV Service Contracting Program; P2.6 billion assistance to critically impacted businesses; and P1.32 billion for the development of sidewalks, bicycle lanes and other related facilities. Aside from what was allocated under Bayanihan 2, the Service Contracting Program also received P3 billion under the 2021 General Appropriations Act, or a total of P8.58 billion funds under the disposal of the DOTr.</p> <p>However, Rep. Sarmiento noted that fund utilization rate is very low. He expressed concern about the fate of the program knowing that the funds allotted for the purpose can only be used until June 30, 2021. He then asked the Department of Budget and Management (DBM) if the total amount of P5.58 billion was already released to the DOTr.</p> <p>DBM supervising budget and management specialist Loremee Pereda answered in the affirmative, adding that the funds were released on October 28, 2020.</p> <p>LTFRB Chair Martin Delgra III confirmed the statement of Pereda. He added that the funds intended for the Service Contracting Program were already downloaded from the DOTr to LTFRB in November 2020. He also reported that as of June 19, the utilization of the Bayanihan 2 fund is at 19.75%. This means that out of the P5.58 billion, only P1.37 billion was obligated and P1.10 billion of the amount was actually disbursed to the beneficiaries. Likewise, out of the 68,335 registered PUV drivers, only 12,282 were “activated” as of June 20.</p> <p>Rep. Sarmiento asked what could be the reason for the very low utilization rate of the funds intended for the Service Contracting Program.</p> <p>Delgra explained that initially the program only covers Metro Manila, Cebu, and Davao. However, because of the low participation rate among the PUV drivers, the LTFRB’s technical working group decided to increase the number of target beneficiaries and to include other regions nationwide. He added that the low participation rate can be primarily attributed to the inability of the drivers to submit the required documents.</p>

<p>Continuation... Transportation</p>		<p>Rep. Jesus “Bong” Suntay (4th District, Quezon City) asked if there are enough buses plying EDSA to cater to the volume of commuting public who wants to avail of the free ride in EDSA.</p> <p>Delgra admitted that there is a need to increase the number of buses plying EDSA to accommodate the growing number of commuters availing of the free ride provided by the government.</p> <p>Mega Manila Consortium representative Juliet de Jesus attributed the limited number of buses plying EDSA to the government’s requirement that only low-floor buses, or those that have no steps between the ground and the floor of the bus, can pass through EDSA. With the onset of the pandemic, De Jesus said the bus operators were not able to pay or apply for a loan with the banks in order to meet or buy the required bus units compatible with the EDSA busway system. (Mega Manila Consortium is one of the two transport groups that operate in the EDSA busway.)</p> <p>Rep. Suntay called on the LTFRB to allow traditional buses to ply through EDSA using a 70-30 formula wherein for every seven low-floor buses, three traditional buses may be allowed to take the EDSA route. This, he said, will allow the consortium to deploy additional units and address the public transportation shortage.</p> <p>Rep. Gavini “Apol” Pancho (2nd District, Bulacan) suggested that LTFRB reevaluate its policy on the use of low-floor buses in EDSA and look into the possibility of suspending it in the meantime. He opined that bus operators might not be financially capable at this time to adhere to such policy considering that each bus unit costs around P6 million. Rep. Pancho also urged the concerned agencies to identify and implement infrastructure projects that will improve transportation connectivity and ensure commuters’ welfare.</p> <p>Delgra said he will look into the proposal and will submit to the Committee updates on the matter.</p> <p>Rep. Stella Luz Quimbo (2nd District, Marikina City) requested the LTFRB to conduct a massive information campaign among PUV drivers to educate them on the requirements they need to submit in order to avail themselves of the benefits under the Service Contracting Program, thereby increasing the number of program beneficiaries.</p> <p>Replying to the query of Rep. Sarmiento, Delgra said that if the validity of the funds for the program will be extended after June 30, the LTFRB will be able to fully utilize such funds by December 2021. He then requested the Committee to support the extension of the funds’ utilization until end of the year. The Members expressed their support for such extension.</p> <p>Rep. Sarmiento asked the LTFRB to ensure the proportionate and equitable distribution of the fund and to consider revising the design of the program to cover all regions of the country. He requested the Commission on Audit to guide the Project Implementation Unit of LTFRB to ensure compliance with government auditing guidelines. The Chair likewise appealed to the transport group leaders who are present in the meeting to encourage their members to participate in the program.</p> <p>Meanwhile, Rep. Quimbo suggested a review of the policy on passenger capacity of tricycles operating as public utility, which the Committee adopted. Rep. Sarmiento directed the Committee Secretary to draft a letter to the Inter-Agency Task Force for the Management of Emerging Infectious Diseases and other concerned agencies for this purpose.</p>
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