

**[LTFRB MEMORANDUM CIRCULAR NO. 2014-10,
July 09, 2014]**

**IMPLEMENTING GUIDELINES ON THE CONDUCT OF
RATIONALIZATION OF ROUTES OF PROVINCIAL PUBLIC UTILITY
BUS SERVICE**

Adopted: 09 July 2014

Date Filed: 11 July 2014

Pursuant to Sec. 5 (a) of Executive Order No. 202 granting authority to the Board to prescribe and regulate routes of service, economically viable capacities and zones or areas of operation of public land transportation services provided by motorized vehicles in accordance with the public land transportation development plans and programs approved by the Department of Transportation and Communications and Section 16 (m) of the Public Service Act authorizing the Public Service Commission (now LTFRB) to amend, modify or revoke at any time any certificate issued under the provisions of the said Act, whenever the facts and circumstances on the strength of which said certificate was issued have been misrepresented or materially changed, this Board hereby promulgates these Implementing Guidelines on the Conduct of Rationalization of Routes ("Implementing Guidelines"):

1. The following guidelines shall be observed by the Board and its Regional Franchising and Regulatory Offices ("RFRO") in conducting the rationalization of routes of buses:

- a. No new Certificates of Public Convenience (CPC) or franchises shall be issued to bus operators by virtue of the rationalization of routes;
- b. Modification of routes shall consist either by shortening or lengthening or amending authorized routes or adjustment of origin and destination;
- c. No Bus operator shall be allowed to lengthen its routes unless it has existing franchise in its proposed modified route;
- d. A bus operator must have either its own passenger terminal or a common passenger bus terminal in the origin and destination points of its proposed modified routes. Further, a bus operator must always have a garage that is sufficient to accommodate its buses, without need to park along roads and other public places;
- e. A bus operator shall be allowed to increase or decrease the authorized units of its existing franchises PROVIDED that there shall be no increase in the total/aggregate number of authorized units of each bus operator;
- f. The "prior operator" rule shall be observed. This means that before permitting a new operator to invade the territory of another operator, the prior operator must first be given the opportunity to extend its service in order to meet public need. However, where public interest would be better served by admitting a new operator, as when the prior operator has failed to render adequate, sufficient and satisfactory service, the "prior operator" rule shall not apply.

- g. No additional provincial buses shall be allowed to pass or traverse through EDSA from Monumento, Caloocan City to Roxas Blvd., Pasay City but may be allowed to cross EDSA to reach their terminal/garage in Metro Manila except provincial buses coming from SLEX may be allowed to pass through EDSA from Magallanes, Makati City to reach their terminals along EDSA, Pasay City;
- h. As provided for under Department Order 2011-003, RORO related buses shall be restricted from passing through or crossing through EDSA with terminal points limited to areas outside EDSA.
- i. The description of the proposed authorized routes shall be the Origin and Destination only without mentioning the "via" provided that the route is not circuitous and the distance must be nearest to the origin and destination to allow flexibility on the part of the bus operators to ply the routes which shall best serve the public interest and public convenience;
- j. A bus operator shall not be allowed to rationalize its routes resulting to total abandonment of any of its authorized routes as determined by the Board;
- k. The modification of routes to be conducted under this Memorandum Circular shall be subject to the establishment of Integrated Transport System as provided for under Executive Order No. 67, Series of 2012;
- l. The bus operators shall have 180 days to substitute their phased-out units from the date of the decision approving the modification of their rationalized routes.
- m. Modification of route under this memorandum circular shall be without prejudice to the resolution of any pending case on the subject modified CPCs.

2. The following rules, in addition to the applicable provisions of the 2011 Revised Rules of Practice and Procedure before the LTFRB, shall be observed by the Board and RFROs in hearing and deciding Petitions for Modification of Route:

- a. Each bus operator shall file a verified Petition for Modification of Route ("Petition") involving any or all its existing and valid CPCs, including those expired CPCs but with pending Applications for Extensions of Validity;
- b. Cancelled CPCs shall not be included in the petition;
- c. Units that have not been registered with the LTO for the last three consecutive years should not be included in the Petition and shall be deducted from the total number of authorized units of the operator;
- d. Petitions affecting inter-regional routes (even if the original case folders are maintained in the RFROs) shall be filed in the Central Office, and intra-regional routes shall be filed in the RFROs concerned;
- e. All Petitions filed in the Central Office shall be seven (7) copies and five (5) in RFROs;
- f. All Petitions shall be supported by certified true copies of the Franchise Verification of all CPCs involved which is issued not more than one (1) month upon filing of the Petition and Matrix of the existing and valid CPCs and the proposed modification of routes as per the sample Matrix attached as Annex "A" hereof;
- g. Upon receipt of the Petition, the Legal Division or the Regional Director shall issue a Notice of Hearing. The petitioner shall cause the publication of the Notice of Hearing, Petition and Matrix at least ten (10) DAYS before the scheduled hearing in any major news paper of general circulation in the entire Philippines; however, the petitioners whose Petitions were filed in the RFROs have the option to publish it in a newspaper of general circulation in the Region;