



PUBLIC UTILITY VEHICLE (PUV) MODERNIZATION PROGRAM





INADEQUATE PUBLIC TRANSPORTATION AND FACILITIES





INADEQUATE PEDESTRIAN FACILITIES



UNRELIABLE TRAVEL TIMES, DISCOMFORT AND DISTRESS





UNORGANIZED MODES AND LACK OF DISCIPLINE



**LIMITED TRANSPORT
OPTIONS**



METRO

ELVIS Z. SADIA, Editor ■ GERRY LIRIO, Assistant Editor

POLLUTION PLAGUE

Fumes kill 16 daily

BY CARLITO PABLO

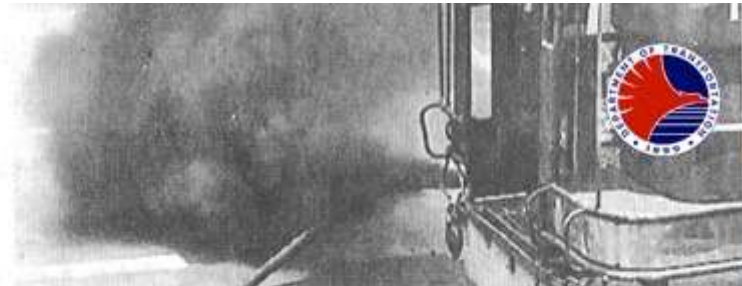
UNKNOWN to its residents, pollution, caused mainly by poisonous vehicular fumes, has become a plague that kills an average of 16 people in Metro Manila and its immediate environment.

If the victims don't die, they contract deadly diseases, said Mitsuo Sato, president of the Asian Development Bank, in a report relating to the approval of \$297.5 million in ADB loans for the Philippine government to clean up Metro Manila's air.

Most of the victims are poor people, Sato said.

ENVIRONMENTAL PROBLEM

Sato also said that the economic losses of reducing air pollution would amount to more than P5 billion a year, considering not only deaths and sicknesses but also economic losses from "restricted activity days" and "IQ (intelligence quotient) points lost."



UNSAFE VEHICLES AND RECKLESS DRIVERS





Road Transport and Infrastructure Sector Vision

By 2022, Filipinos will have a pleasant commuting experience wherein:



Public transport is adequate, ***inclusive***, safe and comfortable;



Travel time is predictable;



Public utility drivers are disciplined, competent and mindful of the common good;



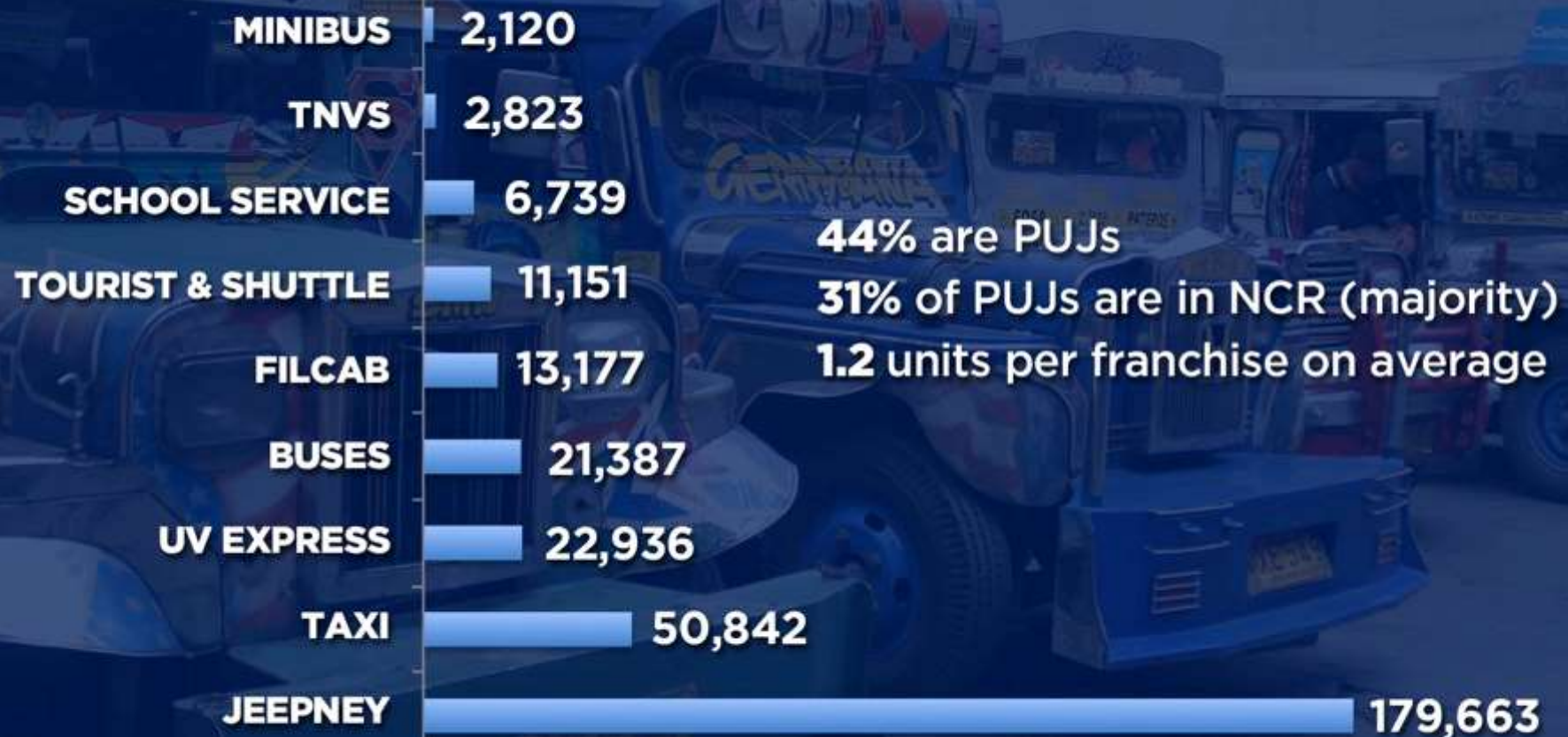
Rules are fair, stable and consistently applied.



PUBLIC UTILITY VEHICLE (PUV) MODERNIZATION PROGRAM

A large-scale transformative initiative for a restructured and environmentally-sustainable transport sector aimed for Filipinos to have a pleasant commuting experience by 2022







179,663

**TOTAL NUMBER OF
JEEPNEY UNITS
(NATIONWIDE)**



90%

**15 YEARS OLD
AND ABOVE**

PARTNERS

PUV MODERNIZATION PROGRAM



LOCAL PARTNERS



INTERNATIONAL PARTNERS





PUBLIC UTILITY VEHICLE (PUV) MODERNIZATION PROGRAM



**Regulatory
Reform**



**LGU Local Public
Transport Route
Planning**



**Route
Rationalization**



**Jeepney
Specifications**



**Industry
Consolidation**



**Financing PUJ
Modernization**



**Vehicle Useful
Life Program**



**Initial
Implementation**



**Social Support
Mechanism**



Communication



PUV MODERNIZATION PROGRAM COMPONENTS

ROUTE RATIONALIZATION

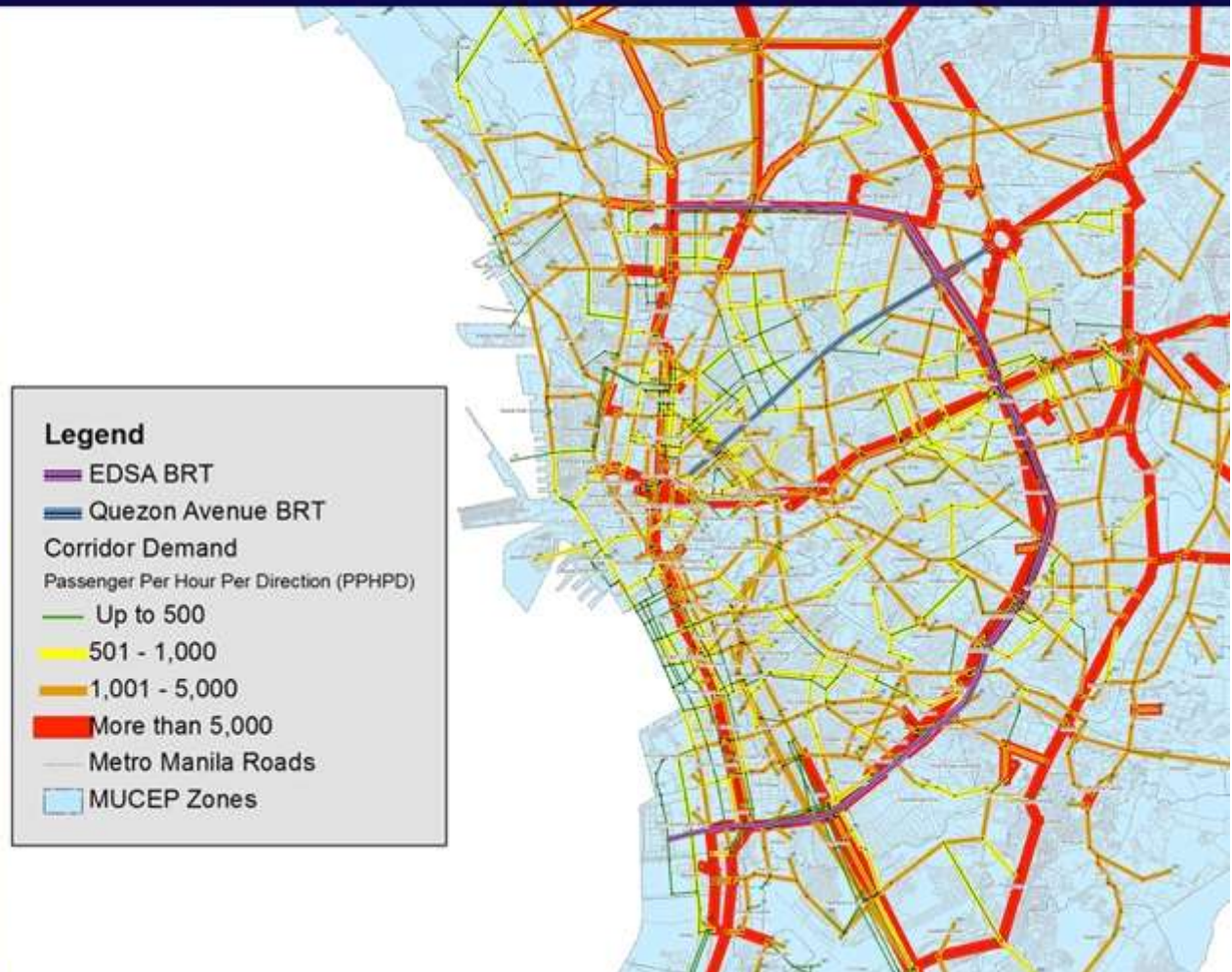


OBJECTIVE:

Appropriate mode based on Passenger Demand and Road Hierarchy

BASIC POLICY:

Higher capacity PUVs assigned to high demand routes



PUV MODERNIZATION PROGRAM COMPONENTS

LOCAL PUBLIC TRANSPORT ROUTE PLAN



“Guidelines on the Preparation and Issuance of
Local Ordinances, Orders, Rules And Regulation concerning the
Local Public Transport Route Plan (LPTRP)”



LOCAL PUBLIC TRANSPORT ROUTE PLAN



Make the routes more responsive to passenger demand and determine the appropriate vehicle type depending on road hierarchy and configuration thru LGU initiative (Participatory Planning)



**CITY/
MUNICIPAL LGU**

- Intra-city/municipality



**PROVINCIAL
GOVERNMENT**

- Inter-city/municipality
- Intra-province



DOTr

- Inter-province/region
- Between and among independent cities
- Inter-city and inter-municipality of MM and adjoining provinces (MUCEP Area)





PUV MODERNIZATION PROGRAM COMPONENTS

INDUSTRY CONSOLIDATION



BEFORE:

One franchise, one unit
= Inefficiency

AFTER:

Industry consolidation:
Formation of cooperatives,
corporation or consortium

✓ **FLEET MANAGEMENT**

✓ **SAFETY OFFICER**

✓ **TERMINAL AND GARAGE**

**= EFFICIENT OPERATIONS
& REDUCED COSTS**



INDUSTRY CONSOLIDATION

BENEFITS OF CONSOLIDATION



OPERATIONAL BENEFITS OF CONSOLIDATION:

- ✓ Access to credit facilities
- ✓ Maximizes revenue while keeping maintenance costs low;
- ✓ Spread of Capital Expenses; Shared O&M Costs
- ✓ Operational efficiency via organized dispatching system and fleet management system
- ✓ Improves collection and lesser risk (efficient multiple trips)
- ✓ Consolidated entities can access to more discounts in fuel and spare parts
- ✓ Access to common garage/depot
- ✓ Has dividend and membership benefits



INDUSTRY CONSOLIDATION

BENEFITS OF CONSOLIDATION



INDIRECT BENEFITS OF CONSOLIDATION:

- ✓ Enhances service quality of Public Transport
- ✓ Reduces competition among drivers (facilitate compliance on traffic rules and regulations); thus, promoting safer PUVs and more disciplined drivers
- ✓ Organized operators and drivers
- ✓ Improve service quality monitoring of public transport providers

OLD vs NEW JEEPNEYS



	OLD JEEPNEY	NEW JEEPNEY
Days of Dispatch	14 days	26 days
Ave. Passengers	328 pax	646 pax
Average Income	2,524.93	6,605.55
Seating Capacity	20	24
Repairs & Maintenance	761.90	194.70
Fuel Mileage	4.2 km/L	7.5 km/L
Operating Profit	476.30	1,348.02

180% profit increase!

SOURCE: 1TEAM



LTFRB MCs ISSUED

1. LTFRB MC 2017-027: Garage
2. LTFRB MC 2017-028: Transport Safety Officers
3. LTFRB MC 2017-029: Intra-regional, inter-regional, and inter-provincial Public Transport Route Plans
4. LTFRB MC 2017-030: Off-Street Terminals
5. LTFRB MC 2017-031: Maximum Distance Policy
6. LTFRB MC 2018-006: Initial Implementation
7. LTFRB MC 2018-008: Consolidation

<http://ltfrb.gov.ph>

INITIAL IMPLEMENTATION

LTFRB MC 2018-006



Concerned LTFRB office identifies route.

- Verifies route through survey.
- Coordinates with LGU.
- Recommends route to the LTFRB Board.



LTFRB Board endorses the route to DOTr.



DOTr studies/verifies the route and issues route authorization to concerned LTFRB Office. Authorized routes are published.

INITIAL IMPLEMENTATION

LTFRB MC 2018-006



CPC applicants submit requirements.



Concerned LTFRB office evaluates the applications and issues Notice of Selection to qualified applicant.



Qualified applicant supplies 100% of authorized units within 3 months.



Concerned LTFRB office issues CPC.

CONSOLIDATION

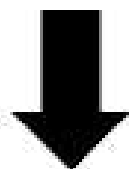
LTFRB MC 2018-008



Are you an individual franchise holder?

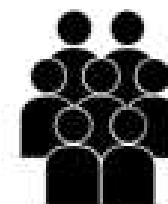
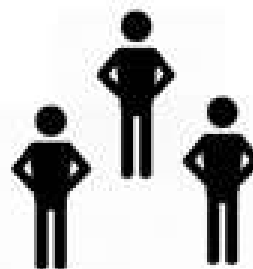
You are an individual franchise holder if:

- You own less than 1/3 of total units in the route
- You own less than 15 units



YES

Individual franchise holders form a
single juridical entity
(Corporation or Cooperative)



CONSOLIDATION

LTFRB MC 2018-008



Individual franchise holders who form a single juridical entity file a Petition for Consolidation of CPCs with the LTFRB.

**Existing individual franchise holders are given 1 year from the effectivity of LTFRB MC 2018-008 to file the Petition for Consolidation. After 1 year, the LTFRB shall consider CPC applications of other juridical entities.*

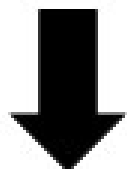


LTFRB Board cancels the existing individual CPCs and issues an updated or consolidated CPC for the Corporation or Cooperative.



CONSOLIDATION

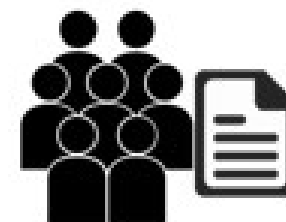
LTFRB MC 2018-008



The single juridical entity with consolidated CPC:

- Can operate in the previously authorized route*
- Must substitute units with OFG-compliant units w/in 3 months
- Must operate under a fleet management system

**subject to modification (DOTr transport study / LPTRP)*





FINANCING PUV MODERNIZATION PROGRAM

SPECIAL LOAN PROGRAM



GFI	Equity –Loan Structure		Interest	Repayment Period	Remarks
	Equity	Loan			
Land Bank <i>Special Program for Environment-friendly and Efficiently-Driven Jeepneys (SPEED Jeepneys)</i>	5%	95%	6%/ annum	7 yrs	<ul style="list-style-type: none"> - Borrowers may be individual (about to belong or already part of the cooperatives) or legal entity. - AFCS, GPS - Franchise for 7 yrs
DBP <i>Program Assistance to Support Alternative Driving Approaches (PASADA)</i>	5%	95%	6%/ annum	7 yrs	<ul style="list-style-type: none"> - Borrowers should be coop or corporation - Chattel Mortgage - AFCS, GPS - Franchise for 7 yrs



FINANCING PUV MODERNIZATION PROGRAM

FINANCIAL VIABILITY



20% INCREASE IN VEHICLE CAPACITY

- From the current 16-18 passengers, the new units can accommodate 22 passengers, some units with provision for standing passengers. **Increase in capacity entail increase in income.**

43% DECREASE IN FUEL EXPENSE

- **Improved Fuel Economy**, from the current 5.70km/L to 10.05km/L for the new Euro4 units.



FINANCING PUV MODERNIZATION PROGRAM

FINANCIAL VIABILITY



EFFICIENCY SAVINGS DUE TO RATIONALIZED ROUTES

- **Determining routes** and the **appropriate number of units** based on passenger demand.

EFFICIENCY SAVINGS DUE TO INDUSTRY CONSOLIDATION

- Organized **Dispatching System** and **Fleet Management**
- Consolidation allows spreading of **Capital Expenses** and **Operating Expenses** as well as **Maintenance Costs**.
- Consolidated entities can access discounts in fuel and spare parts



PUV MODERNIZATION PROGRAM COMPONENTS

FLEET MODERNIZATION



ENVIRONMENT-FRIENDLY

Clean Air Act complaint engine. Euro 4 emission or better.
Electric, Solar, Alternative Fuel



SAFETY

Side door, Speed limiter, Automatic Braking System,
Compliant with safety standards.



SECURITY

CCTV, GPS, Dashboard Camera



COMFORT AND CONVENIENCE

PWD/elderly-friendly, Automated Fare Collection System (AFCS)
Free Wi-fi











PUV MODERNIZATION PROGRAM

BENEFITS OF THE PROGRAM



**The PUV Modernization Program
will engage the local manufacturing
industry by creating more jobs and
employment opportunities,
further boosting the industry and
contributing to the economy**

Source: GIZ, Jeepney Market Transformation Programme

**Improved public transport level of service,
passenger and commuter welfare**



**Unsafe, uncomfortable, unreliable,
difficult to access with most
commuters complaining.
air pollution and health hazards**

BEFORE



- Safe, efficient, comfortable
- Environment-friendly,
Clean Air Act Compliant vehicles
- Rationalized Routes
- Intelligent Transport System

AFTER

Improved welfare for the transport sector

Drivers subjected to health risks,
cash-strapped, untrained,
tied with the boundary system

BEFORE

- Adequate training
- Assured of regular income
- Improved fleet management and safety
- Access to credit facilities and financing
- Shared operating and maintenance costs

AFTER

Congestion reduction esp. in highly urbanized areas:

**Traffic, disorganized,
competitive**

BEFORE

**transit oriented, order,
more mobility options; time savings;
vehicle operating cost savings**

AFTER



**“THE LAW MANDATES IT
BECAUSE IT IS GOOD FOR THE
COUNTRY AND FOR THE PEOPLE”**

**- President Rodrigo Roa Duterte on
PUV Modernization**

#SupportPUVModernization



**MORE THAN MODERNIZATION AND NEW INFRASTRUCTURE,
WE ARE FOR A HOLISTIC, INCLUSIVE AND SUSTAINABLE SYSTEM REFORM FOR
THE TRANSPORT SECTOR, THE COMMUTING PUBLIC, AND THE ENVIRONMENT**



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION