

[LTFRB MEMORANDUM CIRCULAR NO. 2005-052, December 02, 2005]

APPLICABILITY OF FLEXIBILITY RULE

The Board has observed that the Flexibility Rule has been rampantly abused by some Public Utility Bus Service operators, who are enterprising in the irregular deployment of their units to "preferred-financially lucrative" routes to the detriment of the commuting public in their authorized route. It is also observed that the route shift is being done on a permanent basis instead of being temporary in the guise of meeting irregular demand characteristics. It is added that Public Utility Jitney operators complain before the Board that their income has been affected due to Flexibility Rule.

In view thereof, and pursuant to the regulatory powers of the Board and pursuant to Department Order No. 2005-010, Flexibility Rule shall only be allowed for bus units that are authorized for provincial operation. Provincial bus operators are, thus, allowed to flex their authorized and registered buses from their authorized provincial routes to their other authorized provincial routes to meet commuter demands without abandoning the routes from where their buses are diverted and only to the extent of fifty percent (50%) of the total number of authorized units of the franchise from where their buses are diverted. Flexibility Rule does not apply to bus units that are authorized under the Metro Manila Bus Rationalization Program.

Further, Flexibility rule only applies during the periods hereunder provided:

1. Sunday before Easter Sunday up to Sunday after Easter Sunday (Holy Week Season);
2. From March 15 to March 30 and June 01 to June 15 (Closing and Opening of Classes);
3. From October 25 to November 05 (All Soul's Day Season); and
4. From December 15 to January 15 (Christmas and New Year Season).

Any operator found violating the provisions of this Circular shall be subject to the following penalties after due notice and hearing:

- A. First offense - Five Thousand Pesos (Php 5,000.00).
- B. Second Offense - Ten Thousand Pesos (Php10,000.00) and Thirty day (30) Suspension of all bus units of the operator. To ensure the implementation of the suspension, the operator shall be required within a certain period to be fixed by the Board to surrender all the plates issued by the Land Transportation Office before the Board for storage; otherwise, all the Certificates of Public Convenience (CPC) granted to the operator shall be cancelled and revoked.
- C. Third Offense - Cancellation of all CPC granted to the operator.

This Memorandum Circular supersedes any and all issuances inconsistent herewith, and takes effect on 15 January 2006.

SO ORDERED.

Adopted: 02 Dec. 2005

(SGD.) MARIA ELENA H. BAUTISTA
Chairperson

(SGD.) GERARDO A. PINILI
Board Member

(SGD.) MA. ELLEN DIRIGE-CABATU
Board Member

