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CONSOLIDATED DECISION RE: PETITION FOR THE INCREASE OF TAXI FARES IN THE CORDILLERA ADMINISTRATIVE REGION

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FEDERATION OF TAXI OPERATORS AND DRIVERS ASSOCIATION, INC. (BAGUIO-BENGUET)

C.N. 2004-SFR-CAR-006

First-petitioners,

ROBERT ZULUETA, ET. AL., C.N. 2004-SFR-CAR-008

Second-petitioners

CONSOLIDATED DECISION

For resolution by this board are two (2) separate petitions for the increase of taxi fares in the Cordillera Administrative Region (C.A.R.) filed by the above petitioners on July 19, 2004 and August 13, 2004, respectively:

The first petition prayed for an increase of P7.00 from the present flag rate of P20.00 to P27.00 for the first five hundred meters (1st 500 m), P2.00 for the succeeding 250 meters and a waiting time rate of P1.00 for every minute and 30 seconds;

The second petition on the other hand prayed for an increase of P5.00 from the present flag rate of P20.00 to P25.00 for the first 400 meters, P1.00 for the succeeding 150 meters and a waiting time rate of P1.00 for every one minute and 30 seconds;

In the scheduled date of hearing of the first petition on August 19, 2004, the first-petitioners appeared with their counsel, ATTY. ROBERTO MABALOT, JR. They prayed for the marking of their documentary exhibits to prove compliance with the jurisdictional requirements. After the marking of their exhibits, they presented three (3) witnesses who are themselves operators of taxi services on the route: Baguio City to any Point in the Cordillera Administrative Region (C.A.R). The Witnesses for the first petitioners testified on the substance of their petition and the comparative operating cost for the year 2000 as compared to the current cost of taxi operation. They also testified that the recent increases in the LTO registration fees and LTFRB fees have imposed additional cost in their taxi operations. After their testimonies, their counsel manifested that they be given a period of ten (10) days to submit their position paper.

MR. ROBERTO ZULUETA representing the second petitioners appeared and prayed for the resetting of the initial hearing because their counsel has a previously set hearing of similar importance. The hearing of the second

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petition was then scheduled for August 27, 2004.

On August 25, 2004, an opposition to the petition for fare increase for taxis in Metro Baguio was filed by LINIS GOBYERNO, INC., represented by its Executive Director, FREDDIE FARRES; and members. The oppositors enumerated their grounds for opposing the increase, as follows:

That the hearing of the petition being in the nature of the public hearing was not sufficiently disseminated to the riding public or their representatives in the LGUs and NGOs, hence, it is doubtful if it was able to comply to the jurisdictional standard set by LTFRB for such kind of hearing; while it is given that prices of fuel and other costs for transport operation have gone up, as with other commodities, the petitioners failed to show by detailed computation for the public to see whether or not the increase in the fares asked corresponds to the increase in their cost of operation, otherwise leaving the public to be duped; the increase is rather too high vis a vis the wages and salaries received by laborers and employees such that the average commuting passengers may no longer be able to afford the service and thus may even decrease in the patronage of taxi thereby affecting the income of taxi drivers/operators; instead of asking for an upward leap in the fare rates, the petitioner should adopt other alternatives to offset the increasing cost of operation by policing the taxi industry in Baguio of colorums, of illegal operation of garage and other for hire vehicles operating as taxis, oppose the alleged increase in the issuance of irregular and fraudulent franchises as petitioners themselves alleged or perhaps put up their cooperative store for fuel and spare parts, the oppositors believe that the DOTC-CAR has no jurisdiction or authority to hear and set new fares for interregional operations such as taxi service on the line: Baguio City to any Point in Region 1 and/or Luzon as per LTFRB Memorandum Circular, bereft of jurisdictional power to hear and set fare for interregional operations, any decision of the DOTC-CAR on the case will be void ab initio.

When the second petition was called on August 27, 2004, the oppositor sent a representative in the person of MS. GRACE BANDOY who upon being inquired if she was duly authorized by LINIS GOBYERNO, INC. failed to present any authority. Nonetheless, the board in the interest of fair play, reset the hearing to enable the executive director and/or authorized representative of the oppositor to be present at the hearing of the petition. The hearing was then scheduled for September 15, 2004, but was again postponed due to inclement weather.

When the second petition was finally heard on September 23, 2004, the second petitioners and their counsel, ATTY. LIBERATO TADEO appeared. The oppositor did not send any representative to attend the hearing despite receipt of notice of hearing sent by the board. The second petitioners then marked their documentary exhibits to prove compliance with the jurisdictional requirements. After the marking of their exhibits, they presented ROBERTO ZULUETA who testified mainly on the increase in the cost of operating taxi services in the past years as compared to the costs of taxi operation at present. After the testimony of Mr. Zulueta, the second petitioners moved for the submission of their petition for resolution by the board.

The two groups of petitioning operators were ordered to submit their respective position papers. In the position paper filed by the first group of petitioners, they enumerated the factors that should be considered in approving the fare increase on taxi services, among the factors pointed out are: the recent grant of increase in PUB and PUJ fares by which the board considered the successive increases in the prices of fuel and other maintenance cost, the increase in government fees. They averred that taxi operations is very similar to jeepney operations in the sense that an ordinary driver shoulders two (2) basic cost boundary and cost of fuel. The operator in turn is responsible for the maintenance of the vehicle, registration, and issuances and insures compliance with Government requirements.

They also submitted a COMPARATIVE OPERATING COST OF A TAXI UNIT for the year 2000-2004, as follows:

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OPERATIONAL EXPENSE INCREASE

a. For spare parts, there is an average increase of 37.66%
b. For lubricants, there is an increase of 35.4%
c. Labor for change oil and filter, there is an increase of 50%
d. For fuel (unleaded gasoline), there is an increase of 52.91%

AVERAGE OPERATIONAL EXPENSE INCREASE = 46.97%

In the petitioners' position papers, which this board will jointly consider, the effect of the continuous increase in prices of fuel, spare parts and other operational cost such as government fees were sufficiently discussed. The comprehensive comparative presentation of the increase in costs of operating taxi services convinced this board that there is indeed a need for a reasonable adjustment in the fares presently being collected by taxi operators within this region. Their position paper substantially presented an objective computation of the possible margin of profit under the proposed fare rate.

While the board in the adjustment of taxi fare has to consider the points raised and the suggestions of the oppositors. It found untenable its contention that this board has no jurisdiction to hear and decide the instant petitions. LTFRB Memorandum Circular No. 92-005 which the oppositors are well aware of delegated to LTFRB Regional Offices the power to hear and set fare rates within their jurisdictions. DOTC-CAR which currently performs LTFRB functions for the region can therefore hear and set fare rates for the Cordillera Administrative Region (C.A.R). Definitely, whatever fare DOTC-CAR will prescribe will only be applicable to taxi services whose routes are: BAGUIO CITY/LA TRINIDAD TO ANY POINT IN THE CORDILLERA ADMINISTRATIVE REGION. This decision shall not be applicable to those taxi services whose routes are BAGUIO CITY TO ANY POINT IN REGION 1 because as correctly pointed by the oppositor, this line is interregional and LTFRB-CAR has no jurisdiction.

Last but not of less importance, we have to take note that this board had issued a decision approving the fare increase on Public Utility Bus (PUB) and Public Utility Jitney (PUJ) services. The decision was issued in cognizance of the continuing successive increase of fuel, spare parts, brakes fluids, grease, gear oil and tires and other operational expenses such as the increase of government fees, like the LTO registration fees, LTFRB supervision fees and annual report fees and such other regulatory fees which affected the viability of the operations of the transport sector.

Considering all the above factors which the petitioning taxi operators in this region have amply discussed in their petitions and position papers, this board is convinced that the petitioners deserve an upward adjustment in their fares.

WHEREFORE, pursuant to and in accordance with Section 16(C), of the Public Service Act and Section 5 (c) of Executive Order No. 202, the board authorizes the increase fares for taxi services operating within the Cordillera Administrative Region (C.A.R), as follows:

Flag Down - P25.00 - First 400 meters

P1.50 - For the next and succeeding 200 meters

Waiting time - P1.50- Per 1 minute and 30 seconds

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The authorization of the above schedule of rates is subject to the following conditions:

1. All duly franchised taxi operators in C.A.R are deemed to have individually applied for an increase of rates and shall pay to the Board the corresponding filing fee for increase of fare amounting to P510.00 and legal research fee of P10.00 per case number.

2. The calibration shall be undertaken by calibration firms duly accredited by the Department of Trade and Industry (DTI), and authorized by LTFRB Central Office or by this Board;

3. All taxi operators affected by this decision shall have their meters properly calibrated by LTFRB duly authorized calibration firms on December 8, 2004 to December 21, 2004;

4. Should there be taxi units not calibrated during the said dates due to maintenance servicing, the LTFRB shall conduct another calibrating and sealing activity on January 2004 (A regional office memorandum circular will be issued setting the particular date);

5. Operators with thirty (30) units and above should have their units calibrated and resealed in the operator's garages. Operators must inform LTFRB of their scheduled date of calibration and which company shall be engaged to do so. LTFRB will send its duly authorized representative therein for inspection;

6. All taxi operators in C.A.R shall pay the accredited calibration firms a fee in the amount of P750.00 per unit;

7. All taxi operators in C.A.R shall have their calibrated taxi meters tested and resealed by this Board, and shall pay sealing and testing fee in the amount of P100.00 per unit pursuant to Department Order No. 2004-50;

8. Operators and or their personnel are not allowed to charge the increase of rate until the taxi meter is calibrated, tested, and resealed, accordingly;

9. Operators have the option to choose which of the accredited companies shall conduct the calibration of their taxi meter/s;

10. The calibration, testing and resealing shall be conducted at various stations designated by this Board;

11. The operators must present the following documents prior to testing and resealing:

A. Official receipts of franchise verification, increase of rates, legal research fee and resealing fee.

B. Latest franchise verification duly issued by the board.

C. DTI business name which should be valid and subsisting;

D. Official receipt and Certificate of Registration of the authorized unit/s reflecting correct "for hire" plates;

E. Stickers, passbook, and records calibration book issued by LTFRB.

12. Stickers issued by this Board, which reads, "Do not pay if seal is broken." Should be posted of the upper inside portion of the passengers door (front right side, back right and left sides) of the unit for proper information of the passengers;

13. All taxi operators shall have their units properly marked in accordance with the Board Memorandum Circular;

14. All units must have taximeters issuing receipts or at least printer ready to qualify as a taxi meter issuing receipt that could be approved by the B.I.R. when the same shall be fully implemented early next year;

15. All units must have a coin transparent box to put in loose change to be located beside gear stick or in any conspicuous place very visible to the passsenger;

16. Internal marking on the inside of passenger doors shall contain the following: Trade name, telephone number, plate number. Written in black, blue, green or red inks. Size of lettering should be 2 inches by 1 inch (length/width);

17. All taxi operators should remove the power locks of all doors that will prevent the passengers from opening the doors in case of danger.

18. All taxi operators should remove the tint of all the windows and windshields;

19. All taxi operators using an Asian Utility Vehicle (AUV) units shall submit their units for calibration, inspection and resealing. Seats at the back of the said units should be removed permanently, and the word Mega Taxi or Taxi service as denomination shall be erased and changed to "Metered Taxi" prior to calibration;

20. Failure to comply with these requirement and conditions shall subject the person/s concerned with the imposition of the corresponding fines and penalties under this Board's policies and guidelines, including suspension, cancellation or revocation of franchise;

21. It is the responsibility and obligation of taxi drivers to perform the following:

> A. They should not ask would be passengers their destinations before they are on board the taxi. The destination should only be ask when the passengers are already inside;
>
> B. They should not round off the fare in giving/charging their fare. Drivers should bring enough coins and give the passengers their exact change. Candies or gums are not allowed as substitute for coins.
>
> C. They should always display their Identification Cards at the right side of the dashboard;
>
> D. They should not operate in case the taxi meter is defective;
>
> E. They should always wear proper uniforms and at all times tidy, shorts, sleeveless shirts (sandos), and slippers are strictly prohibited;
>
> F. Failure to observe the abovementioned acts shall be subject to a penalty of P2,500.00 both for the driver and operator per one (1) single offense.
>
> G. The liability of the driver and Operator are jointly and severally.

The authority granted herein shall be exclusively applicable to Taxi or Mega Taxi operating within the Cordillera Administrative Region (C.A.R) only or whose route/line is Baguio City/La Trinidad to any Point in C.A.R.

This Decision shall take effect fifteen (15) days following its publication in a newspaper of general circulation or the filing of three (3) copies hereof with the U.P. Law Center, Pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

SO ORDERED.

Adopted: 12 Nov. 2004

(SGD.) ATTY. ALFREDO P. MONDIGUING
Regional Director

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