GUIDELINES FOR DROPPING AND SUBSTITUTION OF PUJ UNITS UNDER THE PUVMP

MEMORANDUM CIRCULAR NO. 2018-012, June 07, 2018

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Adopted: 06 June 2018

Date Filed: 07 June 2018

WHEREAS, the Department of Transportation (DOTr) issued Department Order No. 011, Series of 2017, otherwise known as the Omnibus Guidelines on the Planning and Identification of Public Road Transportation Services and Franchise Issuance or the Omnibus Franchising Guidelines (OFG), which aims to provide a reliable, safe, adequate, accessible, environment-friendly, dependable, efficient, and comfortable public road transportation throughout the country;

WHEREAS, the Land Transportation Franchising and Regulatory Board (LTFRB), a sectoral agency of the DOTr, is tasked to implement the OFG;

WHEREAS, on 03 October 2017, the Board issued Memorandum Circular No. 2017-021 regarding the dropping and substitution of units, which requires that only OFG-compliant units shall be accepted as substitute by January 2018;

WHEREAS, after a thorough review, consultation, and consideration, the Board finds that quite a number of operators could not as yet comply with the requirements for vehicles specifications embodied in the OFG which then necessitates extending the period for compliance;

NOW THEREFORE, for and in consideration of the foregoing, the Board hereby issues these Guidelines for the Dropping and Substitution of Units under the PUVMP as follows:

1. COVERAGE:

These Guidelines for Dropping and Substitution of Units shall cover the PUJ units.

All Petitions for Dropping and Substitution of PUJ Units filed starting January 1, 2018 under the above denominations which remains unacted upon shall also be covered by this Circular.

2. VEHICLE SPECIFICATIONS:

a) Applications for Dropping and Substitution of PUJ Units must comply with the requirements of the OFG.

b) PUJ Units which are not yet OFG compliant may be accepted subject to the following considerations:

i. If unit for substitution was REBUILT before the year 2017, even if bought on a latter year, the substitute unit shall be NOT BE ALLOWED.

ii. If unit for substitution was REBUILT in the year 2017, the substitute unit shall be ALLOWED but only until JUNE 30, 2020. Thereafter, the operator should comply with the requirements of the OFG.

iii. If the unit for substitution has a year model of 2015 or older, even if bought on a latter year, said unit shall NOT BE ALLOWED.

iv. If the unit for substitution has a year model of 2016 or newer, but not OFG compliant, said unit shall be ALLOWED but only until JUNE 30, 2020. Thereafter, the operator should comply with the requirements of the OFG.

3. ADDITIONAL DOCUMENTARY REQUIREMENTS:

Apart from the existing documentary requirements for dropping and substitution, the Operators shall submit the following:

a) Operators with PUJ units plying routes not yet covered by the DOTr Route Rationalization Program or LPTRP must submit, upon filing of the Petition, an UNDERTAKING stating that they will abide with the outcome of the Route Rationalization Program/LPTRP and will commit to transfer to another route as the case may be.

b) Operators with PUJ units for substitution that are not OFG Compliant must submit, upon filing of the Petition, an UNDERTAKING that they will comply with the OFG requirements as regards their vehicles by June 30,
2020.

c) With reference to MC 2018-008, operators filing for a Petition for Dropping and Substitution shall submit, prior to release of the Order, proof that they have complied with the consolidation requirements of the OFG or are in the process of consolidation (i.e., copy of the Registration with SEC, CDA or OTC (whichever is applicable) or a copy showing the filing for registration with any of the said Agencies of the corporation or cooperative in which they will join for consolidation).

d) Failure to comply with this requirement shall be a ground for denial of the
Petition for Dropping and Substitution.

e) If the Operator shall request for Provisional Authority, In addition to above requirements, the substitute unit must be covered by a Personal Passenger Accident Insurance. The issuance of Provisional Authority is without prejudice to the final disposition of the Petition for Dropping and Substitution. The Provisional Authority shall be for a period of forty-five (45) days only.

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

This Memorandum Circular shall take effect immediately following 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, 06 June 2018.

(SGD) ATTY. MARTIN B. DELGRA III

Chairman

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

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(SGD) ENGR. RONALDO F. CORPUS
Board Member

Attested by:

(SGD) ATTY. SAMUEL A.M. JARDIN
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