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SEVENTEETH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
Second Regular Session]

RECEIVED BY: 

SENATE

P.S. Res. No. 436

Introduced by SEN. SHERWIN T. GATCHALIAN

A RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE IMPENDING SUSPENSION OF OPERATION AND IMPOUNDING OF VEHICLES OF TRANSPORT NETWORK VEHICLE SERVICE (TNVS) OPERATORS BY THE LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD (LTFRB), IN THE ABSENCE OF A FRANCHISE OR PROVISIONAL AUTHORITY TO OPERATE, WITH THE END VIEW OF REVIEWING EXISTING POLICIES AND REGULATIONS TO IMPROVE THE QUALITY OF TRANSPORT SERVICES THROUGH INNOVATIVE FORMS OF TRANSPORT

WHEREAS, the Land Transportation Franchising Regulatory Board being an attached agency of the Department of Transportation (DOTr) is tasked primarily to promulgate, administer, enforce and monitor policies, laws, and regulations on public transportation services;

WHEREAS, on May 8, 2015, DOTr issued Department Order No. 2015-011¹ amending DO No. 97-1097 which introduced the Transport Network Vehicle Service (TNVS) as a new mode of public transport conveyance, recognizing the new form of transport that can help address the large demand for service in an expeditious and responsive way;

WHEREAS, the objective of the Order being "*to encourage TNVS as an innovative means of public land transport in order to increase mobility on major thoroughfares, boost travel times, improve the quality, sustainability and reliability of public transport services, and respond to the needs of the modern commuter*"². Pursuant to this, LTFRB then issued Memorandum Circular No.

¹ <http://dotr.gov.ph/images/issuances/DO/2015/DO2015-11.pdf>

² *ibid*

2015-017³ enumerating the Terms and Conditions which shall form part of every Certificate of Transportation Network Company to be issued by the Board;

WHEREAS, the LTFRB on July 21, 2016 however, issued Memorandum Circular No. 2016-008⁴ providing that “*pending review of existing policies, and other relevant and pressing issues regarding the issuance of franchises to TNVS, the Board hereby orders the suspension of the acceptance of all TNVS applications proposing to ply on the route within Metro Manila or entering Metro Manila*”;

WHEREAS, based on LTFRB records, only more than 3,700 application-based drivers had been authorized to operate. From a total of 27,062 applications received, 4,808 of these were Grab franchise applications (5,727 units/cars) while 22,126 were Uber applications (23,293 units/cars), and 128 U-Hop applicants (131 units)⁵. Representatives from the Transport Network Companies (TNC) concede that about 80% of their drivers do not have the Franchise nor the Provisional Authority to operate⁶;

WHEREAS, evidence is replete that by the TNCs acquiescence, the TNVS’ are allowed the use of its technology despite the pendency of approval of its application with the LTFRB, hence the imposition of a P5,000,000.00 penalty for the TNCs, and the impending P120,000.00 fine for the operators and possible impoundment of their vehicles plying the streets as “colorum” TNVS;

WHEREAS, the inability of LTFRB to pursue the grant of franchises and/or provisional authorities to operate may not be the primary cause of the unacted TNVS applications, but rather considerations of a legal framework under which these TNCs may be regulated or governed;

WHEREAS, inasmuch as we recognize the benefit which our commuters derive from this internet-based digital technology application to provide hassle-free travel, the burgeoning number of these vehicles with pending LTFRB accreditation application pose yet a parallel concern – the lack of accountability to the state and the riding populace;

WHEREAS, to accommodate potential supply of the TNVS in the streets of Metro Manila vis-à-vis growing demand for the said service, the government thru the LTFRB must ensure the riding public of the standard of protection that the TNC and the TNVS must provide, and resolve issues that are germane to the grant of these franchises;

³ http://ltfrb.gov.ph/media/downloadable/MC_NO._2015-017_.pdf

⁴ http://ltfrb.gov.ph/media/downloadable/LTFRB_MC_NO._2016-008_.pdf

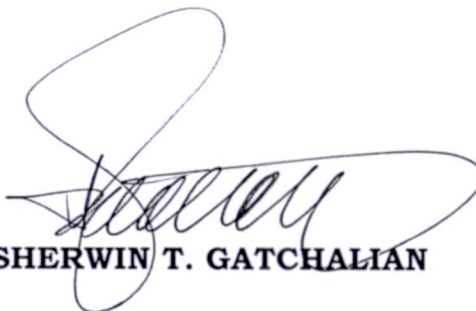
⁵ Business Mirror, November 16, 2016 and February 20, 2017

⁶ Show-cause Hearing, July 11, 2017

WHEREAS, despite the guarantees of these TNCs, several issues continue to raise concern among the public which emphasizes that there should be a review of existing laws and policies in order that clear guidelines on the operation of these innovative means of transport must be established to provide regulation and customary guaranties under a contract of carriage;

NOW, THEREFORE BE IT RESOLVED, AS IT IS HEREBY RESOLVED by the Senate of the Philippines, to direct the appropriate Senate Committee to conduct an inquiry, in aid of legislation, into the impending suspension of operation and impounding of vehicles of Transport Network Vehicle Service (TNVS) operators by the Land Transportation Franchising and Regulatory Board (LTFRB), in the absence of a franchise or provisional authority to operate, with the end view of reviewing existing policies and regulations to improve the quality of transport services through innovative forms of transport.

Adopted,



SHERWIN T. GATCHALIAN