

**[ LTFRB, November 11, 1996 ]**

**JOINT DECISION ON APPLICATIONS FOR INCREASE OF FARES  
FOR PUBLIC UTILITY JEEPNEYS AND PUBLIC UTILITY REGULAR  
AIR-CON BUSES**

Zenaida De Castro, thru the  
FEDERATION OF JEEPNEY OPERATORS  
and DRIVERS ASSOCIATION OF THE  
PHILIPPINES, INC. (FEJODAP),

Applicant.

Case No. 96-20583x

X-----X

KATIPUNAN NG MGA KOOPERATIBANG  
PANSASAKYAN NG PILIPINAS,

Applicant.

Case No. 96-20932

X-----X

INTEGRATED METRO BUS OPERATORS  
ASSOCIATION, INC. (IMBOA),

Applicant.

Case No. 96-20610

X-----X

PROVINCIAL BUS OPERATORS ASSN.  
OF THE PHILIPPINES, INC., et. al.,

Applicant

Case No. 96-20582

X-----X

**JOINT DECISION**

The above-numbered cases are applications for increase of fares for public utility jeepneys and public utility regular (air-con) buses filed with the Board after an increase in the price per liter of diesel by P0.50 was announced by the Energy Regulatory Board.

Case No. 96-20583 is an application of Zenaida de Castro, an operator of a PUJ service and a member of the FEJODAP, represented by Romualdo S. Maranan, Chairman and President of the association.

In her application, the following fares for passenger jeepneys are proposed:

**METRO MANILA**

**LUZON**

	From	To	From	To
First 4 kms. (minimum) Per	P1.50	P2.00	P1.50	P2.00
Succeeding km.	P0.415	P 0.50	P0.36	P0.50

VISAYAS AND MINDANAO			
	From	To	
First 4 kms. (minimum) Per		P1.60	P2.00
Succeeding kilometer		P0.365	P0.50

Case No. 96-20932 is an application of the Katipunan Ng Mga Kooperatibang Pansasakyan ng Pilipinas, Inc. for increase of both jeepney, bus and taxi fares. The portion of the application pertaining to taxi fares will not be dealt with in this decision but will be resolved in the decision pertaining to the applications of the three taxi associations which are yet to be heard. In this application, the following fares for jeepneys and Metro Manila.

#### I. FOR METRO-MANILA JEEPNEYS

	FROM	TO	INCREASE
First 4 kms. (minimum)	P1.50	P2.50	P1.00
For every succeeding km. thereafter	P .415	P .915	P0.50

#### II. FOR LUZON JEEPNEYS

	FROM	TO	INCREASE
First 5 kms. (minimum)	P1.50	P2.50	P1.00
For every succeeding kilometer thereafter	P .036	.076	P0.40

#### III. FOR VISAYAS AND MINDANAO JEEPNEYS

	FROM	TO	INCREASE
First 5 Kms. (minimum)	P1.60	2.75	P1.15
For every succeeding Km.	P0.365	0.765	P0.40

thereafter

IV. FOR METRO-MANILA NON-AIRCON BUSES			
	FROM	TO	INCREASE
First 4 Kms. (minimum)	P1.50	2.50	P1.00
For every succeeding Km. thereafter	Pp.365	0.765	P0.40

Case No. 96-20610 is an application of the Integrated Metro Manila Bus Operators Association, Inc. (IMBOA) in representation of its members. From the present fares authorized by the Board on December 14, 1996 as follows:

AUTHORIZED BUS FARES	MIN. OF 4 KMS.	SUCCEEDING KMS.
REGULAR	1.50	P0.43
STUDENT	1.15	0.32
AIRCON	Minimum of P0.44 per km.	
ZONE	P3.25per7kms.	

applicants IMBOA members propose the following fares:

PROPOSED FARES	MIN. OF 4 KMS.	SUCCEEDING KMS.
REGULAR	P2.50	P0.65(straight method of computation
AIRCON Minimum	P6.00	

Case No. 96-20582 is an application of the Provincial Bus Operators Association of the Philippines, Inc. (PBOAP) and its regional associations, SOLUBOA, NORLUTRA and CAVALBOA, in representation of their members. From the present fares authorized by the Board on December 14, 1990 as follows:

AUTHORIZED FARES FOR ORDINARY SERVICE		
	LUZON	SUCCEEDING KM.
	Min. of 5 Kms.	
REGULAR	P1.50	P0.37
STUDENT	P1.15	P0.28

applicants propose the following fares:

PROPOSED FARES FOR  
ORDINARY SERVICE

LUZON SUCCEEDING  
KM.

Min. of  
5 Kms.

REGULAR	P2.70	P0.54
STUDENT	P2.16	P0.45

VISAYAS/MINDANAO

LUZON SUCCEEDING  
KM.

REGULAR	P2.73	P0.545 or P0.55
STUDENT	P2.18	P0.455

CASES NOS. 96-20583 and 96-20932

Applicant Zenaida De Castro, as represented by FEJODAP thru its Chairman and President Romualdo S. Maranan cites the following grounds to justify the fares proposed in her applications:

"The continuous increase in the prices of spare parts, tires and equipments; deregulated increase in the prices of petroleum, fuel and oil, depreciation of the purchasing power of the Philippine peso and the sudden increase in the prices of basic commodities; recent increase in the salary of employees in relation to the adjustment in the earnings of drivers; and the last increase in fare rates as manifested in the LTFRB Decision dated 07 December 1990 was more than five (5) years ago and the same is still made to apply today despite increase in the cost of living"

The aforecited grounds cited by applicant Zenaida de Castro (FEDJODAP) are essentially the same grounds invoked by the KKPPi in its application adding other factors such as the alleged adverse effects of the Unified Vehicle Reduction Program of the MMDA and "less trip frequencies due to the unabated traffic congestions."

CASES NOS. 96-20582 and 96-20610

Applicants PBOAP et. al, justify their proposed fares mainly on the following grounds:

"Since December 1990, when fares were last adjusted, a confluence of events has undeniably taken place, such as the escalation of prices of spare parts, tires, tubes and batteries, oil and lubricants and capital equipments (units), due mainly to the continuous deterioration of the value of the Philippine Peso against the U.S. Dollar and the latter vis-a-vis the Japanese Yen; in addition hereto, interest rates have increased continuously, while on labor costs, the minimum wage increases have occurred five times since 1990, causing wage distortions which management had to correct thus diminishing some more their dwindling revenue; that while the cost of diesel has relatively remained constant since 1990, a P0.03 per liter increase was effected last 01 January 1996, an effect of the imposition of the Value Added Tax and due to the

deregulation of the oil industry, on 18 August 1996, another diesel price increase by P0.04 was effected, only to be followed by still another such diesel price increase of P0.50/ liter last 16 October 1996; the costs of lubricants, such as engine and gear oils, greases and brake fluids which are not regulated by the government have increased by about 100% from 1990 to the present."

The aforecited grounds are essentially the same grounds cited by the IMBOA in its application for fare increase to justify the proposed fares.

All the applicants in the above-numbered cases have complied with the Board's jurisdictional requirement of publication of its notices of hearing containing the proposed fares.

As in all previous fare proceedings, the applicants were required to publish the notices of hearing on a shorter period of five days prior to the initial hearing due to the need to hear the applications after the Energy Regulatory Board announced the recent P0.50 increase in the price per liter of diesel.

#### OSG's CONSOLIDATED COMMENT

The Office of the Solicitor General, in compliance with the Board's request filed a Consolidated Comment on the applications in the above-numbered cases and was represented during the hearings by Associate Solicitors Ma. Theresa G. San Juan and Primo Sio, Jr. In its Consolidated Comment, the OSG stressed that "the transportation business holds such a peculiar relation to the public interest that there is super induced upon it the right of public regulation. Since the public has such an interest in petitioner's business, the latter must submit to the common good."

The Board fully agrees with this submission. This is why before the hearings of these cases, the Board announced that although the applicants are entitled to a just and fair rate, since their business is impressed with public interest, commuters should not be burdened with fares they cannot afford, for which reason a reasonable balance between what is affordable to commuters and what is just to the petitioners will be struck.

On the grounds cited by the applicants to justify their proposed fares, the OSG said only three should be considered. These are: 1) the increase in the cost of fuel, including oils and lubricants; 2) the cost of spare parts, including tires, batteries, and the cost of repairs or maintenance; and 3) the increased salary of direct employees such as the conductors and drivers, asserting that it is only such factors classified as part of operating expenses which should be considered conformably with applicable provisions of law on fare rates and/or fare increases.

#### APPLICANTS' EVIDENCE

Evidence for the applicants Zenaida de Castro (FEDJODAP), KKPI, IMBOA, and PBOAP consist of the testimonies of their respective witnesses Romualdo Maranan (Chairman and President of FEDJODAP), Orlando Lasay (National Chairman of the KKPI), Marites Leano (IMBOA external auditor), and Alejandro Yague (Philtranco and PBOAP President) who testified during the hearings on October 28 and 30, 1996