

IMPLEMENTING GUIDELINES IN THE ACCEPTANCE OF APPLICATIONS FOR NEW CPC UNDER THE INITIAL IMPLEMENTATION OF THE PUBLIC UTILITY VEHICLE MODERNIZATION PROGRAM

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Adopted: 27 June 2018

Date Filed: 28 June 2018

WHEREAS, on 19 June 2017, the Department of Transportation (DOTr) issued Department Order No. 2017-011 (Re: Omnibus Guidelines on the Planning and Identification of Public Road Transportation Services and Franchise Issuance) adopting the rules and procedures for the issuance of franchises for public transport routes and services;

WHEREAS, pursuant to Section 5(a) of Executive Order No. 202, dated June 19, 1987, the Land Transportation Franchising and Regulatory Board (LTFRB) shall have the power “to prescribe and regulate routes of service, economically viable capacities and zones or areas of operation of public land transportation services provided by motorized vehicles, xxx”;

WHEREAS, on 13 March 2018, the Board issued Memorandum Circular No. 2018-006 (Re: Guidelines for the Public Utility Vehicle Modernization Program’s Initial Implementation Pursuant to Department Order No. 2017-011, otherwise known as the Omnibus Franchising Guidelines); wherein the Board set the guidelines for the initial implementation of the Public Utility Vehicle Modernization Program (PUVMP) pending the completion and approval of the route rationalization studies and/or Local Public Transport Route Plans (LPTRPs) pursuant to Item 3.2.4 of the OFG;

WHEREAS, the Board endorsed the routes recommended by its Regional Directors pursuant to MC No. 2018-006, to the Department of Transportation, through the Office of the Undersecretary for Road Transport and Infrastructure, through an Endorsement letter dated 29 May 2018;

WHEREAS, acting upon the said Endorsement letter, Undersecretary Thomas M. Orbos issued the corresponding route authorization on 29 May 2018 and authorized the new developmental routes listed in Board Resolution No. 2018-045 Series of 2018.

WHEREAS, the Board sent a subsequent Endorsement Letter dated 08 June 2018 addressed to the Undersecretary for Road Transport and Infrastructure, requesting for the inclusion of additional new routes and the review of the number of units as indicated in the 29 May 2018 letter from the latter to the former to augment the number of units in identified routes. Likewise, Dir. Ahmed C. Cuizon sent an Endorsement Letter dated 13 June 2018 relative to the inclusion of one (1) missionary/developmental route in Region VII;

WHEREAS, on 13 June 2018, Usec. Thomas M. Orbos issued the corresponding route authorization of the three (3) additional new/ developmental routes and authorized the increase in the number of units in specified NCR routes;

WHEREAS, to serve public clamor and demand for modern PUVs and to fast track the implementation of the PUVMP, the Board has agreed to issue implementing guidelines to be observed by the applicants in applying for the authorized routes listed herein;

NOW THEREFORE, premises considered, the Board hereby adopts the following implementing guidelines in the acceptance of new CPC under the initial implementation of the PUVMP for the following routes and thus, these guidelines does not set precedent on the regular procedure for the grant of CPC.

Region

Proposed Route

Denomination

No . of Un i ts Available fo r Application

NCR

Cogeo (Antipolo) to Market Market

PU J

1 5 Units

Guadalupe to Taguig

PU J

1 5 Units

Quezon City Hall to Manila City Hall

PU B

3 0 Units

Valenzuela Gateway Complex to SM North

PUB / Mini-bus

1 5 Units

SM Masinag to SM Fairview

PU J

1 5 Units

Eastwood, Libis - Capitol Commons via C5, Pasig, Shaw Boulevard, Capt. Henry Javier/ Hill crest

PU J

50 Units

Paranaque Integrated Terminal Exchange

(P I Tx) - Lawt on via Macapagal/ Seaside, Roxas . Boulevard, And a Circle, Soriano St., and Riverside Drive

PUJ

5 0 Units

CENTRAL OFFICE

Kasiglahan-East wood - Southville Loop Service

PU J

3 0 Units

San Isidro Rodriguez to Batasan

PU J

1 5 Units

I

Dagupan City Downtown Loop Service

PU J

1 5 Units

II

Santiago City, Isabela to Didipio, Nueva Vizcaya via Diffun, Quirino

PU J

1 5 Units

Didipio, Nueva Vizcaya to Solano, Nueva Vizcaya via Kasibu, Nueva Vizcaya

PU J

1 5 Units

Minuri, Jones, Isabela to Santiago City

PU J

2 0 Units

IV

Talao-Talao Dalahi can -Solcom ville (via NIA Road) to Lucena City Government Complex

PU J

3 0 Units

Coron , Palawan to Salvacion Palawan

UV

1 5 Units

V

Polangui to Ligao Loop Service

PU J

1 0 Units

VI

Barangay Culasi to Roxas City Integrated Transport Terminal

PU J

1 5 Units

Dumolog/ Baybay to Roxas City Integrated Transport Terminal

PU J

1 5 Units

Cogon to Roxas City Integrated Transport Terminal

PU J

1 5 Units

Tanza / Banica to Roxas City Integrated Transport Terminal

PU J

1 5 Units

Ibarra/ Libas to Roxas City Integrated Transport Terminal

PU J

1 5 Units

V II

Pang l ao I nt ernati onal Airport (Intra- Panglao Loop Service)

PU J

2 0 Units

Brgy . Guba. Cebu City to Cebu Business Park and Vice- Versa (PUJ)

PU J

2 0 Units

Municipality of Cordova to Lapu-Lapu City

PU J

2 0 Units

Tagbil aran City to Pres. Carlos P. Garcia via Ubay and vice versa

PU J

1 5 Units

VIII

Ormoc to Sogod

Mini Bus/PUB

1 5 Units

IX

Integrated Bus Terminal, Zamboanga City - Ecozone, San Ramon via Tumaga - Putik Rd. - Gov. Ramos Rd. - San Roque Rd. - Upper Calarian – Maasin – Recodo - Ayala - Talisayan Rd.

PU J

1 5 Units

Suterville - KCC Mall via San Jose Rd. - Gusu-San Jose Rd. - Buenavista St. - Canelar Rd. - Gov. Camins Rd.

PU J

1 5 Units

Seaport (PPA) - Integrated Bus Terminal, Zamboanga City via RT Lim Blvd. - Baban Sr. Road - Baliwasan Moret Field - Gov. Camins Rd. –KCC Mall - MCLL Highway

PU J

1 5 Units

Ecozone, San Ramon Seaport (PPA) – Limapa via Sinubong - Patalon - Labuan

PU J

5 Units

X

Puerto Bugo to Waterpark Resort, Opol, Misamis Oriental

PU J

1 5 Units

Sumpong, Diversion to Impalamong (NHA Phase 1, 2, 3, 4) Casisang Proper, Malaybalay

PU J

1 5 Units

NHA Phase 1, 2, 3, 4 to Sumpong, Casisang Proper(Market), Malaybalay

PU J

15 Units

Iligan City Proper to Bayanihan Village, Brgy. Sta. Elena & Vice Versa

PU J

15 Units

Catarman to Mambajao & Vice Versa (Camiguin)

PU J

15 Units

CAR

Poblacion Bokod, Benguet to Mt. Pulag, Ranger Station, Kabayan, Benguet

PU J

15 Units

Total No. of Units

675 Units

1. The routes listed above and the CPCs granted on the said routes pursuant to the initial implementation of the PUVMP shall be without prejudice to the results of the route rationalization study by the DOTR or the Local Public Transport Route Plan (LPTRP) of the concerned Local Government Unit as applicable.

2. Priority shall be given to applicants who have already consolidated as a cooperative or corporation under the Industry Consolidation component under the OFG with ready, available and OFG-compliant units without prejudice to existing operators who consolidated into a single legal entity pursuant to MC No. 2018-006.

3. "Ready and available units" referred to in the immediately preceding paragraph as provided herein, shall refer to existing units already delivered to the applicant and ready for inspection by the authorized personnel of the Board.

4. To ensure fair and impartial selection of applicants, the Board shall adopt a modified selection process similar to the selection process utilized by the Board in the selection and award of routes/packages for the Premium Point-to-Point Express Bus Service project. Award shall be on a per route basis.

Any applicant may be awarded more than one route subject to its capability to supply the required number of units in the routes. The applicants are prohibited from splitting their ready and available units between the authorized routes that they are intending to apply for. The required number of authorized units in the initial route applied for must be filled up first before the excess units may be applied for another route.

5. For inter-regional routes, a Pre-Qualification Committee in the LTFRB Central Office is hereby constituted

which is composed of the following:

Chairman : Executive Director

Vice-Chairman : Chief of the Legal Division

Member : Chief of the Technical Division

Member : Chief of ISMD

Member : Representative from the Board

The Pre-Qualification Committee shall be replicated by the RFROs at their level, for intra-regional routes.

6. Interested applicants shall submit their Letter of Intent specifying the routes applied for together with the following documents:

a. Proof of Consolidation:

For Corporations

1. Certificate of Incorporation issued by the SEC
2. Articles of Incorporation and By Laws

For Cooperatives

1. Certificate of Registration issued by the CDA
2. OTC Certificate of Accreditation
3. Articles of Cooperation and By Laws

b. Route Description and Length (if not indicated in the above list);

c. Proof of number of units available (e.g. OR/CR, Sales Invoice and Vehicle Delivery Receipt, Purchase Order, 5R size picture of the unit) that are compliant with the vehicle specifications as prescribed under the OFG and the Philippine National Standards issued by the Department of Trade and Industry and delivery schedule to complete the number of units required in the route applied for as certified by the supplier/manufacturer;

d. Garage and terminal location as prescribed under the OFG or letter of support from property owner;

e. Supporting documents to show capability for GNSS receiver, free Wi-Fi access, CCTV, Automated Fare Collection System (AFCS), speed limiter and dash camera;

f. Fleet management with proposed headway during peak (6 a.m. – 8 a.m. and 5 p.m. – 7 p.m.) and off peak hours;

7. Interested applicants whose units are ready and available or will be delivered within July 2018 shall submit one (1) original copy and two (2) photocopies of their complete documents which shall be compiled in a white folder and contained in a sealed envelope, at the Office of the Executive Director not later than 2:00 p.m. (Philippine Standard Time) of July 5, 2018. Each set of document submitted by applicants shall be numbered in the order received and stamped with the date and time of receipt.

Applicant operators whose units will be delivered between August to September 2018 as well as those with ongoing processing of bank loans may submit their Letter of Intent and Pre-Qualification documents to the Office of the Executive Director not later than September 28, 2018 but not earlier than July 9, 2018.

8. The Committee will begin the opening proceedings by announcing the names of the applicants who have submitted their requirements and any such other details as it may consider appropriate. The Committee shall then proceed with the opening of the sealed envelopes of each applicant, one at a time and in the order that the same

were received.

9. All applicants should be represented by their duly authorized representatives in the submission and opening of their requirements and should be properly issued with the corresponding Secretary's Certificate. The duly authorized representatives shall register during the opening proceedings to confirm their attendance.

10. During the opening, the Committee shall rate the applicant as "QUALIFIED" if all requirements are completely submitted. The applicant shall be disqualified if any of the required documents is lacking. If there are two (2) or more qualified applicants for the route, a "public lottery" in the presence of all the qualified applicants for the route will determine which applicant will be selected to further process its application for the issuance of new CPC.

11. A "Notice of Selection" shall be issued by the Committee on the same day to the selected qualified applicant.

12. The applicant selected for each route shall be directed to promptly file their Application for the Issuance of New CPC with Prayer for the Issuance of Provisional Authority with the Technical Division of this Board together with all the requirements for New CPC in accordance with the LTFRB's 2017 Revised Citizen's Charter.

13. The Provisional Authority issued under this Circular shall be valid for a period of Forty Five (45) days upon the Acceptance of Application provided that a photocopy of the passenger insurance policy is submitted.

An additional amount of Two Hundred Sixty Pesos (Php260.00) shall be paid by applicants if they pray for the issuance of PA in the Application or in a separate Motion.

14. The Legal Division shall issue a Notice of Hearing to the applicant. After notice, hearing and evaluation, the Board shall issue a Decision in favor of the applicant which is subject to the condition that within three (3) months from the issuance of the Decision, One Hundred percent (100%) of the authorized units must be made available. Failure of the applicant to make available the units within the prescribed period without justifiable cause shall make them liable for the penalty of Five Thousand Pesos (P5,000.00) per day of delay, on cancellation of franchise.

15. All authorized routes which are not awarded shall be subject to the subsequent guidelines to be issued by the Board.

The Board Resolution dated 31 May 2018 and No. 045, all other issuances or parts thereof inconsistent herewith are hereby modified, amended, or superseded accordingly.

This Memorandum Circular shall take effect immediately following its publication in a newspaper of general circulation and 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.

Quezon City, Philippines, 27 June 2018.

(SGD) ATTY. MARTIN B. DELGRA III
Chairman

(SGD) ENGR. RONALDO F. CORPUS
Board Member

ATTY. AILEEN LOURDES A. LIZADA

Board Member

Attested by:

(SGD) ATTY. SAMUEL A.M. JARDIN

Executive Director

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