

SENATE

Proposed Senate Resolution No. _____

Introduced by Senator FRANCIS N. PANGILINAN

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SLOW IMPLEMENTATION OF THE SERVICE CONTRACTING PROGRAM OF THE LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD (LTFRB) WITH FUND UTILIZATION OF ONLY 1.07 PERCENT OF THE TOTAL P5.58 BILLION PROJECT FUND ACCORDING TO THE 2020 COMMISSION ON AUDIT (COA) REPORT

WHEREAS, on 08 March 2020, Proclamation No. 922 was issued by the President, declaring the Philippines under a state of public health emergency due to the Coronavirus Disease 2019 (COVID-19) and capacitating government agencies and local government units (LGUs) to immediately act to prevent loss of life, utilize appropriate resources to implement urgent and critical measures to contain or prevent the spread of COVID-19, mitigate its effects and impact to the community, and prevent serious disruption of the functioning of government and the community;

WHEREAS, the President likewise issued Proclamation No. 929 on 16 March 2020, declaring a state of calamity throughout the Philippines to afford national government agencies and LGUs ample latitude to utilize appropriate funds in their disaster preparedness and response efforts to contain the spread of COVID-19 and to continue to provide basic services to the affected population. The declared state of calamity was extended until 12 September 2021 by virtue of Proclamation No. 1021 s. 2020;

WHEREAS, various interventions were launched by the government under Republic Act No. 11469 or the “Bayanihan to Heal as One Act” (Bayanihan I) and Republic Act No. 11494 or the “Bayanihan to Recover as One Act” (Bayanihan II) not only to mitigate the transmission of COVID-19 and prevent the loss of lives, but also to reduce the adverse impact of the pandemic on the socioeconomic well-being of all Filipinos through the provision of assistance, subsidies, and other forms of socioeconomic relief;

WHEREAS, under Bayanihan II, P9.5 billion was allocated to the Department of Transportation (DOTr) to finance programs to assist critically impacted businesses in the transportation industry; to provide temporary livelihood to displaced workers in the industry through service contracting, regardless of quarantine levels, of public utility vehicles; and to develop accessible sidewalks and protected bicycle lanes, procurement of bicycles and related safety equipment for bicycle distribution, sharing and lending programs, and procurement of bicycle racks;

WHEREAS, of the P9.5 billion appropriated for the programs of the DOTr, P5.58 billion was allocated for the Service Contracting Program of the Land Transportation Franchising And Regulatory Board (LTFRB);

WHEREAS, the Service Contracting Program was launched as a form of temporary livelihood for public utility vehicle (PUV) drivers displaced by restrictions and reduced capacity of public transportation;

WHEREAS, there are at least 2.7 million land transport workers whose jobs have been at risk since the pandemic started. More than half of the workers are drivers, conductors, and freight handlers;¹

WHEREAS, under LTFRB Memorandum Circular (MC) No. 2020-079, modern jeepney and bus drivers should be paid P800 and P1,200 per day, respectively, if the threshold kilometer run was attained. If not, the kilometer rate – which was amended in April 2021 – was at P27.00 for modern and traditional jeepney drivers and P45.50 for bus drivers;

WHEREAS, in its 2020 report, the Commission on Audit (COA) flagged the LTFRB for the delays in the implementation of the Service Contracting Program ranging from two to ten weeks as at 31 December 2020, which resulted in the minimal fund utilization of only P59,720,089.25 or 1.07 percent of the total project fund of P5.58 billion;

WHEREAS, the COA report also said that only a total of 29,871 drivers or 49.79 percent of the 60,000 targeted driver-participants were registered in the program as at year-end;

WHEREAS, the COA recommended to the LTFRB Management to “review the guidelines and simplify the processes for the implementation of the Service Contracting Program to maximize the utilization of the project funds and the participation of qualified PUV drivers and to serve the intended benefits expeditiously”;

WHEREAS, on 12 August 2021, LTFRB chairperson Martin Delgra III said that the agency was able to release 26.55 percent of the total budget for the Service Contracting Program, which ended on 30 June 2021 when Bayanihan II expired. The agency is set to continue the program with the funds appropriated under the 2021 General Appropriations Act;

WHEREAS, in a statement on 18 August 2021, the agency explained that the funds were downloaded to LTFRB in November 2020; the Memorandum of Agreement (MOA) between LTFRB and the Landbank of the Philippines (LBP) was only signed in December 2020, which governs the distribution of cash subsidies to eligible beneficiaries; and the 1 percent utilization rate only covers the implementation month of December 2020;

WHEREAS, in the same statement, the LTFRB said that as of 30 June 2021, P1.5 billion was released to beneficiary drivers nationwide and for the procurement of the systems manager. Initial payouts of P4,000 were provided to 23,410 drivers; one-time onboarding incentives of P25,000 were provided to 8,461 drivers; one-time onboarding incentives of P20,000 were provided to 702 drivers; and 18,864 drivers received weekly payouts. At present, there are 70,303 drivers registered in the program;

¹ Data from Move As One, a broad civil society coalition of 141 organizations and 77,000 advocates of safer, more humane, and more inclusive transportation system in the Philippines.

WHEREAS, the sluggish implementation of the program delayed the benefits intended for PUV drivers and operators who are among the sectors severely affected by the pandemic. Thousands more could have benefitted from the more than P4 billion unutilized funds now returned to the national treasury;

WHEREAS, it is imperative for the Senate to look into the delays in the implementation of the Service Contracting Program of the LTFRB, which led to the unacceptable level of fund utilization particularly in the middle of health and economic crisis, in order to address the gaps and shortcomings and ensure the effective, efficient, and timely utilization of funds for programs intended for the transport sector;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved, to direct the appropriate Senate committee to conduct an inquiry, in aid of legislation, on the slow implementation of the Service Contracting Program of the Land Transportation Franchising and Regulatory board (LTFRB) with fund utilization of only 1.07 percent of the total P5.58 billion project fund according to the 2020 Commission on Audit (COA) report

Adopted,



FRANCIS N. PANGILINAN