



PUBLIC UTILITY VEHICLE MODERNIZATION PROGRAM







THE PHILIPPINE PUBLIC TRANSPORT SYSTEM

Our public transport system is deemed unsafe, unhealthy, unreliable, and uncomfortable.

- **PUBs and PUJs:** Serve 67% of demand but uses 28% of road space (JICA, 2014)
- **PUJs dominate road-based public transport:**
 - 180,000 PUJs nationwide. 90% are 15 years old and above (LTFRB)
 - 17% ambient air pollution in Metro Manila and upto 80% in other cities due to PUJs*
 - PUJ passengers 10 times more likely to get into accidents than private car riders*

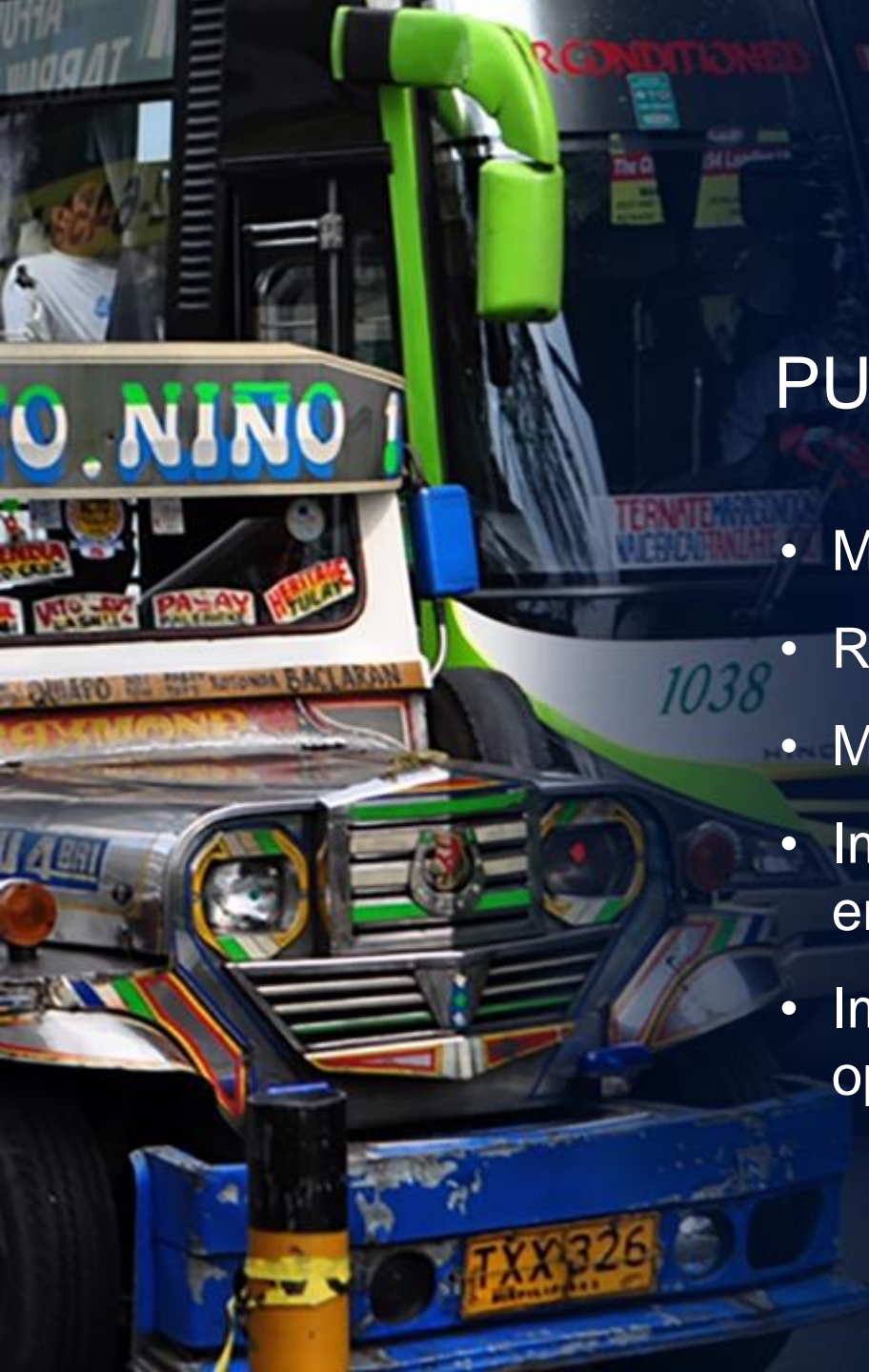
*GIZ Jeepney Market Transformation Programme

THE PHILIPPINE PUBLIC TRANSPORT SYSTEM



Effects:

- Php 2.4 Billion in economic losses due to traffic congestion (JICA, 2014)
- Car = Filipino Dream (Ambisyon Natin 2040)
- **DISTRESS** and **DISCOMFORT** when commuting



Main Objectives of the PUV Modernization Program

- Modernize the current PUV fleet
- Reform and consolidate the industry
- Move towards low emission PUVs
- Improve welfare of commuters and encourage modal shift
- Improve standards of living of drivers, operators, and their families

How is public transportation planned now?



- No government-led planning of the road transit network
- Network based on historical issuing of franchises which continue to this day
- Emphasis upon the private sector willingness to 'enter the market'
- Franchises issued based on Route Measured Capacity (RMC)
 - Route-based only, not network-based
 - Doesn't consider road capacity constraint



Outcome: Widespread competition among various transport modes, overlapping routes



Outcome: No hierarchy of modes



Outcome: Low-capacity vehicles in high-demand areas, leading to reduced road capacity



Outcome: Prevalence of Low/Over supply of public transport



Current System

On-street competition

- Accidents
- Chaos in the streets
- Traffic violations



RESULTS:

- Low income
- Exhausted drivers
- Prone to accidents
- Prone to more bad behavior



MAJOR COMPONENTS

PUV MODERNIZATION PROGRAM



**Regulatory
Reform**



**LGU Local Public
Transport Route
Planning**



**Route
Rationalization**



**Fleet
Modernization**



**Industry
Consolidation**



**Financing PUV
Modernization**



**Vehicle Useful
Life Program**



**Initial
Implementation**



**Stakeholder
Support
Mechanism**



Communication

“System Reform and Vehicle Modernization”

DOTr Department Order 2017-011 (19 July 2017):

“Omnibus Guidelines on the Planning and Identification of Public Road Transportation Services and Franchise Issuance”

Main Features:



**Local Public
Transport
Route Plan**



**Vehicle
Specifications**



**Operator
Requirements**



**Transition
Period**









PUV REQUIREMENTS UNDER THE OMNIBUS FRANCHISING GUIDELINES

- Based on existing DTI-BPS Philippine National Standards and Clean Air Act.



FEATURE	REQUIREMENT
 Environment - friendly	Clean Air Act complaint engine: Euro 4 emission or better. Electric, Solar, Alternative Fuel
 Safety	Side door, Speed limiter
 Security	CCTV (72-hr recording), GPS, Dashboard Camera
 Comfort/ Convenience	Automatic Fare Collection System, Free Wi-fi



REQUIREMENT FOR OPERATORS UNDER THE OMNIBUS FRANCHISING GUIDELINES

BEFORE:

One franchise, one unit
= Inefficiency

AFTER:

Industry consolidation
-Formation of legal entities:
cooperatives, corporation or
consortium



✓ **FLEET MANAGEMENT**



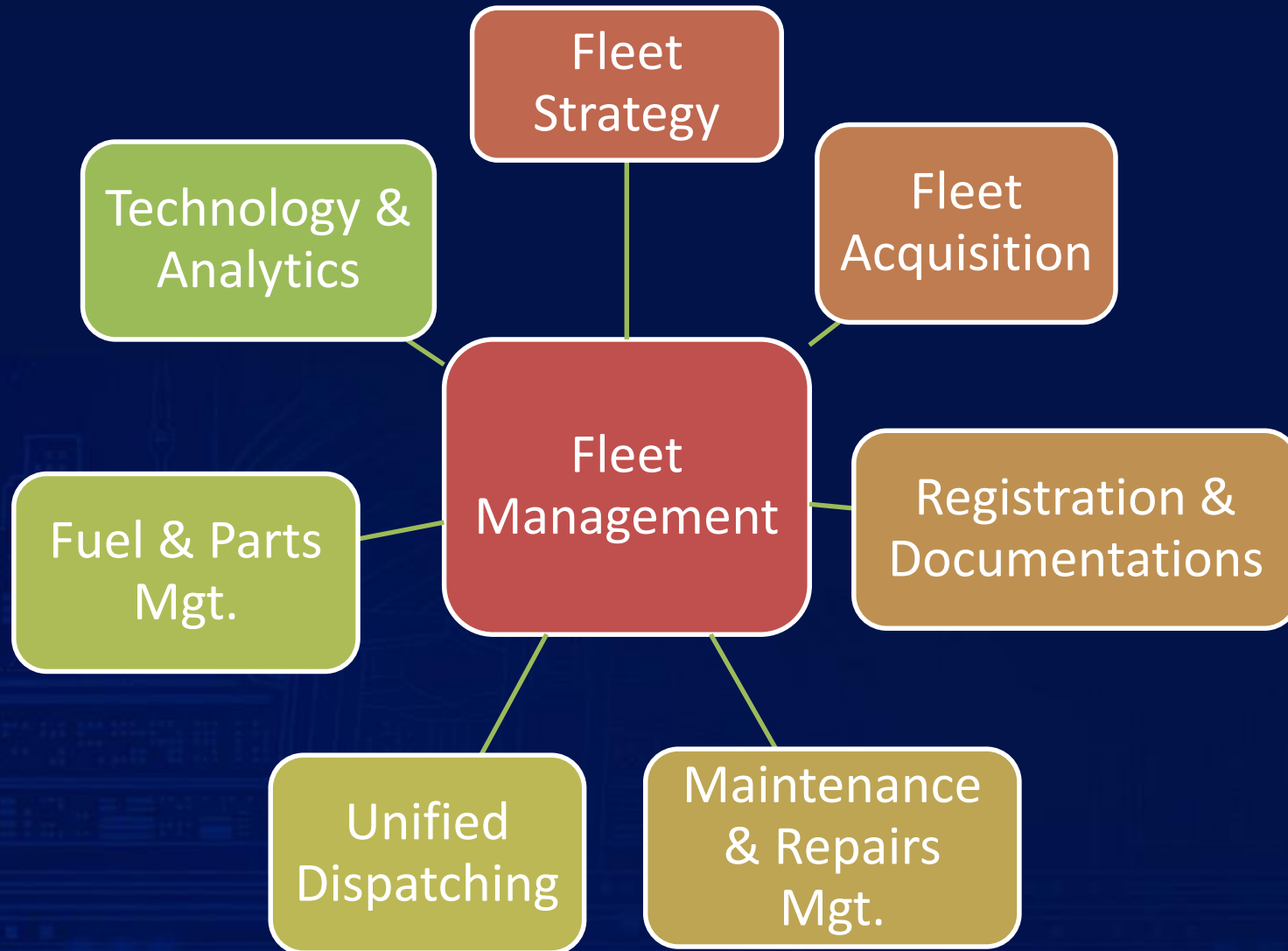
✓ **SAFETY OFFICER**



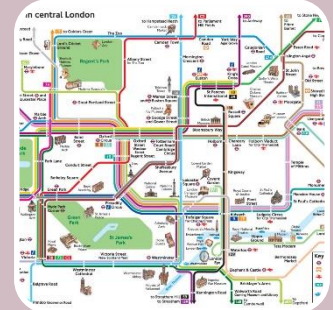
✓ **TERMINAL AND GARAGE**

**= EFFICIENT OPERATIONS
& REDUCED COSTS**

NEW SYSTEM: FLEET MANAGEMENT



Route Rationalization Study Objectives



Enable efficient movement of commuters

Enable environmentally sustainable travel

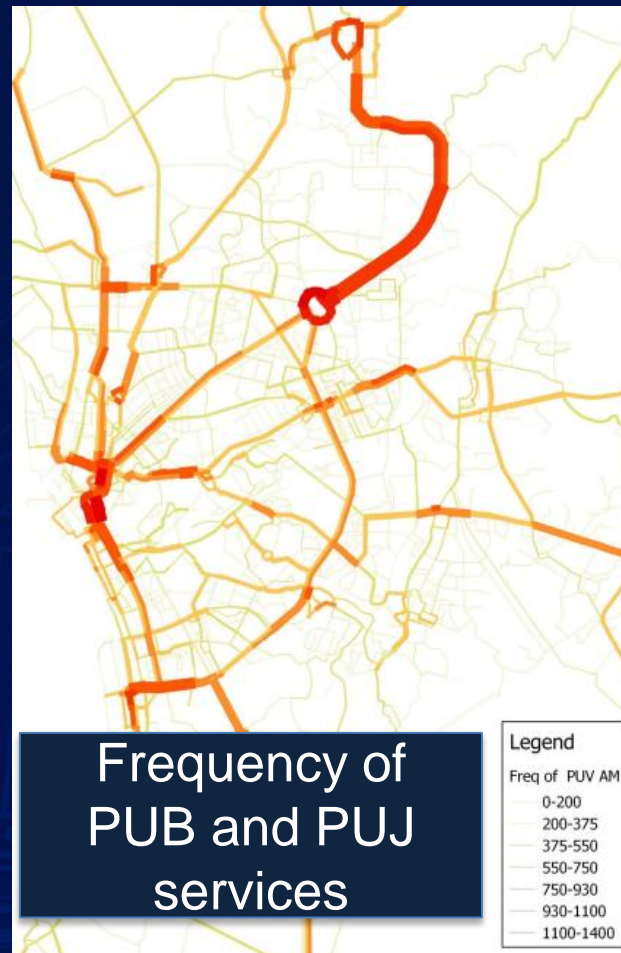
Identify routes that are cost effective for passengers & commercially viable for operators

Support existing and planned mass transit

Identify new routes or expand transit lines.

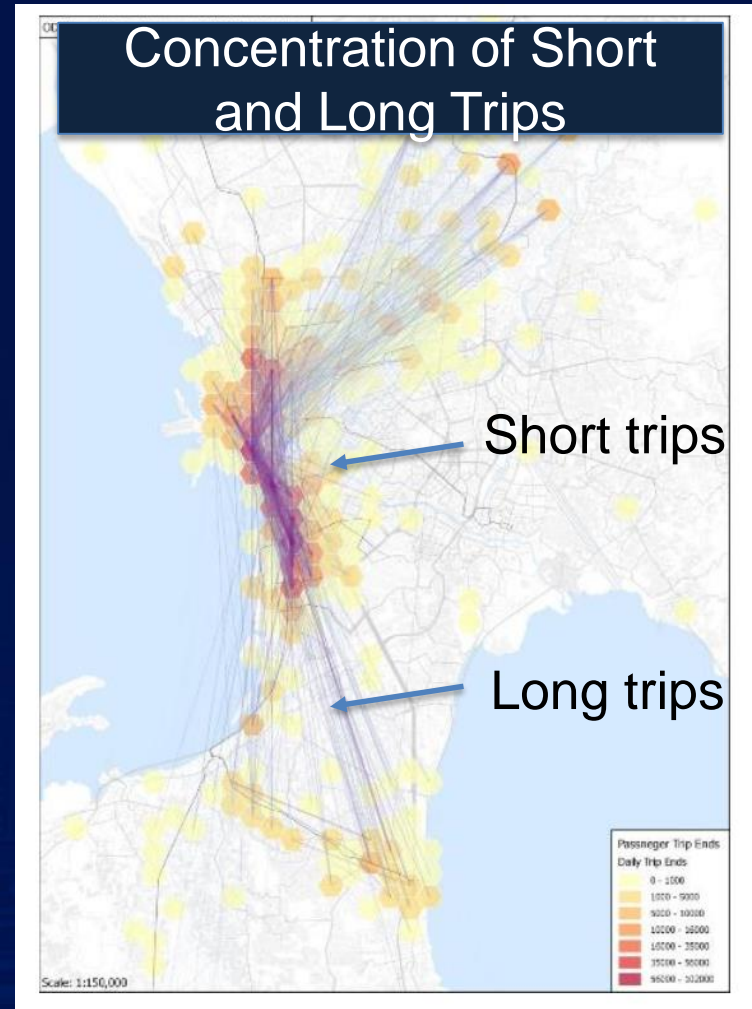
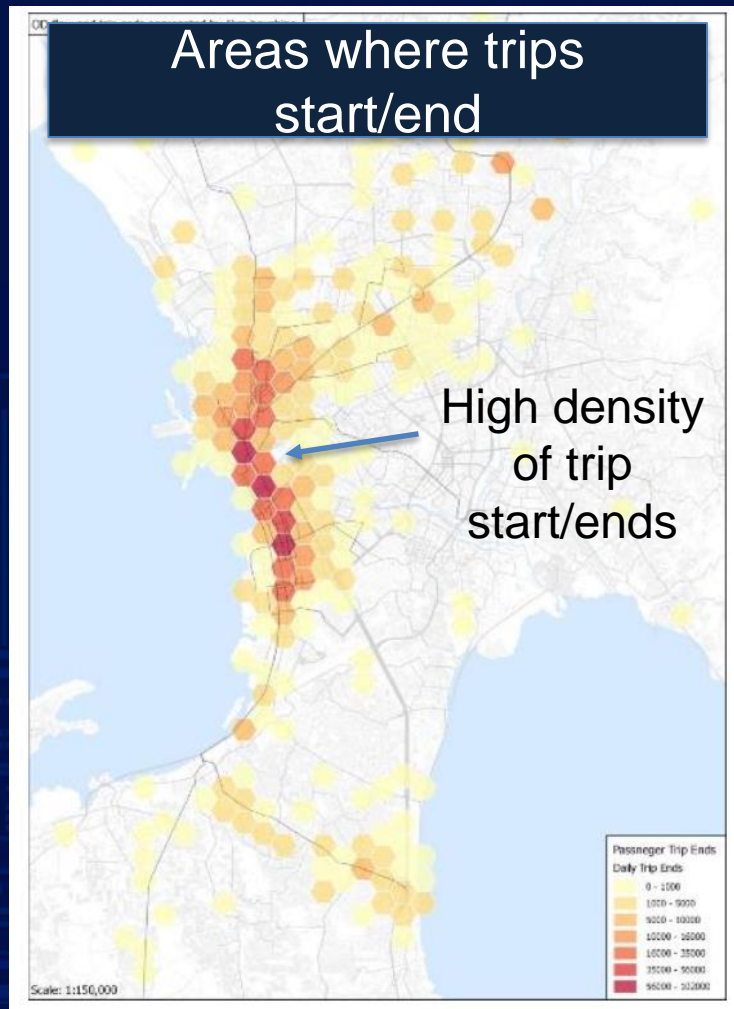
How Routes are Rationalized

1. Data Collection on passengers and transit services



How Routes are Rationalized

2. Data Analysis to understand supply and demand





How Routes are Rationalized

3. Propose changes to PUV routes

Sample results only

Route Name	Mode	Daily Pax	Keep/Delete	Reason for deletion	Passengers transfer to..	Number of units
A	PUJ	2,450	Delete	Duplicate path	K	
B	PUJ	4,251	Keep			115
C	PUJ	13,482	Replace with Bus			134
D	PUB	7,047	Delete	Low pax	M	
E	PUB	8,828	Delete	Route too long, needs to be split in two		

INITIAL IMPLEMENTATION: APPROVAL PROCESS PENDING ROUTE RATIONALIZATION



LTFRB
Regional
Director

- Identify route:
 - Conduct Survey
 - Coordinate with LGU
 - Recommend to the DOTr

DOTr

- Study recommendation
- Endorse to LTFRB Board

LTFRB
Board

- Board Resolution opening the route

LTFRB
Regional
Director

- Call for application.
 - Send certification of opened routes and required units to DBP/LBP

LAUNCHING OF THE INITIAL IMPLEMENTATION OF THE PUV MODERNIZATION PROGRAM



❖ JANUARY 23, 2018

❖ TACLOBAN CITY

❖ 45 UNITS SERVICING 3 ROUTES



PARTNERS

PUV MODERNIZATION PROGRAM



LOCAL PARTNERS



INTERNATIONAL PARTNERS





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

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

#SupportPUVModernization



An aerial photograph of a large crowd of people, likely at a public event or protest. The image is overlaid with a semi-transparent blue and red gradient, which are the colors of the Philippine flag. The text is centered over the image.

MAGTULUNGAN TAYO PARA SA PAGBABAGO

#supportPUVmodernization