

**[ LTFRB MEMORANDUM CIRCULAR NUMBER 2012-001, January 04, 2012 ]**

**LABOR STANDARDS COMPLIANCE CERTIFICATE**

SUBJECT LABOR STANDARDS COMPLIANCE CERTIFICATE

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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.