

**[LTFRB MEMORANDUM CIRCULAR NO. 2013-007,
November 11, 2013]**

**ALLOWING DROPPING AND SUBSTITUTION OF PHASED OUT PUB
UNITS DUE TO MODERNIZATION PROGRAM OF THE BOARD**

On January 11, 2013, the Board issued Resolution No. 2013-001 implementing the phase out of public utility buses (PUB) that are more than fifteen (15) years. Hence, after the enactment of said Resolution, if a PUB unit that has reached its maximum age of fifteen (15) years, it will no longer be confirmed by the Board; hence, it could no longer be registered as a PUB.

In view of the existing policies of the Board with regards to dropping and substitution which require that the unit to be dropped should be currently registered with the Land Transportation Office (LTO), the PUB operators informed the Board that they cannot drop their phased out units and substitute it with brand new units because their phase out units are not currently registered with the LTO. In order to implement the modernization program of this Board, there is a need to revise the existing policies of the Board on phased out PUBs.

The Board, in the exercise of its power to promulgate its own rules and regulations as provided for under Executive Order No. 202, Section 5 thereof, hereby allows the substitution of phased out PUB units under the following guidelines:

1. The concerned operator should file the appropriate Petition for Dropping and Substitution of a phased out PUB unit attaching therein the Certificate of Registration (CR) in the name of the operator and Official Receipt (OR) of the substitute brand new unit.
2. The Technical Division of the Central Office or the Regional Regulatory Franchising Board (RRFB) shall accept the Petition for Dropping and Substitution even if the phased out PUB unit is not currently registered provided that it was confirmed and has a valid LTO registration THREE (3) before the year it was phased out.
3. The Certificate of Public Convenience (CPC) where the phase out PUB unit is authorized must still be valid and existing at the time of the filing of the Petition for Dropping and Substitution; provided that the said Petition may be accepted if there is a duly filed Petition for Extension of Validity of an expired CPC as certified by the Legal Division of the Central Office or the hearing officer of the RRFB.
4. Only brand new PUB units shall be allowed to substitute the phased out PUB units to be dropped. As provided in the Department Order No. 2010-32, "brand new" unit refers to a new motor vehicle constructed entirely from new parts that are submitted to the LTO for initial Registration. Refurbished buses shall NOT be allowed as substitute units.
5. Upon filing of the Petition for Dropping and Substitution, the operator shall surrender the corresponding yellow plate to the Technical Division or RRFB. In the event that the yellow plate or the RRPL cannot be surrendered/presented,