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LABOR STANDARDS COMPLIANCE CERTIFICATE

LTFRB MEMORANDUM CIRCULAR NUMBER 2012-001, January 04, 2012

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SUBJECT :

LABOR STANDARDS COMPLIANCE CERTIFICATE

This Memorandum Circular covers all Public Utility Bus (PUB) Operators and is being issued to ensure road transport safety through linking of labor standards compliance with franchise regulation.

It is based on a DOLE rapid survey of bus drivers/conductors and operators on the working conditions and compensation schemes in the bus transport sector. The survey results, as validated in a series of focus group discussions with bus operators, drivers, government regulating agencies and experts from the academe in the fields of engineering and traffic psychology, indicate that the risk taking behavior of drivers is associated with the lack of proper training on motor skills, safety and on traffic rules and regulations; poor health due to long work hours and exposure to health hazards and; lack of income security under a purely commission-based compensation scheme. The industry players also cited problems with the enforcement of traffic rules and regulations as well as the franchising and licensing systems. To strictly enforce this Memorandum Circular, the Board, thru the DOTC, shall strengthen cooperation and coordination with the Department of Labor and Employment.

Labor Standards Compliance
Certificate

To ensure compliance with the established standards for employment and the Board's policies on the promotion of road safety, all Public Utility Bus (PUB) operators are required to secure Labor Standards Compliance Certificates from the Department of Labor and Employment (DOLE).

The Certificate shall indicate compliance by the PUB operators with all relevant legislations on wages, labor standards, terms and conditions of employment, and such mandatory benefits as may now or in the future be provided under Philippine Labor Laws; Provided that-

Compensation Scheme

To compensation scheme set or approved by the DOLE shall cover the PUB drivers and conductors and shall adopt a part-fixed-part-performance based compensation system. The fixed component shall at no time be lower than the applicable minimum wage in the region. The performance based component shall be based on the net income of the operator or bus company and on employee safety records such as that in regard to involvement in road accidents, commission of traffic violations, and observance of the elementary countries of the road.

All PUB drivers and conductors shall be entitled to other mandatory compensation such as but not limited to overtime, night shift differential, rest day, holiday, birthday, and service incentive leave pays.

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The number of working hours and rest periods of the drivers and conductors shall be determined taking into consideration the existing conditions, peculiarities and requirements of the transport industry.

Benefits
All PUB drivers and conductors shall likewise be entitled to retirement benefits and to all mandatory social security benefits such as memberships in the SSS, Philhealth and Pag-ibig as specified by law.

Right to Self Organization

The right of the drivers and conductors to organize themselves to advance their interests and welfare shall be encouraged. It shall not in any way be abridged or diminished by way of any agreement or contract entered into in complying with this issuance or in obtaining the Labor Standards Compliance Certificate.

Nothing herein shall be interpreted to mean as precluding the PUB operators and the drivers or conductors from entering into collective bargaining agreements granting them more rights, privileges and benefits.

Company policies and practices, and collective bargaining agreements existing on effectivity of this issuance which grant more rights, privileges, and benefits to the drivers and conductors than herein provided shall continue to be in effect and shall not be diminished by virtue hereof or any subsequent policies or agreements. The exercise of the right to self-organization shall in no way adversely affect public safety and convenience.

Effectivity

Failure on the part of the PUB operators to secure and submit to the Board by, July 30, 2012 the required Labor Standards Certificates shall be a ground for the immediate cancellation or revocation of their franchises/CPCs.

No application for new CPSs or renewal of existing CPCs shall thereafter be granted by the Board without the required Certificates.

This Memorandum Circular shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation. Let three (3) copies hereof be filed with the UP Law Center pursuant to Presidential Memorandum Circular No. 11, dated 9 October 1992.

SO ORDERED.

Quezon City, Philippines, January 04, 2012.

(Sgd.) JAIME D. JACOB
Chairman

(Sgd.) SAMUEL JULIUS B. GARCIA
Board Member

(Sgd.) MANUEL M. IWAY
Board Member

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