

AIDE-MEMOIRE REGARDING RETENTION AND AUTHORITY BY LTO TO REGISTER MOTORIZED TRICYCLES UNDER R.A. NO. 4136, AND GUIDELINES TO IMPLEMENT DEVOLUTION OF LTFRB'S FRANCHISING AUTHORITY...

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Below are copies of the Guidelines to Implement the LTFRB Franchising Authority over Tricycles-For-Hire to Local Government Units Pursuant to the Local Government Code (R.A. No. 7160) and the Aide-Memoire[*] whereby the Department of Transportation and Communications maintains that the matter of registration and collection of fees and charges on motor vehicles was not amended or superseded, either expressly or tacitly by R.A. No. 7160. Therefore, LTO still retains the power/authority to register all types of motor vehicles including tricycles which are motorized under Republic Act No. 4136.

For information, guidance, and strict compliance of all concerned.

Adopted: 2 May 1994

(SGD.) MANUEL F. BRUAN

Brig. Gen. AFP (Ret.) Assistant Secretary

4th Indorsement

20 April 1994

Respectfully returned to the Assistant Secretary, Land Transportation Office, East Avenue, Quezon City.

Below are the Guidelines to Implement the Devolution of LTFRB's Franchising Authority over Tricycles-For-Hire to Local Government Units Pursuant to the Local Government Code (R.A. No. 7160) issued by this Department.

As regards the issue on the registration of motorized tricycles, it is our position that the registration thereof is still vested with Land Transportation Office (LTO) under R.A. No. 4136 otherwise known as the "Land Transportation and Traffic Code". Below is an Aide-Memoire dated 28 February 1993 containing our official stand on the matter.

It is advised that widest dissemination of said official stand be made for the information and guidance of all LTO field offices.

(SGD.) WILFREDO M. TRINIDAD

Assistant Secretary for Administrative and Legal Affairs

GUIDELINES TO IMPLEMENT THE DEVOLUTION OF LTFRB'S FRANCHISING AUTHORITY OVER TRICYCLES-FOR-HIRE TO LOCAL GOVERNMENT UNITS PURSUANT TO THE LOCAL GOVERNMENT CODE (R.A. ACT NO. 7160)

Basis

These guidelines are being issued pursuant to the Local Government Code (R.A. Act No. 7160) for the purpose of affecting the smooth transfer of power responsibilities of the Land Transportation Franchising and Regulatory Board (LTFRB) over tricycles-for-hire to the respective municipal and city government.

The pertinent provisions are: Section 447, par. 3 (vi), Article 3, Chapter 3, Title 2, Book III for municipalities; and Section 458, par. 3 (vi), Article 3, Chapter 3, Title 3, Book III for cities.

Definitions

1. A Tricycle-for-hire is a motor vehicle composed of a motorcycle fitted with a single-wheel side car or a motorcycle with a two-wheel cab operated to render transport services to the general public for a fee.
2. Motorized Tricycle Operator's Permit or MTOP is the document granting franchise or license to operate issued to a person, natural or juridical, allowing him/it to operate tricycle-for-hire over zones specified therein.
3. A zone is a contiguous land area or block, say a subdivision or a barangay, where a tricycle-for-hire may operate without a fixed origin and destination.

Powers Involved

In lieu of the Land Transportation Franchising and Regulatory Board (LTFRB) in the DOTC, the Sangguniang Bayan/Sangguniang Panlungsod (SB/SP) shall perform the following:

- a) Issue, amend, revise, renew, suspend, or cancel MTOP and prescribe the appropriate terms and conditions therefor;
- b) Determine, fix, prescribe or periodically adjust fares or rates for the service provided in a zone after public hearing;
- c) Prescribe and regulate zones of service in coordination with the barangay;
- d) Fix, impose and collect, and periodically review and adjust but not oftener than once every three (3) years, reasonable fees and other related charges in the regulation of tricycles-for-hire;
- e) Establish and prescribe the conditions and qualifications of service.

Rules of Entry

Only Filipino citizens and partnerships or corporations with 60% Filipino equity, are qualified to be operators of tricycles-for-hire. However, no MTOP shall be granted unless the applicant is in possession of units with valid registration papers from the Land Transportation Office (LTO).

A grantee of MTOP must carry a common carrier's insurance sufficient to answer for any liability it may incur to passengers and third parties in case of accidents.

Fares

The fares shall be established at a level that will provide the operator a reasonable return or profit, and still be affordable to the general public.

The fare structure may either be flat (single fare regardless of distance) or a minimum amount plus a basic rate per kilometer.

Until such time that the SB/SP has prescribed the fare structure for the zone, the official fare to be initially adopted shall be a minimum fee of P2.00 plus P0.50 per km. in excess of 4.0 km. distance.

The table of fares should be posted prominently at the tricycle terminal and in a conspicuous part of the vehicle.

Operating Conditions

1. For safety reasons, no tricycle should operate on national highways utilized by 4-wheel vehicles greater than 4 tons and where normal speed exceeds 40 KPH. However, the SB/SP may provide exceptions if there is no other alternative route.
2. Zones must be within the boundaries of the municipality/city. However, existing zones within more than one municipality/city shall be maintained, provided that operators serving said zone shall secure MTOP's from each of the municipalities/cities having jurisdiction over the areas covered by the zone.
3. A common color for tricycles-for-hire operating in the same zone may be imposed. Each unit shall be assigned and bear an identification number, aside from its LTO license plate number.
4. An operator wishing to stop service completely, or to suspend service for more than one month, should report in writing such termination or suspension to the SB/SP which originally granted the MTOP prior thereto. Transfer to another zone may be permitted upon application.
5. The MTOP shall be valid for three (3) years, renewable for the same period. Transfer to another zone, change of ownership of unit or transfer of MTOP shall be construed as an amendment to an MTOP and shall require appropriate approval of the SB/SP.
6. Operators shall employ only drivers duly licensed by LTO for tricycles-for-hire.
7. No tricycle-for-hire should be allowed to carry more passengers and/or goods than it is designed for.
8. A tricycle-for-hire shall be allowed to operate like a taxi service, i.e., service is rendered upon demand and without a fixed route within a zone.

Franchise and Other Fees

The following fees may be imposed and collected by the SB/SP:

1. Annual Franchise Fee — to be collected once a year on or before the anniversary date of the MTOP, unless another schedule is decided upon by the SB/SP.
2. Filing Fee — to be collected upon application for an MTOP based on the number of units.
3. Fare Adjustment Fee for Fare Increase — to accrue upon approval of fare increase and to be collected together with the annual franchise fee.
4. Filing Fee for Amendment of MTOP — to be collected upon application.

Other Provisions

The LTFRB shall furnish the records of tricycles-for-hire and their operators to their respective local governments.

Special Permits or Provisional Authorities issued by the LTFRB shall remain valid until their expiry date. Operators, however, may choose to apply for a new MTOP or an amendment of their existing MTOP at an earlier date with the SB/SP.

Nothing in this guideline shall be construed as limiting the powers of LTO in the registration of motor vehicles and in the enforcement of transport rules.

Effectivity

Effective 01 July 1992, only the SB/SP, as the case may be, shall issue MTOP for tricycles-for-hire. The powers, functions and authorities of the LTFRB over said vehicles shall cease on 30 June 1992.

(SGD.) JESUS B. GARCIA, JR.

Secretary

[*] Not included here.

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