

[MEMORANDUM CIRCULAR NO. 2018-006, March 14, 2018]

**GUIDELINES FOR THE PUBLIC UTILITY VEHICLE
MODERNIZATION PROGRAM'S INITIAL IMPLEMENTATION
PURSUANT TO DEPARTMENT ORDER NO. 2017-11, OTHERWISE
KNOWN AS THE OMNIBUS FRANCHISING GUIDELINES**

*Adopted: 13 March 2018
Date Filed: 14 March 2018*

WHEREAS, the Department of Transportation ("DOTr") issued Department Order No. 011, series of 2017, otherwise known as the Omnibus Guidelines on the Planning and Identification of Public Road Transportation Services and Franchise Issuance or Omnibus Franchising Guidelines ("OFG"), which aims to provide a reliable, safe, accessible, environment-friendly, dependable, efficient, and comfortable public road transportation throughout the country;

WHEREAS, the Land Transportation Franchising and Regulatory Board ("LTFRB" and/or "Board"), a sectoral agency of the DOTr, is tasked to implement the OFG;

WHEREAS, Section 5 of Executive Order No. 202 mandates the LTFRB "to prescribe and regulate routes of service, economically viable capacities and zones or areas of operation of public land transportation services provided by motorized vehicles in accordance with the public land transportation development plans and programs approved by the Department of Transportation and Communications" and "to formulate, promulgate, administer, implement and enforce rules and regulations on land transportation public utilities, standards of measurements and/or design, and rules and regulations requiring operators of any public land transportation service to equip, install and provide in their utilities and in their stations such devices, equipment facilities and operating procedures and techniques as may promote safety, protection, comfort and convenience to persons and property in their charges as well as the safety of persons and property within their areas of operations"; and "to perform such other functions and duties as may be provided by law, or as may be necessary, or proper or incidental to the purposes and objectives of this Department Order";

WHEREAS, the following Guidelines for the Public Utility Vehicle ("PUV") Modernization Program's Initial Implementation are hereby promulgated:

I. COVERAGE

1. This Memorandum Circular ("MC") shall set the guidelines for the initial implementation of the PUV Modernization Program pending the completion and approval of the route rationalization studies and/or Local Public

Transport Route Plans ("LPTRPs") pursuant to Item 3.2.4 of the OFG.

2. The Program shall first be implemented in route/s as determined by the Land Transportation Franchising and Regulatory Board-Regional Directors ("LTFRB-RDs") in coordination with the Department of Transportation and the Local Government Units ("LGUs") concerned. The route/s shall be limited to PUJ operations.
3. The Board shall issue the Certificate of Public Convenience ("CPC") for inter-regional routes while those routes considered as intra-regional shall be within the responsibility of the concerned Regional Franchising and Regulatory Office ("RFRO").

II. GUIDELINES FOR INITIAL IMPLEMENTATION

The following shall be the guidelines for the Program's initial implementation with the corresponding duties and responsibilities of the LTFRB Offices concerned:

1. Identify developmental route/s (i.e., fixed route/s with definite origin and destination) which may include missionary route/s and route/s servicing special areas such as industrial zones and university complex. The said fixed route/s shall be designed such that overlaps with existing routes do not exceed 25% of the length of any of the affected routes pursuant to Item 2.4 of the OFG.
2. Conduct surveys within the identified route/s.
3. Coordinate with the concerned LGU with respect to passenger demand and its Comprehensive Land Use Plan.
4. Recommend the identified route/s to the Board for endorsement to the DOTr, through the Office of the Undersecretary for Road Transport and Infrastructure.
5. Provide franchise inventory to the DOTr upon the latter's request.
6. Upon receipt of the route authorization from the DOTr, the concerned LTFRB Office shall process application for issuance of new CPC under the PUV Modernization Program. Interested applicants shall submit the following requirements:
 - a. Proof of consolidation;
 - b. Route description and length;
 - c. Number of units;
 - d. Vehicle specifications as prescribed under the OFG and the Philippine National Standards issued by the Department of Trade and Industry and delivery schedule as certified by the supplier;
 - e. Garage and terminal specifications as provided for by the OFG;
 - f. Supporting documents to show capability for GNSS receiver, free Wi-Fi access, CCTV, Automated Fare Collection System, speed limiter, and dash camera;
 - g. Fleet management with proposed headway during peak (6A.M-8A.M.