

**[LTFRB MEMORANDUM CIRCULAR NO. 2008-009,
May 13, 2008]**

**SIMPLIFYING CLASSIFICATIONS OF TOURIST TRANSPORT
SERVICES PURSUANT TO DEPT. ORDER NO. 97-1097,
MEMORANDUM CIRCULAR NOS. 98-002,2003-001, 2004-
01,2004-026,2005-033,2006-049,2006-058 AND RELATED
ISSUANCES TO OBVIATE CONFUSION AND MISAPPREHENSION
OF THE KIND OF SERVICES PROVIDED AND THE UNITS TO BE
AUTHORIZED**

Preliminary Matters

It is a given that the tourism industry is a rich source of dollar revenue for the country which must be supported by the Government, particularly its transport sector. In this regard the Dept. of Transportation and Communications (DOTC) and the Land Transportation Franchising and Regulatory Board (Board) have actively responded to the demands of the industry in terms of transport facilities to cater to the needs of foreign and local tourists. However, their issuances subjected Tourist Transport Services into classifications, sub-classifications and subcategories that are now confusing and a source of erroneous interpretations. Accordingly, there is a need to simplify these classifications in the interest of better franchising and regulation.

Department Order No. 2005-010 titled: "Policy Guidelines on the Executive Authority and Functions by the LTFRB," has given this Board authority to amend or modify, Department Orders previously issued by the DOTC governing the powers and functions of the LTFRB, Specialty in prescribing and regulating routes, economically viable capacities (e.g., classifications), zones, as well as areas of operation for public land transportation service in accordance with public land transportation development plans and programs approved by the DOTC.

The Various Issuances

For a better appreciation of the confusion, the DOTC and this Board made various issuances, some of which are as follows:

- a) MC No. 98-004 dated January 20, 1998 - It provided that pursuant to DOTC Dept. Order No. 97-1097, applications for TOURIST TRANSPORT SERVICE may propose the operation of the following: Sedan, AUV, Station Wagon, Pick-Up and Mini-Coach or Coach. It required DOT endorsement and those authorized under "Tourist Bus, Tourist Car, etc." shall continue operation under such denomination but they may file for conversion under this TOURIST TRANSPORT SERVICE denomination;
- b) MC No. 2003-001 dated January 7, 2003 - Reclassifying Tourist

Transport Services - To boost the industry Tourist Transport Services were reclassified as follows:

- i. Tourist Shuttle Service - tourist vans with concession agreement plying from international/domestic airports, seaports and/or hotels covered with tourist shuttle service franchise with predetermined rates by the Board;
 - ii. Tourist Metered Taxi Service - four (4)-door sedans or AUVs with concession agreement plying the international and/or domestic airports, seaports and/or hotels covered with tourist metered taxi franchise requiring a minimum of 10 units;
 - iii. Tourist Coupon Taxi Service - four (4)-door sedan with concession agreement, Plying the international and/or domestic airports, seaport and hotel covered with tourist coupon taxi service franchise charging predetermined rates with a minimum of 10 units;
 - iv. Tourist Chartered Service - bus, coaster, van (other than AUV) and 4-door sedan catering to tourist covered with tourist chartered service franchise with predetermined charges requiring a minimum of 3 units;
- c) MC No. 2004-011 dated May 26, 2004-Amendment to Memorandum Circular No. 2003-001 (Reclassification of Tourist Transport Services). Pursuant to MC No. 2003- 011 applicants were granted CPCs to operate tourist services under the denominations set forth therein. To provide better transport facilities to our tourists, thereby boostin the country's tourist industry, it directs conversion of those types/denominations rff tourist transport services issued under MC No. 2003-001 under the followin reclassification:
- i. Tourist Coupon Transport Service - four (4)-door sedan, vans (Mits. L-300 Nissan Urvan, Toyota Hi-Ace, etc.) or their equivalents and AUVs plying the international and/or domestic airports, seaports, and hotels. In its operation the operator is required to provide certain information about its service for the protection of the tourists;
 - ii. Tourist Chartered Transport Service - coasters, vans, (such as but not limited to Mits. 300, Nissan Urvan, Toyota Hi-Ace, etc.) or their equivalents, air conditioned jeepneys (with at least 12 pass.) mini-buses and buses. The service must be covered by Contract of Service, units must bear body markings, etc.;
 - iii. Tourist Rent-A-Car Transport Service - luxury vehicles, pick-up, limousines, SUVs and vans with plush carpeting, luxurious, upholstery, etc. and with engine displacement of 2000 cc and wheel base minimum of 2370 mm;
- d) MC No. 2004-026 dated Sept. 6, 2004 -Amendment to MC No. 2004-011, RE: Amendment to MC No. 2003-001 (Reclassification of Tourist Transport Service). The age requirement for all tourist transport services shall be ten (10) years from the date of manufacture;
- e) MC No. 2005-033 dated Sept. 29, 2005 - Lifting the Moratorium on the acceptance of petitions for new CPCs forTourist Chartered Services. -

MC Nos. 2005-015 and 2005-020 allowed the conversion of CPCs for the operation of Tourist Transport services for buses to regular point-to-point PUB lines/routes under certain conditions. Accordingly, some 196 units were vacated as tourist transport service slots because of this conversion which were then opened for applications for tourist transport service. The Board then lifted the moratorium of the filing of applications to new CPCs to operate under the denomination of Tourist Chartered Services (brand-new, A/C PUJs only) to cover the 196 converted units;

- f) MC No. 2006-034 dated May 12, 2006 - Modifying Dept Order No. 97-1097 classifying Public Transport Conveyances, amending MC No. 2004-011 Reclassifying Tourist Transport Services to include City Tours Services. - In addition to the types and kinds of Tourist Transport Services*; the Board hereby adds another denomination which is known as City Tours Services, as a new Tourist Transport Service Sub-classification _To promote Filipino culture, this shall use coaster-type air-conditioned jeepneys with seating capacity of 15 to 21 passengers;
- g) MC No. 2006-049 dated July 6, 2006 - Lifting the Moratorium on acceptance of applications for new CPCs for Rent-A-Car sub-classification under Tourist Transport Services per MC No. 2004-011 as amended by MC No. 2004-026. RENT- A-CAR Transport Service as sub-classification of Tourist Transport Service shall use luxury vehicles such as Mercedes Benz, BMW, Honda, etc. and similar vehicle types with minimum engine displacement of 2000cc and/or 6-cylinder and minimum wheelbase of 2670mm. It requires contract or service agreement which shall be the basis for period of grant of CPC;
- h) MC No. 2006-058 dated July 31, 2006 - Modifying Dept. Order No. 97-1097 and MC No. 2004-011 "Reclassifying Tourist Transport Service" to include Corporate Leasing Services as a new tourist transport service sub-classification under Rent-A-Car Services. Again, the Board has accepted applications for new CPCs under the new sub-classification of Tourist Transport Services to be known as Corporate Transport Leasing Services under Rent-A-Car subcategory. It has the following features: engine displacement of 1600 cc and either diesel or gasoline or LPG or any alternative fuel, model is at least 5 years old; lease contract for the operational use of the units, etc.;

Summary of Issuances

To summarize and to underscore the confusion, the series of issuances were made on TOURIST TRANSPORT SERVICE: under a) MC No. 98-004 Tourist Bus, Tourist Car, etc. may apply for conversion to TouristTransport Service denomination; b) MCNo. 2003-001 reclassified it into Tourist Shuttle Service, Tourist Metered Taxi Service, Tourist Coupon Taxi Service and Tourist Chartered Service; c) MC No. 2004-011 Reclassified it again into Tourist Transport Services, to Tourist Coupon Transport Service, Tourist Chartered Transport Service and Tourist Rent-A-Car Transport Service; d) MC No. 2006-034 reclassified it further to include City Tours Services; e) MC No. 2006-049, actually reiterated RENT-A-CAR Transport Service as sub-classification of Tourist Transport Service under MC No. 2004-011. And f) MC No. 2006-058 added finally the new sub-classification of Tourist Transport Services to be known as Corporate Transport Leasing Services under Rent-A-Car subcategory under