

RULES AND REGULATIONS TO GOVERN THE BUSINESS OF TOURIST TRANSPORT OPERATION

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Pursuant to the authority vested in the Department of Tourism by Executive Order No. 120 "To Promulgate Rules and Regulations Governing the Operations and Activities of all Persons, Firm Entities and Establishments that Cater to Tourists, to Provide Standards for Accreditation of Hotels and Resorts, and to Prescribe Rules and Regulations Governing the Issuance of License to Travel Agencies," and the provisions of Presidential Decree Nos. 259 and 1463 not inconsistent with said Executive Order, the following rules and regulations are hereby promulgated to govern the business and operation of all Tourist Transport Operators in the Philippines

Chapter 1

Definition of Terms

SECTION 1. Definition of Terms.- For purposes of these Rules, the following terms shall, unless otherwise indicated have the following meanings:

- Tourist transport operator - a person or entity which may either be a single proprietorship, partnership or corporation, regularly engaged in providing, for a fee or lawful consideration, tourist transport services as hereinafter defined, either on charter or regular run.
- Tourist land transport unit - any vehicle, carriage or conveyance moving on wheels or runners used on public highways and catering to tourists.
- Tourist water and air transport unit – any watercraft or air conveyance catering to tourists.
- Department - Department of Tourism
- LTFRB - Land Transportation Franchising and Regulatory Board
- LTO - Land Transportation Office

Chapter II

Basic Requirements for Tourist

Land Transport Vehicles

SECTION 2. Requirements - For purposes of registration and licensing, the following are the basic requirements for the operation and maintenance of a tourist transport:

- Registered carrying capacity - A tourist transport operator shall only be allowed to apply for license for the number of units covered by its franchise and approved by the Department under P.D. 381.
- Roadworthiness - To be registrable, every tourist transport must be found roadworthy upon inspection by the Department in coordination with the LTO and shall not, in the case of bus or coaster be more than ten (10) years, reckoned from the year of manufacture; nor more than five (5) years for a tourist car.
- Left-hand drive - Every tourist transport shall be provided with a left-hand drive.

- Ventilation - Every tourist transport shall be properly equipped with adequate air-conditioning units.
- Fire-fighting facilities - A tourist transport shall be provided or installed with at least one portable fire extinguisher for the protection of its passengers.
- Imprint of company's name and logo – The company's name and logo shall be imprinted at the rear and sides, respectively of the tourist transport.
- Public address system - For tourist buses or coasters, a public address system must be installed.
- First-aid kit - Every tourist transport shall be provided with a first-aid kit and an adequate supply of emergency medicines.
- Seats - Every tourist transport shall be provided with clean and comfortable seats.
- Storage Space - A tourist transport shall have enough leg room and sufficient storage space.
- Garage - Every tourist transport operator shall provide an adequate garage and repair shop for the maintenance of its equipment, as well as a parking space sufficient to accommodate all its registered units.

SECTION 3. P.C. Clearance - In case of original registration and /or transfer of ownership of tourist transport, the necessary clearance from the appropriate unit of the Philippine Constabulary shall be secured prior to registration.

SECTION 4. Department Stickers - After registration and issuance of license by the Department, it shall be mandatory for all tourist transport to put the Department stickers on the front and back windshields of said vehicles for proper identification.

Chapter III

Application and Issuance of License

SECTION 5. Licensing-Mandatory - No person, natural or juridical, shall manage, operate, or engage in the business of tourist transport services without having first secured from the Department a valid license to operate the same. Any person who, being the operator thereof, allows the same to be used in transporting tourists without the requisite license to operate as such from the Department shall also be guilty of an offense under these Rules.

SECTIONS. Application for License - Any person, partnership or corporation desiring to operate and/or engage in the business as tourist transport operator shall accomplish in duplicate and file with the Department, the application for license prescribed for such purpose.

SECTION 7. Who are Authorized to Sign Application - In the filing of application for a license to operate as a tourist transport operator, the following shall be considered authorized to sign said application:

- In the case of sole proprietorship, the owner thereof;
- In the case of partnership, one of the partners designated in a sworn certification by all the partners to sign the application;
- In the case of a corporation, the person named in a board resolution as authorized to sign the application or person so designated in its By-Laws.

SECTION 8. Documents Required to Support Application for License to Operate as Tourist Transport Operator - The application shall be accompanied by the following documents:

- Business name certificate and all amendments thereto, if any, in the case of single proprietorship. In the case of a corporation or partnership, a certified true copy of the Articles of Incorporation, its By-Laws or Articles of

Partnership and amendments thereto, if any, duly registered with the Securities and Exchange Commission;

- Proof of ownership or lease over an area adequate to serve as maintenance depot and garage for all its units;
- A list of names of all officials and employees, and their respective designations, nationalities, home addresses, certified correct under oath by the General Manager/President;
- Surety bond in the amount of P = 100,000.00 issued by a duly licensed insurance or bonding company in favor of the Department and conditioned to answer for any and all liabilities resulting from or incurred in the course of the operation of the tourist transport; and
- Such other papers or documents as may be required from time to time by the Department.

SECTION 9. Documents Required to Support Application for Registration of Vehicle as Tourist Transport - The application shall be supported by the following documents:

- Certificate of inspection by the Department Inspection team for the LTO registration of the tourist transport;
- A copy of the LTFRB (formerly the Board of Transportation) certificate of public conveyance franchise or authorization;
- A copy of the transportation rates as approved by the LTFRB;
- A compulsory motor vehicle liability insurance in the amount of not less than the following:
 1. Third Party Liability - P20 ,000.00 per unit
 2. Passenger Accident - P12 ,000.00 per person
- Proof of prior approval pursuant to Pres. Decree No. 381.
- Pictures of the vehicle showing the side, back and front views thereof with the company's name and logo imprinted at its rear and sides, respectively; and
- Such other papers or documents as may be required from time to time by the Department;

SECTION 10. License Fee - Upon approval of the application, an annual license fee per unit shall be collected from the applicant in the following schedule of fees per unit vehicle:

- Bus P250.00
- Coaster 150.00
- Mini-Van 100.00
- Car. 75.00

SECTION 11. Validity of License- The license duly issued to any tourist transport operator shall be valid for a period of one (1) year from its date of issue or until the 30th of June of the year of the issuance of the license unless sooner revoked for cause by the Department.

SECTION 12. Renewal of License - The license shall be renewed on or before the date of its expiration. A surcharge of fifty percent (50%) of the license fees due shall be imposed on an applicant who fails to file the application for renewal of license within the period fixed in these Rules; Provided, that failure to file such application and/or to comply with all the requirements for renewal within sixty (60) days from the expiration date of the license shall be a ground for the nonrenewal of the same unless meritorious and valid grounds are submitted

to justify such failure; in which case, the Department may renew said license upon payment by the applicant of a fine of Five Hundred Pesos (P500.00).

SECTION 13. Documents Required for Application for Renewal of License as Tourist Transport Operator - The application for the renewal of license shall be supported by the following documents:

- A copy of the amended or revised articles of incorporation or articles of partnership and by-laws, if applicable;
- The list and information sheets of additional personnel, if any, including any change in the manpower complement of the company;
- Renewal of surety bond referred to in Sec. 8 (d) of Chapter III of these Rules;
- Audited financial statements and income tax returns covering the preceding year's operation; Provided that if this requirement is not available, the same shall be submitted not later than April 30 of the current year; and
- A resolution of the Board of Directors authorizing the continuation of business.

Chapter IV

Regulation, Control and Supervision

of Operation Tourist Transports

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EMPLOYMENT OF STAFF

SECTION 14. Employment of Foreign Nationals - No foreign national shall be employed by tourist transport operator without the prior approval of the Department. In the employment of foreign nationals, valid visa and permit to work issued by the Commission on Immigration and Deportation and the Department of Labor and Employment, respectively, shall be submitted.

SECTION 15. Request for the Department Identification Cards - The Department Identification Cards shall be issued to employees of tourist transport operators upon request subject to payment of a nominal fee; Provided, that said employees are included in the list of personnel of the operator concerned.

SECTION 16. Surrender of ID Card - Officers and the employees who have ceased to be such shall immediately surrender their ID cards to the Department.

SECTION 17. Service - Operators shall provide service that is as safe, regular, comfortable and convenient as possible.

B. TRANSPORTATION RATES

SECTION 18. Manner of Fixing - The fixing of rates for tourist transport shall be the responsibility of the LTFRB upon recommendation of the Department. No tourist transport operator shall charge rates other than those so prescribed.

SECTION 19. Application for Increase of Transportation Rates - All applications for increase of transportation rates shall be filed before the Department in triplicate and shall be sworn to before a person authorized to administer oath.

SECTION 20. Reasonableness of Proposed Increase; Burden of Proof of Applicant - The applicant shall have the burden of showing that the proposed increase is fair and reasonable.

SECTION 21. Documents to Accompany Application - Income statements, balance sheets, and cash flow statements for the two (2) years immediately preceding the date of application for increase of transportation rates as well as other pertinent data shall accompany the application.

SECTION 22. Findings of the Department - Within a reasonable time the Department shall make its findings on the application. Such findings, together with all the pertinent records of the petition shall immediately be transmitted for the action of the LTFRB.

C. REGULATION ON TOURIST TRANSPORT OPERATIONS

SECTION 23. Tourist Transport Service - Tourist transport service shall be offered on a regular point-to-point run and shall be priced at rates higher than those charged by public utility operators for the same route. The points of departure and destination of a tourist transport regularly plying a route shall be a hotel, resort or such similar tourism facility and picking up or unloading of passengers in between such point is prohibited.

SECTION 24. Charter Rates - A tourist transport operator shall charge only charter rates as previously approved in accordance with these Rules.

SECTION 25. Regular Run on PUB Routes - In case where a tourist transport operator makes a regular run and only transportation service is offered, it may be allowed to run on Public Utility Bus routes, provided that there is a prior approval by the LTFRB under conditions and requirements it may prescribe,

D. IMPOSITION OF FINE, FORFEITURE OF BOND, SUSPENSION, CANCELLATION AND/ OR NON-RENEWAL OF LICENSE

SECTION 26. Grounds for the imposition of Fine, Forfeiture of Bond, Suspension, Cancellation and/or Non-Renewal of License - Any of the following acts or omissions shall be a sufficient ground for the imposition of fine, forfeiture of bond, suspension or cancellation of license of a tourist transport operator depending on the circumstances and gravity of each given case:

1. Non-compliance with or non-submission of any of the requirements for the renewal of license required under Sec. 13, Chapter III of these Rules;
2. Violation of any of the provisions of these Rules, circulars and orders of the Department and violation of any of the conditions of the LTFRB franchise;
3. Fraudulent representation, written or oral, by the owner/general manager of the company for the purpose of securing issuance or renewal of license under these Rules;
4. Tolerance of gross misconduct, discourtesy, dishonesty or misrepresentation committed by any of the operator's officer or employee against its passengers to the detriment of the tourism industry;
5. Willful violation of the agreement or contract entered into by the tourist transport operator and its clients or passengers;
6. Failure to replace or renew the surety bond mentioned in Sec. 8 (d) Chapter III of these Rules within fifteen (15) days from the date when said bond is ordered forfeited or confiscated in accordance with these Rules, or cancelled or revoked for whatever cause;
7. Failure to pay fines, as well as fees, dues and contributions imposed under existing laws;
8. Failure to submit a notice of any change in its personnel within fifteen (15) working days of such change;

9. Failure to obey or comply with duly promulgated orders, decisions or circulars of the Department; and
10. Any other act or omission that works against the interest of the tourism industry.

Chapter V

Rules and Procedures Governing

Complaints and Hearings Before Department

SECTION 27. Complaints Against Tourist Transport Operators and/or Employees - The Department shall exercise quasi-judicial powers in the resolution of cases filed against the tourist transport operators and/or their employees in accordance with its rules and procedures governing complaints.

Chapter VI

Miscellaneous Provisions

SECTION 28. Visitorial Powers - In the discharge of regulatory functions, the Department shall exercise visitorial powers over the operations of the licensed tourist transport operators.

SECTION 29. Transfer of License; Prior Approval of the Department Required - The license is a matter of privilege and may only be issued to qualified applicants. Accordingly, no tourist transport operator shall transfer or alienate in whatever manner its license without prior approval from the Department of Tourism. Any transferee shall comply with all the requirements and procedures for the issuance of a license as prescribed herein.

SECTION 30. Transferee to Pay License Fee; Responsibility - The transferee of a license shall pay the corresponding license fee, and in addition thereto, the new operator, unless otherwise stipulated, shall not be absolved from any responsibility as to contracts, money claims, damages or other liability arising out of and in the course of the operations conducted by its predecessor.

SECTION 31. Transfer of Ownership - Transfer of substantial rights on ownership of shares of interest therein that would culminate in the transfer of majority and controlling right shall be reported to the Department, within ten (10) working days which will evaluate the credentials and qualifications of the new owners and decide to revalidate the license.

SECTION 32. Display of License - The license shall be displayed in a conspicuous place in the public part of the office of the tourist transport operators.

SECTION 33. Confidential Character of Certain Data - Information and documents received by or filed with the Department in pursuance of the requirements of these rules shall be treated as confidential and shall not be divulged to any private party without the consent of the party concerned or upon the order of the Secretary of Tourism. Any official or employee of the Department including those that are temporarily assigned therewith who shall violate the provisions of this section shall be guilty of an offense under these rules.

SECTION 34. Means to Carry into Effect the Purpose, Intent, and Spirit of these Rules - If the procedure to be followed in a given situation is not specifically provided for by these Rules, any suitable procedure or mode of proceedings which appears conformable to the purpose, intent and spirit of these Rules shall be adopted.

SECTION 35. Penalties for Violation -

- Violation by a Licensee or Holder of Authority. - Any person, whether natural or juridical, licensed by the Department to engage in tourist transport operation, who shall violate or cause another to violate any of the provisions of these Rules, shall, upon conviction by a competent court, suffer the penalty of imprisonment of not less than six (6) months nor more than two (2) years or a fine of not less than TWO THOUSAND PESOS

(P2,000.00) nor more than TEN THOUSAND PESOS (P10,000.00), or both, at the discretion of the court. In addition thereto, the license issued by the Department shall be deemed automatically withdrawn and revoked and the surety bond of the offender shall be forfeited in favor of the Department.

- Violation by Non-Holder of Authority. – Any person who is not a holder of a license from the Department who shall violate any of the provisions of these Rules or circulars promulgated by the Department shall, upon conviction by the competent court, suffer the penalty of imprisonment of not less than one (1) year nor more than four (4) years or a fine of not less than FOUR THOUSAND PESOS (P4 ,000.00) nor more than TWENTY THOUSAND PESOS (P20,000.00), or both, at the discretion of the court.

Penalty Imposed upon Officers of Juridical Persons. - If the offender is a corporation, partnership, or association, the penalty shall be imposed upon the officer or officers who have been responsible for the violation; and if such officers are foreigners, they shall, in addition, be subject to deportation.

SECTION 36. Administrative Penalties - Without prejudice to the application of the above penal sanctions, the Department may impose an administrative fine of not less than (P1 ,000.00) nor more than P 10,000.00 against any person who shall violate or cause another to violate any provision of these rules or circulars, or suspend or revoke the license of any such person subject to the Department's regulatory jurisdiction.

SECTION 37. Enlistment of Aid, Assistance and Support of Other Government Agencies - In the implementation of the provisions of these Rules, circulars and enforcement of orders or decisions, the Department may enlist the aid, assistance and support of any and all government agencies, whether civil or military.

SECTION 38. Copy of the Rules Made Available to the Public - Every tourist transport operator shall keep a copy of these Rules open to inspection whenever any of its passenger requests to be shown a copy thereof.

Chapter VII

Application for Accreditation

SECTION 39. Accreditation of Tourist Water/ Air Transport Unit Operators - The following may apply for accreditation as tourist water/air transport operators:

- A resident Filipino citizen;
- Partnership organized under the laws of the Philippines, at least 60% of the capital of which is owned by Filipino citizens; and
- Corporation organized under the laws of the Philippines, at least 60% of its subscribed common or voting shares of stocks is owned by Filipino citizens and the composition of its Board of Directors is at least 60% Filipinos.

SECTION 40. Certificate of Public Conveyance or Franchise - The water transport operator shall have a certificate of Public Conveyance from the Maritime Industry Authority and the vessels shall have a certification of seaworthiness from the Philippine Coast Guard.

The air transport operator shall secure a franchise to operate from the Civil Aeronautics Board and the aircraft shall have a certificate of airworthiness from the Air Transport Office.

SECTION 41. Accreditation Fee and Validity - An accreditation certificate shall be issued to a qualified entity for a fee of One Thousand Pesos (P1 ,000.00) and shall be valid for one year from date of issuance.

SECTION 42. Responsibilities of Accredited Entities - It shall be the responsibility of accredited entities to maintain the standards set by the Department for accreditation. Failure to do so shall be sufficient ground for the cancellation of the accreditation

Final Provisions

SECTION 43. Separability Clause - The provisions of these Rules and Regulations are hereby declared separable, and in the event anyone or more of such provisions are declared invalid, the validity of the other provisions shall not be affected thereby.

SECTION 44. Repealing Clause - All existing Rules and Regulations or circulars issued by the defunct Board of Travel and Tourist Industry or previously issued by the Department or other government agencies or entities on the operation of tourist transport units as well as municipal or city ordinances or part or parts thereof which are Inconsistent with the provisions of these Rules, are hereby repealed and/or modified accordingly.

SECTION 45. Effectivity - These Rules and Regulations shall take effect fifteen (15) days after their publication In the Official Gazette or in a national newspaper of general circulation in the Philippines.

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