RATIONALIZATION PROGRAM FOR THE VOLUNTARY CONVERSION OF TOURIST BUS CERTIFICATES OF PUBLIC CONVENIENCE (CPCS) TO PUB AIRCON FRANCHISES

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In the month of June 2003, Land Transportation Franchising and Regulatory Board (LTFRB) issued a directive authorizing the conversion of not more than 50% of the total Franchised Tourist Buses to Regular Aircon PUB (per operator's fleet size), subject to availability of the Route Measured Capacity (RMC) of the applicant-operator's authorized routes.

In the same year, LTFRB issued Memorandum Circular No. 2003-027, deferring the implementation of the said conversion scheme, pending further technical studies and review.

Per study conducted by the joint DOTC-LTFRB Technical Working Group, at least three hundred fifty (350) Tourist Franchised PUBs are being deployed to service PUB Aircon routes by at least 19 Bus Companies, nationwide. Such unauthorized deployment violates the terms and conditions of the CPC. This Rationalization Program for Voluntary Conversion was recommended to harmonize the operations of said franchisees.

Pursuant to Department Order 2005-10 (Policy Guidelines on the Exercise of Authority and Functions by the Land Transportation Franchising and Regulatory Board), this Board hereby orders the implementation of Rationalization Program to convert said Tourist PUB being operated as Regular Aircon PUBs. However, the following terms and conditions should be complied with:

1. Only operators who are both Tourist Bus and Regular PUB Aircon franchise-holders are qualified to apply for this Voluntary Conversion.

2. Tourist Bus Conversion shall only be allowed to convert to existing PUB Aircon routes, subject to the Route Measured Capacity (RMC) allocation for North and South PUB routes as determined by DOTC transport survey results. Tourist Bus Franchise holders can only apply for routes authorized under their current and co-existing Regular PUB Aircon CPCs. However should the RMC be inadequate under the co-existing route, a second route option may be submitted by the applicant for Board consideration.

3. Voluntary Conversion Fee of P100,000.00 per PUB unit shall be paid to LTFRB upon filing of the Application for Conversion, non-refundable, aside from the regular Fees and Charges as stipulated under Department Order 2001-82.

4. Operators can avail of said Rationalization Program from 01 June to 15 July 2005. Operators who are granted with this conversion are barred to apply for new Tourist Bus franchises within five (5) years from the date of the decision granting the Application for Conversion.

5. The number of units vacated by the Tourist Bus franchises due to this conversion shall be opened for new application to qualified applicants after 15 July 2005, subject to favorable endorsement of the Department of Tourism.

Other rules and regulations that are inconsistent with the provisions of this Memorandum Circular are hereby

repealed and/or modified accordingly.

This Memorandum Circular shall take effect fifteen (15)) days following the filing of three (3) copies hereof with the UP Law Center, pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

SO ORDERED.

Adopted: 12 May 2005

(SGD.) MARIA ELENA H. BAUTISTA
Chairperson

(SGD.) FELIX S. RACADIO
Board Member

(SGD.) GERARDO A. PINILI
Board Member

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