NATIONAL ADMINISTRATIVE REGISTER · JUNE 6, 2018

OPENING OF APPLICATIONS FOR APPROPRIATION OF ABANDONED AND/OR EXPIRED CPCS

MEMORANDUM CIRCULAR NO. 2018-011, June 06, 2018

Read online (full-text search, related cases, audio case brief): https://batas.org/library/51bc7ee1dde8/

Adopted: 31 May 2018
Date Filed: 06 June 2018

WHEREAS, under public utility laws and jurisprudence, an Application for Appropriation is among the modes of securing/ acquiring a Certificate of Public Convenience/ Franchise.

WHEREAS, the following are settled principles in public utility jurisprudence as enunciated by the Supreme Court in a host of cases: that appropriation is a valid mode of acquiring the operating rights of another person who has either abandoned his CPC or allowed it to lapse or expire without renewal thereof (Paz Marquez Benitez vs. Santo, 107 Phil. 167); that it is also a well-entrenched doctrine that public need and convenience are paramount considerations (Raymundo Trans Co. vs. Cerbo, 91 Phil. 504 and Santiago Ice Plant vs. La Paz, 87 Phil. 221); and should not be made to wait; that public need and convenience once declared in a decision continues to exist even with the abandonment and expiration of the CPC unless there is evidence to the contrary (Laguna Tayabas Bus Co. vs. M Ruiz Highway Transit, Inc. 107 Phil. 143).

WHEREAS, relative to applications for appropriation, this Board issued Memorandum Circular ("MC") No. 2000-021 dated December 29, 2000 suspending the acceptance of said nature of application.

WHEREAS, on December 21, 2009, the Board issued MC No. 2009-035 wherein the Board amended MC No. 2000-021 to allow the acceptance of Applications for Appropriation of expired/ abandoned CPCs of Taxi Air-conditioned Service and Public Utility Bus Service.

WHEREAS, on February 18, 2010, the Board suspended the implementation of MC No. 2009-035 pending review and study by the Board of the data of every region and until further orders from the Board pursuant to MC No. 2010-009.

WHEREAS, on May 04, 2010, the Board issued MC No. 2009-020 lifting the suspension of the implementation of the Appropriation Program with respect to LTFRB-REGION 1 after assessing the need for transport services and upon compliance with the directive of the Board to submit the necessary inventory of CPCs to be considered as abandoned.

WHEREAS, on June 17,2010, the Board issued MC No. 2009-030 lifting the suspension of the implementation of the Appropriation Program with respect to LTFRB-REGION 3 after assessing the need for transport services and upon compliance with the directive of the Board to submit the necessary inventory of CPCs to be considered as abandoned.

WHEREAS, after thorough review and evaluation of the current situation of public land transportation in the country, this Board, in coordination with the Department of Transportation, concluded that infusion of additional units of critically identified denominations/ services of public land transport conveyances compliant with the

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

modernization program under Department Order No. 2017-011 or the Omnibus Franchising Guidelines (OFG) be undertaken in the entire country, through appropriation as a mode of acquiring CPC.

WHEREAS, the lifting of the moratorium on appropriation shall correspond to demands and convenience of the riding public, and will further enhanced accessibility of tourism areas, improved inter-regional trade, reduced travel time, and will significantly increase volume of trade and exchange of commodity.

NOW THEREFORE, premises considered, this Board hereby LIFTS the suspension/ moratorium on Applications for Appropriation, and OPENS the filing and acceptance of said nature of application with the LTFRB and its Regional Franchising and Regulatory Offices (RFROs) subject to the following guiding policies:

1. This Memorandum Circular shall only cover Public Utility Buses (PUBs) nationwide. Utility Vehicle (UV) Express Service and Air-conditioned Taxi (TX) Service shall be dealt with in subsequent issuances by the Board in consultation with the DOTr.

2. All abandoned and expired CPCs as of December 2012 are hereby declared cancelled and open for appropriation.

A CPC is considered abandoned when the CPC holder fails to confirm his franchise prior to the registration of the authorized unit/s with the Land Transportation Office (LTO) for Two (2) consecutive years which shall result to cancellation of the franchise.

3. As a policy, CPCs and its corresponding routes opened for appropriation shall be bundled in packages and the Board shall adopt the selection Premium Point-to-Point Express Bus Service project, in the selection of qualified Applicants for appropriation of abandoned/ expired CPCs. The implementing guidelines and details of the procedure for appropriation shall be set in a subsequent Memorandum Circular to be issued by the Board or RFRO concerned.

Further, operators of abandoned/ expired CPCs shall not be allowed to apply for appropriation.

Applicants should comply with the consolidation requirements set forth under Department Order No. 2017-011 Re: OMNIBUS GUIDELINES IN THE PLANNING AND IDENTIFICATION OF PUBLIC ROAD TRANSPORTATION SERVICES AND FRANCHISE ISSUANCE.

4. All received Applications for Appropriation shall be forwarded to the Secretariat of the Pre-Qualification Committee which will undergo an operator pre-qualification process to be conducted by the said Committee which is composed of the following:

Chairma

:

Executive Director

Vice-Chairman

:

Chief of the Legal Division

Member

:

Chief of the Technical Division

Member

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

:

Chief of ISMD

Member

:

Chief of Administrative Division

A non-voting member shall be appointed from the personnel of the Offices of the Board, respectively.

The Pre-Qualification Committee shall be replicated by the RFROs at their level.

5. To facilitate smooth transition under the OFG and ensure better service and safety of passengers, only units compliant with the OFG shall be allowed as authorized units.

6. Apart from the usual filing fee based on the number of units applied for after the first two (2) units and the usual Legal Research Fund Fee, an Appropriation Fee of Ten Thousand Pesos (P10,000.00) per unit shall be collected from the selected applicant upon filing of the application for appropriation.

7. The RFROs shall submit a report to the Board on the status of appropriation of CPCs in their respective regions.

8. Finally, in line with the policy of expeditious action on applications and petitions filed before the Board, there shall be no more need to submit the registration papers and surrender of plates of the authorized units authorized to the former grantee, and upon the grant of the application for appropriation, the new CPC/franchise shall be given a fresh period of five (5) years counted from the issuance of a decision thereof.

All issuances or parts thereof inconsistent herewith are hereby modified, amended, or superseded accordingly.

This Memorandum Circular shall take effect after fifteen (15) calendar days reckoned from 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, 31 May 2018.

(SGD) ATTY. MARTIN B. DELGRA III
Chairman

(SGD) ENGR. RONALDO F. CORPUS
Board Members

(SGD) ATTY. AILEEN LOURDES A. LIZADA
Board Member

Attested by:

(SGD) ATTY. SAMUEL A.M. JARDIN
Executive Director

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.