MODIFYING DEPARTMENT ORDER NO. 2004-52 RELATIVE TO THE OPENING OF AUV/VAN EXPRESS SERVICES AS NEW PUBLIC LAND TRANSPORT CLASSIFICATION AND PROMULGATING ITS IMPLEMENTING RULES AN...

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Pursuant to Department Order 2005-010 "Policy Guidelines on the Exercise of Authority and Functions by the Land Transportation Franchising and Regulatory Board", the LTFRB can now amend or modify, in part or in its entirety, existing Department Order(s) previously issued by DOTC governing the powers and functions of LTFRB, specifically in prescribing and regulating routes, economically viable capacities and zones, or areas of operation for public land transportation services provided by motorized vehicles in accordance with public land transportation development plans and programs approved by DOTC.

As such, under DOTC Department Order 2004-52, dated 06 October 2004, which amended Department Order 97-1097 "Providing Standard Classification for All Public Transport Conveyances", included the AUV/VAN Express Service as a new Public Land Transport Classification is hereby modified/amended to adopt the following specific provisions and guidelines:

A. Technical and Operational Characteristics and Attrributes:

1. Type of Service

:

AUV/Van Express Service

2. Seating Capacity and

:

Asian Utility Vehicles (AUVs) such as Toyota FX, Mitsubishi Adventure, Isuzu Highlander

Body Make
and similar body types with nine (9) passengers including driver (2 in front, 3 in the middle

and 4 at the back) for AUVs. Liftback models are not qualified for conversion (i.e. Toyota Revo, Isuzu Crosswind and Mitsubishi Adventure model 2004).

Regular vans (Kia Besta/Pregio, Toyota Hi Ace, Mitsubishi L-300, Nissan Urvan Shuttle, Mazda E2000, Hyundai Grace and other similar body types) must have a maximum of ten (10) passengers, including driver (2 in-front, 2 at the back of the driver, 2 in the middle row and 4 at the rear seats). Jump-seats must be removed.

Extended vans (Nissan Urvan VX, Toyota Hi Ace Com- muter) must have 12 passengers including driver (2 in- front, 2 at the back of the driver, 2 at the near middle row, 2 at the far middle and 4 at the rear seats). Jumpseats must be removed.

Freight Board (FB) Type Vans (Mitsubishi L-300 FB, Kia Ceres and similar body types) must have a maximum of 14 passengers, including driver (2 in-front, 6 per row at the back). Two-point seatbelts and dual air-conditioning unit (optional in rural areas) must also be provided.

3. Route

:

Fixed route, subject to the recommendation of the DOTC-Road

Transportation Planning Division (RTPD) and approval of the Board.

:

Shall not directly compete with MRT/LRT, PUB and PUJ routes. Maximum

of 25%direct co routing with PUB and PUJ routes may be allowed.

:

Terminal to Terminal with no loading/unloading between route origin and destination.

4. Route Ceiling

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:

Metro Manila and adjoining areas:

Distance
35 kilometers

Regional and Rural Areas:

35 kilometers for intra-regional routes

75 kilometers for inter-regional routes

Provisions for exemptions exceeding 75 are subject to LTFRB Regional Director endorsement/recommendation and Board Approval.

Distances exceeding 140 kilometers are subject to a joint endorsement by DOTC-RTPD/LTFRB TWG and final Board approval.

Provided further that the franchise to be issued shall be subject to Route Rationalization once the Inter-modal Terminal Projects of the Department is completed.

5. Maximum Age Requirement

:

Thirteen (13) years reckoned from the date of manufacture of unit(s)

6. Ventilation

:

Air-conditioned for urban areas and optional air-conditioned ventilation for rural

areas, subject to LTFRB-RD recommendation and final Board approval.

7. Color Scheme

:

All White, including bumpers

8. Fare

:

Based on total route or zonal distance, as regulated and authorized by LTFRB.

B. General Guidelines:

The following implementing guidelines shall be adopted under the AUV/Van Express Service:

1. Coverage - Conversion to AUV/Van Express Service shall apply to all operators with subsisting Certificates of Public Convenience (CPCs) under the following transport service denominations which are utilizing Asian Utility Vehicles and Vans:

1.1 School Transport Service (except vans)
1.2 Shuttle Service
1.3 Vehicle-for-Hire Service
1.4 Filcab
1.5 Garage Service
1.6 Air-conditioned Public Utility Jeepneys
1.7 Trucks-for-Hire

However, petitions/applications for late filing of expired CPCs/franchises of the above-mentioned types of service utilizing AUVs and Vans with an expiry date as of 27 May 2004 (MC 2004-016) to present may be accepted, subject to Board approval.

2. AUV/Van Express Operations - Overall operations shall be governed by the principle of "Terminal to Terminal Only" and "No pick-up (Loading), No drop-off (Unloading)" while operating in a given route. The primary operational concept shall target and motivate those currently using private vehicles to shift to being commuters utilizing an alternative and comparatively convenient mode of public transport.

3. AUV/Van Express Franchise Conversion Applications - Conversion of the aforecited subsisting transport classifications with CPCs utilizing AUVs and Vans in inter-regional routes in Mega-Manila (Metro Manila*, Bulacan, Pampanga, Rizal, Cavite, Laguna and Quezon) shall be implemented from 01 August 2005 to 30 December 2005.

Conversion of provincial operations (Intra and Inter-regional routes) in Luzon, Visayas, Mindanao shall be implemented, subject to a separate Memorandum Circular to be issued by the Board.

*intra-regional routes in Metro Manila (NCR) shall be included in the current AUV/Van Express conversion process.

4. Exemptions on Route Ceiling Distance - AUV/Van Express Service routes must not be more than the above-mentioned ceiling distances. However, exemptions may be considered by the Board, subject to the results of Transport Studies/Survey to be conducted by the DOTC-Road Transport Planning Division with the following considerations:

4.1 Absence of an "intervening commercial/highly urbanized areas" between route ends. An intervening area is defined as a strategic area capable of absorbing transfer of passengers and where an adequate supply of public transport services to cater connecting services is assured.

4.2 There are no alternative transport services or the existing services or supply cannot meet the passenger demand and in some cases the route is abandoned.

4.3 Most sections of the route have limited road space or width capacity that discourage/prevent normal operation.

4.4 The transport demand between the applied routes is not substantial to assure profitable operations.

4.5 The route applied for is inter-provincial in nature, exceeding 15 kilometers but not the maximum of 35 kilometers.

4.6 Absence of an adequate transfer service area between route ends.

Inter-regional and/or provincial operations, routes more than 35 kilometers but less than 140 kilometers, shall be provided with safety and maintenance check stop-overs/transfer stations at midpoint. AUV/Van Express groups, associations and cooperatives shall be responsible for the setting-up of said safety check stop-overs and/or transfer stations.

5. Route Identification - Route identification shall be subject to the DOTC Road Transport Planning Division (RTPD) Transport and Passenger Demand Survey. Initially, the routes should be feeder access to urban centers (CBDs) and terminals of higher modes of transport (i.e. MRT/LRT in Metro Manila and PUB in the regions). The 25% co-routing scheme with PUB and PUJ shall be imposed, however the following exemptions may be considered, subject to Board approval:

5.1 Inasmuch as toll-ways are neutral access where all types of PUVs are not allowed to load/unload passengers, AUV/Van Express routes utilizing said toll-ways should be considered as non-factor for co-routing.

5.2 The use of Diversion Roads where there is direct lateral competition with PUJs and PUBs shall also be considered as a non-factor for co-routing, provided that traffic capacities are not impaired.

5.3 The use of a major highway as a single transport link in particular region may be exempted from co-routing, provided that higher capacity modes (i.e. PUB and mini-buses) could not meet the passenger demand (quantitative) and convenience (qualitative).

6. Route Coding Scheme - The following Route Coding shall be adopted in order to differentiate routes and ensure traffic law enforcement compliance. The following Alpha-Numeric Nomenclature shall be adopted:

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a. A - Inter-Regional Routes

b. B - Intra-Regional Routes

Luzon Mindanao

c. R1 - Region 1 m. R9- Region 9

d. R2 - Region 2 n) R10 - Region 10

e. R3 - Region 3 o) R11 - Region 11

f. R4 - Region 4 p) R12 - Region 12

g. R5 - Region 5 q) R13 - Region 13 (CARAGA)

h. CAR - Region (CAR)

i. NCR - Region NCR

Visayas

j. R6 - Region 6

k) R7 -Region 7

l) R8 - Region 8

Example 1:

B-NCR-01 (Ex. Ayala-Alabang via SLEX)

Example 2:

A - R3NCR -01 (Ex. Malolos-Monumento via NLEX)

Where : First alphabet, refers to inter-regional route if A and B for intra-regional routes.

: First alpha/numeric value (R3) refers to region of origin, which is Re- gion 3 Central Luzon (example 2) if Inter-regional while NCR if intra- regional route in Example 1

: Second alpha/numeric value (NCR) refers to region of destination, which is NCR

: Third and fourth numerical values (0& 1) refers to route code number assigned.

It may be noted that the maximum code range would be 8 digits, depending on the number of routes. If the number of routes exceed 99, then the number of digits would be increased by 1.

7. Operational Proximity - Only applicant-operators residing and/or with business address within a a 5-kilometer radius from at least one (1) terminal of route ends shall be given priority to operate in a particular route. In no case shall operators be allowed to pick-up/drop-off passengers en-route to their designated terminals. However, provincial AUV/Van operations are exempted from the 5-kilometer proximity rule.

8. Minimum Requirement for Terminals - Terminals should be "Off-Street" and situated at route end points with covered passenger waiting areas, loading/unloading bays and vehicle lay-over areas. Presence of amenities such as free drinking stations and clean comfort rooms, separately for male, female and persons with disabilities shall be checked. A diaper changing booth/station should be present. Adequate parking area to accommodate at least 33% of the total authorized units terminating on said terminals and computed at 16 square meters per AUV/Van unit.

Terminals are subject to LTFRB inspection procedure and compliance with local government unit and/or HLURB clearances and other pertinent guidelines.

Applicant-operators must present a Lease Contract and/or certification duly issued by the concerned terminal manager allowing them the use of terminal(s). In the event of termination of contract or terminal access agreement, the operator shall notify the Board within fifteen (15) days from date termination. Should there be no replacement of an alternative terminal, the Board shall automatically revoke/cancel the issued CPC.

Garages should be "Off-Street" and "Off-Side-walks" with an ample space to accommodate number of unit(s) applied for.

9. Schedule and Procedure of Payment of Compromise Conversion Fees and other Related Charges - An additional Compromise Conversion Fee amounting to P30,000.00 per unit shall be collected by LTFRB (per Department Order 2004-52), separate from regular fees and charges, be payable within FY 2005. Payment shall be in the form of Manager's/Cashier's checks payable to LTFRB with the following schedule of payment options:

9.1 Full payment of 30,000.00 upon Filing of Application
9.2 Installment Plan

a. Two Partial Payment Scheme
- P15,000.00 upon filing of application
- P15,000.00 upon release of Decision

b. Four (4) Partial Payment Scheme
- P7,500.00 upon filing of application
- P7,500.00 upon appearance during hearing
- P7,500.00 upon inspection of vehicle
-P 7,500.00 upon release of decision/order.

10. Sale and Transfer/Dropping and Substitution - Applications for Sale and Transfer of CPCs shall not be allowed within a period of five (5) years from the date of approval. Perfected sale and transfer beyond this period shall be interpreted as proof of non-financial capability by the franchise holder, therefore, such operator may not be considered for future grant of franchise for the same mode. However, Applications for Dropping and Substitution of Units shall be allowed provided that newer models should be used as substitutes with a life span of

five (5) remaining years before phase-out.

11. Modification of Routes - Applications/Petitions for Modification of Routes shall not be allowed within the effectivity period of the CPC (5 years).

12. Qualified Year Models - Only AUV/Van Express units reaching the thirteen (13) year-old maximum age maturity within the 5-year term of the CPCs shall be allowed. Reckoning 2010 as the maturity date, only unit models from 1998 to present shall be allowed for conversion.

13. Establishment of Seaport Taxi - This sub-classification shall be established for operations specifically dedicated to service passengers at seaports nationwide which is designed for Metered Taxis using AUVs. A separate Memorandum Circular shall be issued to cover operational details.

14. Security Markings and Decals - All units under this denomination shall be issued a Route Panel Identification Marking with security features i.e. bar code, etc., specifying actual route description located inside the upper front windshield and both right and left side body. The text of the "How's my Driving" Project shall also be included in the rear glass decals. The payment for the security markings and decals is included in the Thirty Thousand Pesos (P30,000.00) Conversion Fee.

15. Evaluation Criteria - In the evaluation of applications, the following criteria for ranking shall be adopted:

15.1 Submission of Annual Reports and ITR/Tax Clearances for the past two (2) years wherein the Financial Capacity shall be evaluated (30%)

a. Capital Expenditures-Total Assets Ratio (10%)

To determine the applicant's capacity to effectively operate its units, a greater degree of allocation for capital expenditures shall be established. (Range is 0.1-0.5)

b. Liabilities/Total Assets Ratio (10%)

To effectively assess the applicant's capability to maintain and sustain the operations of its units, the least liability shall be the benchmark. (Range is reciprocal of 0.1-1)

c. Fiscal Efficiency or Cash Flow Trend (10%)

A comparative assessment shall be undertaken on the trend of the applicants' total assets on a yearly basis for at least two years to determine its economic growth and improvement. (Range is 1-100%, if negative-no points shall be given.)

15.2 Quality of Service (20%)

Safety, Comfort and Convenience

Mandatory inspection of units shall be undertaken to include a check on regular maintenance schedules and units' conformity with the provision of the IRR of Land Transportation and Traffic Code (RA 4136). Moreover, the following amenities shall be checked and inspected:

a) Condition of interior features such as carpets, matting, seat covers and scent.

b) Functional capacity of air conditioning unit.

c) Presence of fire extinguisher, emergency light/flashlight, basic tools and first aid kit.

d) Waste disposal unit.

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15.3 Law Enforcement Reports (30%)

a) Reports from PNP-TEG/TMG (10%)

b) Reports from LTO (10%)

c) Reports from MMDA (10%)

PNP, LTO AND MMDA must indicate apprehensions/violations and payments made.

15.4 Terminals (10%) (subject to provision B-8 of this MC)

15.5 Garage (10%) (subject to provision B-8 of this MC)

Demerit points shall be deducted for non-compliance with MCs/related rules (-2 for every MC violated)

16.Creation of an LTFRB AUV/Van Express Processing Secretariat - A separate Processing Secretariat shall be created to facilitate and ensure the smooth implementation in the processing of all applications for AUV/Van Express Conversion. The following is the composition:

Head, Secretariat - Office of the LTFRB Chairperson

Members - TED Rep.

MID Rep.

Administrative Office Rep.

Legal Office Rep.

Finance Rep.

Mailing Contractor Rep.

The Secretariat shall be under the direct supervision of the Office of the LTFRB Chairperson and a separate office space shall be provided to serve as the nerve center.

C. Procedural Guidelines

1. Information Dissemination and Acceptance of Applications via Courier Service and Mail - Initially, LTFRB Secretariat shall inform, through mail, all subsisting CPC holders of aforementioned qualified types of service utilizing AUVs/Vans for the Conversion Process. The following steps shall be undertaken:

a. Based from the MID list of verified franchises (FVs) that are qualified for Conversion, the Secretariat shall inform the prospective applicants that they are qualified under the AUV/Van Express Conversion Program. Along with the Pre-qualification letter, Application/Information Forms and Checklist of Requirements shall be sent to the qualified CPC holder(s) through Philpost registered mail. The respondent(s) shall signify their intent to operate in three (3)-preferred routes applied for and prioritized ranked in terms of operational requirements, particularly on the proximity rule. (Should there be an excess of applications on a particular priority route applied for, the Secretariat shall automatically designate the next priority route, provided that the route is still open). The respondents shall also choose the terms/schedule of Conversion Fee payments among the options presented in the Application/Information Form.

b. Upon filling-up, the respondent-operator shall call a Secretariat telephone hotline to schedule pick-up of

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document package via Courier Service, including the payment (Manager's/Cashier's Check) and duly accomplished application form, LTO OR/CR of vehicle and other required documents (xerox copy) from the residence or business address of the operator.

c. Central Office-Window 4 shall be designated as the Mail Center (Incoming and Out-going) during the processing period.

2. Issuance of Notice of Hearing, Certificate of RMC Availability (CRA) and Payment Order Slip (POS) - The Secretariat, upon receipt of the payments and application forms, shall conduct a pre-screening procedure to determine completeness and order of documents. Should documents be complete, the Secretariat shall prepare the corresponding Notices of Hearing (Legal Office Rep.) and consolidated list of all qualified applicants on a per route/batch basis. The Secretariat shall also prepare the corresponding Certificate of RMC Availability for signature of both the LTFRB Chairperson (CHP) and the Board Member for Technical Services (BMTS), based on the quota per route as determined from the Transport Survey conducted by DOTC-RTPD. The Cashier shall issue the corresponding Payment Order Slip during this stage.

3. Assignment of New Case Numbers and Final Evaluation - The batch of qualified Applicant's case folders with the signed CRAs shall be turned over to the TED Rep. for Case Number assignment and final evaluation in terms of financial viability, technical/operational feasibility including pertinent attachments and requirements. All CPCs/franchises for conversion shall be assigned a new case number, however the old case number shall be cited in the ensuing decision as a basis for conversion and databanking. As such, the LTFRB MID/Records Officers shall cancel or remove all converted case numbers from existing LTFRB dockets/entries and render said case number void/nullified.

TED shall conduct technical and ocular inspection of terminals in all routes applied for within 3 days from submission of applications, subject to the above requirements. Thereafter, immediately transmit the said inspection reports to the Board through the Planning Unit.

4. Publication, Hearing and Other Legal Procedures - Prior to hearing, the operator-applicant must pay the Cashier based on the POS issued and the Official Receipt must be presented to the Hearing Officer for verification. Regular hearing procedures shall follow after proper publication in any newspaper of general circulation. After presentation of FOEs and affirmative resolution, decisions shall be prepared for final Board approval.

5. Board Approval and Docketing - Upon Board approval, decisions shall be sealed with LTFRB holograms and transmitted to the Docket Section including the case folder. After docketing, the case folder shall be forwarded to the MID for encoding and subsequent delivery via courier or should there be a 4th installment payment to be collected.

6. Actual Unit Inspection and Installation of Decals and Markings - TED shall conduct actual unit inspection at the Central Terminal after the Board approves the Conversion Decision. During the said inspection, LTFRB panel route identification markings and decals shall be installed at the top windshield, both mid-body sidings and top of the rear windshield of the vehicle. LTFRB shall also collect the Conversion Fee installment payment for those operators who availed of the 4-Payment Plan.

7. Attachments - Attached herewith as Annex "A"[*] is the List of Routes determined by the DOTC-RTPD with corresponding distance and Route Measured Capacity.

Other rules and regulations that are inconsistent with the provisions of this Memorandum Circular Order are hereby repealed and/or modified accordingly.

This Memorandum Circular shall take effect fifteen (15) days following the filing of three copies hereof with the UP Law Center, pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

SO ORDERED.

Adopted: 21 July 2005

(SGD.) MARIA ELENA H. BAUTISTA
Chairperson

(SGD.) GERARDO A. PINILI
Board Member

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[*] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

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