NATIONAL ADMINISTRATIVE REGISTER · JANUARY 11, 2005

JOINT PETITION FOR INCREASE IN THE RATES OF SPECIAL FARE FOR PUB SERVICE IN THE CORDILLERRA

DOTC SPECIAL FARE FOR PUB SERVICE IN THE CORDILLERRA, January 11, 2005

Read online (full-text search, related cases, audio case brief): https://batas.org/library/533be21c3be5/

JOINT PETITION FOR INCREASE IN Case No. 2004-SFR-CAR-005

THE RATES OF SPECIAL FARE FOR

PUB SERVICE IN THE CORDILLERA

DANGWA TRANS. CO. INC. Case No. 74-8811

RISING SUN TRANSPORT SYSTEM INC. Case No. 2003-CAR-026

GREGORY T. LIZARDO Case No. 94-CAR-423

ANTHONY MENDOZA, Et. Al.. Case No. 92-CAR-576 ..

Petitioners

MUNICIPALITY OF LA TRINIDAD,
BENGUET, represented by Hon. Nestor Fongwan,
Oppositor

PROVINCIAL GOVERNMENT OF MOUNTAIN PROVINCE,
represented by Atty. Immanuel Awisan,
Oppositor

UB PUBLIC INTEREST LAW ADVOCATES,
represented by Perry John P. Mendoza, President
Oppositor

x - x

D E C I S I O N

For resolution before us is a joint petition asking to increase the rates of special fare for PUB Service in the Cordillera, filed by the foregoing petitioners through their counsels.

The petition filed on July 12, 2004 proposes to increase the present rates by P2.00 for the first five (5) kilometers and P0.35 for each succeeding kilometer, or

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

FROM TO

Regular Fare: P6.00 for the first five (5) P8.00 for the first five (5) kms;

kms.; 1.25 for each succeeding km. 1.60 for each succeeding km.

Student, Elderly P4.75 for the first five (5) kms.; P6.50 for the first five (5) kms.;

& Disabled 1.00 for each succeeding km. 1.30 for each succeeding km.

Among other reasons and considerations, the petition has been premised on the series of increase in the prices of fuel and oil resulting in 25% increase in the pump price of diesel and in the increase of cost of spare parts and maintenance by 43%.

Also, petitioners claim that the devaluation of the peso from P44.195 to P55.88 to the dollar has, in effect, considerably reduced their gross earnings by about 21% not to mention the sudden upsurge of government regulatory fees imposed by R.A. 8794 and the increase of administrative and supervision fees of 25% charged by the LTFRB. In all these, the brunt of the burdens for the past three (3) years have been absorbed or assumed by the public transportation sector, in particular the operators and drivers.

Proceeding from these premises, the petitioners came up with computations to mathematically arrive at the proposed amount of increase making use of the traditional Rate Base Method and Incremental Analysis of revenue vis a vis the intervening increase in the costs of operations. Both computations were based on the findings of the Board en banc which, previously, were used by the latter to set and fix the rates of PUJs and PUBs in its Decision promulgated on May 25, 2004.

On the other hand, the Municipality of La Trinidad, Benguet, the Provincial Government of Mountain Province and the U.B. Public Interest Law Advocates filed their opposition to the application for special fare rate. In sum, they alleged among others that people are suffering from economic crisis; that the rehabilitated conditions in the Halsema have reduced the costs of bus maintenance and operations, that the number of passengers has increased through the years; that the petitioners failed to substantiate their claims that they are spending more in maintenance and costs; and that the fare rate asked is an additional burden to the public. Also in its position paper, the Provincial Government of Mt. Province revealed that petitioners are charging 15 centavo per kilometer more; that is over and above the nationwide fare increase granted by the Board.

In resolving the issues, this office has to balance the interests of the operators on one hand and the riding public, on the other so that the rates set and fixed will be generally affordable and will enable the operators to continue to render adequate, safe and sustained public service.

While it is true that the Halsema road has already been rehabilitated, it is also true that it is a winding highway with sharp curves and steep ascents and descents on some portions. Likewise most of the roads going to the different municipalities of Benguet and Mountain Province are still mostly rugged and steep. The geographical location and road conditions all contribute to the faster wear and tear of the vehicles' spare parts as compared to the roads in the lowlands. However to justify an increase based solely on the road condition is insufficient because strictly speaking, it is the responsibility of the government to provide for better roads and access and ideally, the

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

commuters should not shoulder the brunt. By the same token, the peso devaluation and the increase in administrative and supervision fees don't hold water in granting a special fare. It is the lookout of the operators to devise management plans to address such foreseen financial strains in their businesses.

What is more noteworthy to be tackled and considered are two major components in the operation of public utility buses; the series of increase in the prices of spare parts and the price of diesel or fuel. It is a fact that after the grant of the nationwide fare increase and even after the filing of this petition, the prices of diesel, spare parts and maintenance costs have considerably increased thereby compounding the burden that the petitioners have to face in their operation. The price per liter of diesel has increased by as much as 30% not to mention prices of lubricants such as engine and gear oil, greases and brake fluid which have increased as well by at least 25%. The estimated increase in spare parts prices, tires and tubes, cost of repairs and maintenance, salaries and wages which represents a big portion of the operating costs, must all be taken into account as well.

Given the fact that the operating costs for bus operators have substantially risen and that the recent nationwide fare increase isn't enough to defray such expenses, and considering the terrain in the Cordillera Region and the poor state of roads in Benguet and Mountain Province, the Petitioners in this case deserve an upward adjustment in their fares. What needs only to be considered is the rate of upward adjustment with the interest of the riding public as the primordial consideration, while also having in mind what is fair and just to the applicants. As stressed "any rate increase that may be granted must not be unduly burdensome to the riding public."

Before we finally resolve the issues, we take judicial notice of the fact that since the time of the defunct Board of Transportation, PUV operators in the mountainous region like the Cordillera has been granted a special fare higher than what is prescribed by the Board en banc nationwide. However, the Regional Board, in considering the petition for special fare rate, has only in mind the condition in Benguet Province and Mountain Province since the routes of buses in the other provinces are generally in good condition.

We also take judicial notice that in the last grant of special rates for PUB service in the Cordillera in October 2000, the operators were given P0.35 cushion over and above the nationwide rate of P0.90 per kilometer. However with the present economic distress experienced by the public and considering that wages and salaries have not increased despite the hike in oil and basic commodities, it would be very unjust to let them absorb the entire residual amount in the oil price hike.

WHEREFORE, in view of the foregoing and pursuant to Section 16, subsection (c) of the Public Service Act, as amended and Section 5, subsection (c) of Executive Order No. 202, the following adjustment in the rates of public utility buses in the Cordilleras are hereby ordered, to wit:

Regular Fare : P8.00 for the first five (5) kms.

P1.45 for each succeeding km.

Student, Elderly: P6.50 for the first five (5) kms.

& Disabled P1.20 for each succeeding km.

subject to the following conditions:

1. The Special Fare rate is applicable only to public utility buses whose routes as contained in their Certificates of Public Convenience ply Benguet Province and Mountain Province;

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

2. The Elderly, Disabled and Student should at all times be given a 20% discount on the above-mentioned regular fare upon presentation of their duly issued Identification Cards (IDs); failure or refusal to do so shall subject the operators and employees concerned to the penalties prescribed under existing rules of the Board;

3. Children three (3) feet and below shall be free of charge when riding PUB and shall be alloted seats. Children shall not be allowed to sit on the lap of his/her adult companion for safety reasons and purposes. All PUB operators are therefore required to provide a measuring device (e.g. tape measure, yardstick and the like) set up on the vehicle entrance to serve as guide;

4. All franchised PUB operators having been benefited by this Decision, are deemed to have individually applied for a fare increase and shall pay the Board the corresponding filing fee of P520.00 (inclusive of one (1) original copy of fare matrix) per case number plus P50.00 per authorized unit. The fee P50.00 shall entitle the operator/driver to an original copy of the fare matrix where the plate number of that particular unit is indicated therein.

5. The fare matrix shall contain the landmark of every kilometer and the authorized seating capacity of the specific unit;

6. All PUB operators concerned shall post in conspicuous places inside their vehicle and terminals or station the aforesaid fare matrix for the information of the riding public to avoid disputes with drivers and conductors;

7. Overcharging and/or undercharging shall be penalized with the corresponding penalties prescribed for said offenses by the Board;

8. Fares beyond the minimum distance of five (5) kilometers shall be computed using the straight method of computation where the succeeding kilometer distance is multiplied by the rates and rounded off to the nearest 25 centavos;

Finally, the Regional Board concludes by enjoining all the petitioners, in the service of the riding public, to abide by their CPC conditions, to observe traffic rules and laws, and to keep their terminals clean, safe and orderly.

This Decision shall take effect after fifteen (15) days following its publication in the U.P. Law Center pursuant to Presidential Memorandum Circular No. 11, October 1992.

SO ORDERED.

(SGD.) ALFREDO P. MONDIGUING
Regional Director

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.