

[LTFRB DECISION, December 23, 2010]

PETITION FOR TAXI FARE IN METRO MANILA AND THE PROVINCES

Case No. 2010-0295

**PHILIPPINE NATIONAL TAXI
OPERATORS ASSOCIATION
(PNTOA, Represented by its
President JESUS "BONG" SUNTAY
and R & E Taxi, herein
represented by its President,
ROMULO BASINAL,
Petitioners.**

**For: Petition for Taxi Fare in
Metro Manila and the
Provinces**

x

x

DECISION

Before this Board is a petition for a fare increase of public utility taxi service filed by petitioners Philippine National Taxi Operators Association (PNTOA) represented by its President Jesus "Bong" Suntay for and in behalf of all its nationwide members, consisting of taxi operators and drivers in Metro Manila and provincial operators, and R & E Taxi, by its president Romulo Basinal, seeking for an increase of Ten Pesos (Php10.00), from the present flag down rate of Thirty Pesos (Php30.00) to Forty Pesos (Php40.00), for the first Five Hundred (500) meters, and an increase of One peso (Php1.00), from the current Two Pesos and Fifty Centavos (Php2.50) to Three Pesos and Fifty Centavos (Php3.50) for every succeeding Two Hundred and Fifty (250) meters.

It is likewise prayed for that the rate for waiting time be increased by One Peso (Php1.00), from the current rate of Two Pesos and Fifty Centavos (Php2.50) to Three Pesos and Fifty Centavos (Php3.50).

In their Petition dated January 22, 2010, petitioners alleged, among others, that petitioner Philippine National Taxi Operators Association, Inc. is a non-stock non-profit corporation duly organized and existing under the laws of the Philippines, with principal office at Market Avenue cor. M. Eusebio St., Barangay San Miguel, Pasig City, with members consisting of the majority of taxi fleet operators operating in Metro Manila, Cebu city, Panay Island, Davao City, and Negros Occidental.

It was further alleged that on 30 September 2004, the Board approved a similar petition filed by the Association of Taxi Operators of Metro Manila, Inc., increasing the taxi fare from Twenty Five Pesos (Php25.00) to Thirty Pesos (Php30.00) for the first Five Hundred (500) meters and from Two Pesos (Php2.00) to Two Pesos and Fifty Centavos (Php2.50) for the succeeding meter and for waiting time of Two (2) minutes. Petitioner averred that since the approval of the petition for fare increase back in 2004, the cost of fuel, spare parts, vehicle maintenance, labor and living allowance have all increased.

Notice of hearing of the petition dated 03 February 2010 was served upon the Petitioners and the Office of the Solicitor General. The said notice of hearing was subsequently published in a newspaper of general circulation.

On 02 March 2010, Pasaherong Sa Mga Sasakyang Pampubliko Sa Pilipinas, Inc., referred to as "PSPP," filed its opposition to the petition alleging that "Taxi Operators are ruthlessly exacting unconscionable boundaries from their drivers, ranging from One Thousand Pesos (Php1,000.00) up to One Thousand Six Hundred Pesos (Php1,600.00) a day." On the other hand, Antonio B. Baltazar filed his opposition to the petition for failure of the petitioners to comply with the jurisdictional requirement of publication. No other opposition was filed.

Thereafter, the Board conducted several hearings where the petitioners submitted evidence that the pump price of unleaded gasoline during the last fare increase in September 2004 was Twenty Six Pesos and Forty Three Centavos (Php26.43) per liter and has almost doubled to Forty Five Pesos and Seventy Two Centavos (Php45.72) as of March 2010 while the cost of LPG has increased from Three Hundred Sixty Nine Dollars and Ninety Cents (US\$369.90) per metric ton in 2005 to Seven Hundred Twenty Seven Dollars (US\$727.00) in 2009; that the price index or inflation rate has increased from One Hundred Pesos (Php100.00) in 2005 to One Hundred Thirty Two Pesos (Php132.00) in 2009; that the cost of tires last July 2004 was only One Thousand Two Hundred Pesos (Php1,200.00) but the same has increased to One Thousand Five Hundred Thirty Pesos (Php1,530.00) as of February 2010; that the price of car batteries have likewise increased from One Thousand Two Hundred Pesos (Php1,200) to One Thousand Seven Hundred Pesos (Php1,700). Moreover, the cost of living, including food, clothing, shelter, power, education, medical treatment, and hospitalization, have all increased since 2004.

On 16 April 2010, petitioners filed their consolidated reply asserting the absence of a law or a rule requiring the publication of the petition, and that "PSPP" was not opposing the petition as it merely prayed for the regulation of the boundary system.

Petitioner emphasized that because of the aforementioned increases in the cost of acquiring, maintaining and operating a Taxi Service, both the operators and the drivers are finding it more difficult to earn a decent living.

On the other hand, the provincial Taxi Operators attested that the operating cost of taxis in the provinces is 20% to 30% more compared to Metro Manila.

Petitioners further stressed that the taxi fares in the Philippines are the lowest in the world, citing the following data:

<u>Country</u>	<u>Flagdown</u>	<u>Succeeding_KM</u>
China	Y12 (Php84.00)	Y2 (Php14.00)
Hongkong	HK\$13 (Php78.00)	HK\$6 (Php36.00)
Australia	AU\$3.2 (Php126.40)	AU\$2.32 (Php91.64)
LA, USA	US\$2.65 (Php120.84)	US\$2 (Php90.00)

Finally, petitioners attest that the high cost of fuel have substantially reduced the income of taxi drivers, which are employed under the boundary system. Consequently, the drastic reduction in their income has made it difficult for them to support their individual and family needs. Sadly, this has pushed some of the drivers to resort to illegal means to augment their income such as tampering the taxi meters and contracting fares instead of using their meters. Others are forced to seek alternative employment in order to meet the high cost of living and provide for their families. As a result, petitioners are experiencing slowdowns in their operation, with some operators operating less than Sixty Percent (60%) of their capacity. This, in turn, has reduced the number of taxicabs plying the routes creating an artificial shortage of taxicabs to the prejudice and detriment of the riding public.

The Oppositors did not present any evidence.

From the evidence on record, it appears that the last fare increase was granted by the Board on 30 September 2004, more than six (6) years to date. At that time, the cost of unleaded gasoline was only Twenty Six Pesos and Forty Three Centavos (Php26.43) per liter compared to Forty Five Pesos and Seventy Two Centavos (Php45.72) as of March 2010, and Forty Five Pesos and Seventy Five Centavos (Php47.75) today, while the price of LPG increased from Three Hundred Sixty Nine Dollars and Ninety Cents (US\$369.90) per metric ton in 2005 to Seven Hundred Twenty Seven Dollars (US\$727.00) in 2009 and Nine Hundred Thirty Three Dollars (US\$933.00) per metric ton as of December 2010, which translates to Thirty One Pesos and Fifty Centavos (Php31.50) per liter at the pump in Metro Manila and Thirty Six Pesos (Php36.00) per liter in the provinces. The minimum wage in the National Capital Region effective 10 July 2004 as per Wage Order No. 10 was Php213.00-Php250.00, which was increased on several occasions, the last increase taking effect on 01 July 2010 under Wage Order No. 15 pegging the minimum wage to Php 367.00 to Php404.00. The price index shows a cumulative increase of Thirty Two Percent (32%) more or less since 2004. Meanwhile, operating cost of taxicabs and price of spare parts had steadily increased during the last years. Records and the price index would show that tires, oil and batteries, which are the most expendable parts of a Taxi, have increased by no less than 40%.

The Government, like a seasoned acrobat must carefully balance the interest of both the riding public and the operators as private investors and their respective drivers by ensuring a safe, efficient and affordable transportation for the public and a reasonable return of investment for the operators including a respectable daily earning of the driver.

The significant increase in the prices of fuel, spare parts, labor, and cost of living has