

**[ DOTC SPECIAL FARE FOR PUB SERVICE IN THE CORDILLERA, January 11, 2005 ]**

**JOINT PETITION FOR INCREASE IN THE RATES OF SPECIAL FARE FOR PUB SERVICE IN THE CORDILLERA**

JOINT PETITION FOR INCREASE IN THE RATES OF SPECIAL FARE FOR PUB SERVICE IN THE CORDILLERA Case No. 2004-SFR-CAR-005

DANGWA TRANS. CO. INC. Case No. 74-8811  
RISING SUN TRANSPORT SYSTEM INC. Case No. 2003-CAR-026  
GREGORY T. LIZARDO Case No. 94-CAR-423  
ANTHONY MENDOZA, Et. Al.. Case No. 92-CAR-576 ..  
*Petitioners*

MUNICIPALITY OF LA TRINIDAD,  
BENGUET, represented by Hon. Nestor Fongwan,  
*Oppositor*

PROVINCIAL GOVERNMENT OF MOUNTAIN PROVINCE,  
represented by Atty. Immanuel Awisan,  
*Oppositor*

UB PUBLIC INTEREST LAW ADVOCATES,  
represented by Perry John P. Mendoza, President  
*Oppositor*

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**DECISION**

For resolution before us is a joint petition asking to increase the rates of special fare for PUB Service in the Cordillera, filed by the foregoing petitioners through their counsels.

The petition filed on July 12, 2004 proposes to increase the present rates by P2.00 for the first five (5) kilometers and P0.35 for each succeeding kilometer, or

	FROM	TO
Regular Fare:	P6.00 for the first five (5) kms.; 1.25 for each succeeding km.	P8.00 for the first five (5) kms; 1.60 for each succeeding km.
Student,	P4.75 for the first	P6.50 for the first five

Elderly & Disabled	five (5) kms.; 1.00 for each succeeding km.	(5) kms.; 1.30 for each succeeding km.
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Among other reasons and considerations, the petition has been premised on the series of increase in the prices of fuel and oil resulting in 25% increase in the pump price of diesel and in the increase of cost of spare parts and maintenance by 43%.

Also, petitioners claim that the devaluation of the peso from P44.195 to P55.88 to the dollar has, in effect, considerably reduced their gross earnings by about 21% not to mention the sudden upsurge of government regulatory fees imposed by R.A. 8794 and the increase of administrative and supervision fees of 25% charged by the LTFRB. In all these, the brunt of the burdens for the past three (3) years have been absorbed or assumed by the public transportation sector, in particular the operators and drivers.

Proceeding from these premises, the petitioners came up with computations to mathematically arrive at the proposed amount of increase making use of the traditional Rate Base Method and Incremental Analysis of revenue vis a vis the intervening increase in the costs of operations. Both computations were based on the findings of the Board en banc which, previously, were used by the latter to set and fix the rates of PUJs and PUBs in its Decision promulgated on May 25, 2004.

On the other hand, the Municipality of La Trinidad, Benguet, the Provincial Government of Mountain Province and the U.B. Public Interest Law Advocates filed their opposition to the application for special fare rate. In sum, they alleged among others that people are suffering from economic crisis; that the rehabilitated conditions in the Halsema have reduced the costs of bus maintenance and operations, that the number of passengers has increased through the years; that the petitioners failed to substantiate their claims that they are spending more in maintenance and costs; and that the fare rate asked is an additional burden to the public. Also in its position paper, the Provincial Government of Mt. Province revealed that petitioners are charging 15 centavo per kilometer more; that is over and above the nationwide fare increase granted by the Board.

In resolving the issues, this office has to balance the interests of the operators on one hand and the riding public, on the other so that the rates set and fixed will be generally affordable and will enable the operators to continue to render adequate, safe and sustained public service.

While it is true that the Halsema road has already been rehabilitated, it is also true that it is a winding highway with sharp curves and steep ascents and descents on some portions. Likewise most of the roads going to the different municipalities of Benguet and Mountain Province are still mostly rugged and steep. The geographical location and road conditions all contribute to the faster wear and tear of the vehicles' spare parts as compared to the roads in the lowlands. However to justify an increase based solely on the road condition is insufficient because strictly speaking, it is the responsibility of the government to provide for better roads and access and ideally, the commuters should not shoulder the brunt. By the same token, the peso devaluation and the increase in administrative and supervision fees don't hold water in granting a special fare. It is the lookout of the operators to