

**ENERGY SUMMIT**  
**Mall of Asia, Pasay City**  
**January 29 to 31, 2008**

**TRANSPORT SECTOR PRESENTATION**  
**Prepared by Atty. Vigor Mendoza II**  
**Chairman, 1-United Transport Koalisyon Party List (1-UTAK)**

LADIES AND GENTLEMEN GOOD AFTERNOON. HISTORICALLY, JEEPNEY FARES SET THE BENCH MARK FOR FARE ADJUSTMENTS OF OTHER TYPES OF PUBLIC TRANSPORT, SUCH AS BUSES, VANS AND TAXIS. IN ORDER FOR ALL OF US TO UNDERSTAND WHERE THE TRANSPORT SECTOR IS IN RIGHT NOW, LET ME TRACE BACK THE JEEPNEY FARE HISTORY FOR THE LAST 19 YEARS. (Slide A).

FROM 1989 TO THE PRESENT, JEEPNEY FARES WERE INCREASED ONLY 9 TIMES. IN 1989, WHEN THE PUMP PRICE OF DIESEL FUEL WAS JUST P4.96, JEEPNEY FARE WAS ONLY P1.00 FOR THE 1<sup>ST</sup> 4 KILOMETERS. I DON'T KNOW HOW MANY OF YOU STILL REMEMBER THAT TIME. IN 1990, THERE WERE TWO INCREASES, FROM P1.00 TO P1.25 THEN FROM P1.25 TO P1.50, WITH DIESEL PUMP PRICE INCREASING BY P2.79 OR FROM P4.96 TO P7.75 PER LITER OR ROUGHLY A 50% INCREASE. FROM 1996 TO 1999, THERE WERE THREE (3) INCREASES WHICH DOUBLED JEEPNEY FARES FROM P1.50 TO EVENTUALLY P3.00 ON THE 1<sup>ST</sup> 4 KILOMETERS, WITH DIESEL PUMP PRICE INCREASING BY ONLY 23% FROM P7.75 TO P9.54 PER LITER. THIS WAS JUSTIFIED DUE TO THE SHARP INCREASES IN THE OTHER COST OF OPERATIONS, SUCH AS SPARE PARTS, LUBRICANTS AND WAGES. IN THE YEARS 2000 TO 2005 PUMP PRICE OF DIESEL EXPERIENCED ITS BIGGEST JUMP OF OVER 188%, FROM P9.54 PER LITER TO P27.50 PER LITER. THIS WAS AGGRAVATED BY THE INCREASE IN OTHER COST OF OPERATIONS DUE LARGELY TO A DOLLAR EXCHANGE RATE HITTING 55 : 1. AT THAT TIME JEEPNEY FARES ALSO SOARED TO P3.00 ON THE 1<sup>ST</sup> 4 KILOMETERS TO ITS PRESENT RATE OF P7.50.

AS YOU CAN SEE, JEEPNEY FARES IN THE LAST 8 YEARS WERE INCREASED 3 TIMES BY OVER 30% PER INCREASE, WITH DIESEL PUMP PRICE ALSO INCREASING BUT AT A HIGHER RATE OF OVER 40% IN EACH YEAR THAT FARES WERE ADJUSTED.

TODAY, FUEL PRICE HAS JUMPED BY 39%. IF WE BASE IT THEREFORE ON HISTORICAL FIGURES, JEEPNEY TRANSPORT FARES TODAY SHOULD BE AROUND P10.00 ON THE 1<sup>ST</sup> 4 KILOMETERS. BUT INSTEAD, THE PRESENT JEEPNEY PETITION PENDING AT THE LTFRB IS

MERELY ASKING FOR A 20% INCREASE, FROM P7.50 TO P9.00 ON THE 1<sup>ST</sup> 4 KILOMETERS.

WITH THIS AS A BACKDROP, THERE IS NO REASON NOR LEGAL BASIS TO HOLD BACK A FARE INCREASE. BUT TODAY, I HAVE IN MY HAND (Show motion) A MOTION TO WITHDRAW FARE HIKE PETITION. WE ARE READY AND WILLING TO FILE THIS ANYTIME. ALL WE ASK IS FOR GOOD GOVERNANCE AND FOR THE OIL COMPANIES TO SHARE THE BURDEN.

SPECIFICALLY IN THE **SHORT TERM** (Slide B), WE ASK THE FOLLOWING:

1. SPEED UP THE PROCESSING OF TRANSACTIONS IN DOTC FRONTLINE OFFICES WITH FIXED TIMELINES AND WITH CLEAR ACCOUNTABILITY IN CASE THESE TIMELINES ARE NOT MET.
2. PROVIDE ADEQUATE RESOURCES FOR THE EXPANSION OF THE ANTI-COLORUM CAMPAIGN IN AREAS OUTSIDE METRO MANILA.
3. OIL COMPANIES INCREASE THE NUMBER OF GAS STATIONS GIVING DISCOUNTS, AND THAT THIS DISCOUNT BE APPLIED TO GASOLINE TO BENEFIT TRICYCLES AND TAXIS.
4. REDUCE ALL FEES, FINES AND OTHE CHARGES IMPOSED BY DOTC FRONT LINE OFFICES, SUCH AS BUT NOT LIMITED TO APPLICATION FEES, STRADCOM COMPUTER FEES, AND PENALTIES, AND ENSURE THAT NO INCREASE SHALL BE MADE WITHOUT THE PROPER PUBLIC HEARING/CONSULTATION.
5. PROVIDE MORE SOCIAL SERVICES TO THE TRANSPORT SECTOR, SUCH AS BUT NOT LIMITED TO HEALTH BENEFITS, EDUCATIONAL SCHOLARSHIPS, FOOD OR RICE ALLOCATION AND LOW INTEREST FINANCING WITH EASY LOAN PROCESSING FOR ALTERNATIVE LIVELIHOOD PROJECTS AND THE SETTING-UP OF FUEL PUMP STATIONS FOR THE EXCLUSIVE USE OF TRANSPORT GROUPS.

IN THE **MEDIUM TERM** (Slide C), WE ASK THAT:

1. A SINGLE TRAFFIC TICKETING SYSTEM BE IMPOSED NATIONWIDE AND MORE PARTICULARLY IN METRO MANILA AND METRO CEBU

2. DOTC COMES UP WITH A NATIONAL TRANSPORT POLICY THAT SHALL SERVE AS A GUIDE FOR PROJECTS, PROGRAMS, OR ORDINANCES OF GOVERNMENT AGENCIES OR LOCAL GOVERNMENT UNITS WHICH WILL IMPACT THE TRANSPORT SECTOR. THIS IS TO AVOID CONFLICTS BETWEEN THE NATIONAL AND LOCAL GOVERNMENT UNITS WHEN IT COMES TO LAND TRANSPORT, AND TO PREVENT OVER CHARGING THE TRANSPORT SECTOR WITH FEES AND OTHER REVENUE GENERATING MEASURES THAT WOULD SURELY IMPACT ON TRANSPORT FARES.

AT THIS POINT, LET ME SHOW YOU ONE OF THE REVENUE GENERATING PROJECTS NOW BEING IMPLEMENTED IN THE BARANGAY, MUNICIPAL AND CITY LEVEL WHICH GREATLY AFFECTS TRANSPORT FARES. THIS IS THE CREATION TRANSPORT TERMINALS. (Slide D)

LGU'S REALIZED THAT BUILDING TRANSPORT TERMINALS CAN BE A LUCRATIVE INVESTMENT. IN PANABO CITY, DAVAO DEL NORTE TERMINAL FEES HAVE GONE UP FROM P8.00 TO P30.00 PER ENTRY, IN CARMEN DAVAO DEL NORTE FROM P2.00 TO P20.00, TAGUM CITY FROM P30.00 TO AS MUCH AS P62.00, MONTEVISTA, DAVAO DEL NORTE FROM P15.00 TO P30.00, MOLO, ILOILO FROM P30.00 TO P60.00, VALENCIA CITY, BUKIDNON FROM P35.00 TO P40.00 AND IT GOES ON AND ON. SOME BUS OPERATORS HAVE DEVOTED MILLIONS OF PESOS JUST TO COVER TERMINAL FEES. THE SAD PART IN ALL OF THESE IS THAT THEY ARE REQUIRED TO ENTER THE TERMINAL EVEN THOUGH IT IS OUT OF THE WAY AND EVEN THOUGH THEY HAVE NO PASSENGERS TO DROP NOR PICK-UP. IN FACT, IN QUIRINO, SULTAN KUDARAT AND IN BUKUAN, MAGUIDANAO, THE LGU'S THERE CHARGE A TERMINAL FEE OF P40.00 EVEN THOUGH THERE IS NO TERMINAL YET.

THIS SITUATION IS ALSO TRUE IN LUZON, VISAYAS AND METRO MANILA. HERE IN QUEZON CITY, JEEPNEYS ARE REQUIRED TO USE A PRIVATE TERMINAL AND TO PASS A PRIVATE ROAD WHERE TOLL FEES ARE CHARGED. IN MANILA, EVEN BARANGAYS ARE NOW CHARGING TERMINAL FEES.

YOU CAN NOW IMAGINE IF EVERY BARANGAY, MUNICIPALITY, CITY AND PROVINCE CREATE THEIR OWN TERMINAL AND CHARGE A FEE, THE COST OF OPERATIONS

OF AN OPERATOR PASSING THROUGH ALL THESE CITIES AND MUNICIPALITIES WOULD INCREASE TREMENDOUSLY. ONE BUS OPERATOR HAS IN FACT INCREASED ITS TERMINAL FEE BUDGET FROM P50 MILLION PER ANNUM TO P100 MILLION.

3. (Return to Slide C) DILG ISSUE A CIRCULAR MANDATING LGU'S TO ABIDE WITH THE NATIONAL TRANSPORT PLAN/POLICY TO ADDRESS THE PROLIFERATION OF UNNECESSARY TERMINALS, AND TO STOP THE OVER ISSUANCE OF TRICYCLE FRANCHISES IN THE PROVINCES WHICH HAVE UNDERMINED THE INCOME OF OPERATORS AND DRIVERS.

JUST TO HIGHLIGHT THE URGENCY OF THIS MATTER, IN STA. CRUZ, ZAMABALES, A TRICYCLE DRIVER EARNS ONLY P50.00 A DAY WHILE THE MAYOR CONTINUES TO ISSUE NEW TRICYCLE FRANCHISES. IN OTHER CITIES AND MUNICIPALITIES, THE PROLIFERATION OF TRICYCLE UNITS IN THE THOUSANDS HAS SEVERELY AFFECTED THE EARNINGS OF THE DRIVERS. IN QUEZON CITY, TRICYCLE OPERATORS HAVE IMPOSED THEIR OWN COLOR CODING SCHEME IN ORDER TO SPREAD THE INCOME AMONG ITS MEMBERS. IN CALOOCAN, TRICYCLES ARE NOW OPERATING IN JEEPNEY ROUTES THUS REDUCING THE INCOME OF BOTH JEEPNEY AND TRICYCLE.

4. DOF PROVIDES LOW INTEREST FINANCING AND EASY LOAN PROCESSING TO PUV OPERATORS WILLING TO CONVERT OR CHANGE THEIR ENGINES FROM DIESEL OR GASOLINE TO LIQUIFIED PETROLEUM GAS (LPG) OR COMPRESSED NATURAL GAS (CNG). THE PUMP PRICE DIFFERENCE BETWEEN LPG AND DIESEL IS P10.00 PER LITER. THUS, BY SUPPORTING THE SHIFT TO LPG, DRIVERS STAND TO GAIN AN ADDITIONAL INCOME OF AROUND P300.00 PER DAY, NOT TO MENTION ITS POSITIVE EFFECTS ON THE ENVIRONMENT.

IN THE **LONG TERM** (Slide E), WE ASK THAT-

1. CONGRESS EXEMPTS PETRO PRODUCTS FROM EVAT
2. DOTC REVIEWS ALL ROAD PLANS AND COME OUT WITH A FIXED NUMBER AND THE KIND OF PUVS (WHETHER JEEPNEY, BUS, TRICYCLE OR VAN) THAT SHOULD PLY THE ROADS TO AVOID RUINOUS COMPETITION.

3. DOE INSTITUTIONALIZE THE PUV DISCOUNT BY MAINTAINING A TWO TIER PRICING FOR PUVS AND PRIVATE VEHICLES.
4. CONGRESS TO AMEND THE LOCAL GOVERNMENT CODE TO ADDRESS THE ABUSIVE REVENUE GENERATING MEASURES BEING COMMITTED ON THE TRANSPORT SECTOR.
5. CONGRESS TO AMEND THE PUBLIC SERVICE ACT TO PLACE UNDER ONE AGENCY THE REGISTRATION AND REGULATION POWERS OVER THE PUVS TO PREVENT DUPLICATION AND STREAMLINE GOVERNMENT PROCESSES.
6. CONGRESS TO AMEND THE TAX CODE TO SIMPLIFY TAXES IMPOSED ON PUVS, AND RE-DEFINE THE SCOPE OF THEIR APPLICATION.
7. CONGRESS TO TAKE A SECOND LOOK AT THE BIO-FUELS LAW TO MAKE SURE THAT THE BENEFIT OF THE COCONUT FARMER WILL NOT RESULT IN ADDED COST ON THE PART OF THE TRANSPORT SECTOR.

I KNOW I HAVE PRESENTED A LONG WISH LIST, EVEN STA. CLAUS MAY HAVE DIFFICULTY DOING MOST OF THEM. BUT WHAT THE TRANSPORT SECTOR IS WILLING TO DO IN RETURN IS NO JOKE EITHER.

I THANK YOU FOR THIS OPPORTUNITY. AGAIN, GOOD AFTERNOON TO EVERYONE.

- NOTHING FOLLOWS -