

[LTFRB CONSOLIDATED ORDER, January 31, 2011]

**PETITION FOR INCREASE IN FARE OF PUBLIC UTILITY JEEPNEY
(PUJ) SERVICE FOR THE NATIONAL CAPITAL REGION, REGION 3
AND REGION 4**

**ALLIANCE OF TRANSPORT
OPERATORS AND DRIVERS
ASSOCIATION OF THE PHILIPPINES
(ALTODAP),
FEDERATION OF JEEPNEY
OPERATORS AND DRIVERS
ASSOCIATION OF THE PHILIPPINES
(FEJODAP),
LAND TRANSPORTATION
ORGANIZATION OF THE
PHILIPPINES (LTOP)**

**NATIONAL TRANSPORTER-WORKERS
UNION (NTU-TRANSPORTER)**

LTFRB Case No. 10-3235

Petitioners,

X

X

**NATIONAL COUNCIL FOR
COMMUTERS PROTECTION, INC.,**

Petitioner,

**LTFRB Case No. 2008-
1654**

**PASANG MASDA NATIONWIDE, INC.,
*Movant.***

X

X

CONSOLIDATED ORDER

Pending resolution before this Board is a petition for increase in fare of public utility jeepney (PUJ) service for the National Capital Region, Region 3 and Region 4, with a prayer for a provisional increase filed by Alliance of Transport Operators and Drivers Association of the Philippines (ALTODAP), Federation of Jeepney Operators and Drivers Association of the Philippines (FEJODAP), Land Transportation Organization of the Philippines (LTOP), National Transporter-Workers Union (NTU-TRANSPORTER) in the amount of an additional **One Peso** (Php1.00) for the first four kilometers and additional **Ten Centavos** (Php0.10) for every succeeding kilometer, which will result in **Eight Pesos** (Php8.00) for the first four (4) kilometers, and One Peso and Fifty Centavos (Php1.50) for every succeeding kilometer.

Petitioner ALTODAP et. al., allege as grounds the following to support their petition:

- a. That on May 9, 2005, the Land Transportation Franchising and Regulatory Board (LTFRB) granted an increase in the minimum PUJ fares, making the minimum fare **Seven Pesos and Fifty Centavos** (Php7.50) for the first four (4) kilometers and an increase of **One Peso and Twenty-Five Centavos** (Php1.25) for every succeeding kilometer, when the pump price of diesel fuel was **Twenty-Seven Pesos and Fifty Centavos** (Php27.50);
- b. That today, the pump price of diesel (based on December 14, 2010 price) is **Thirty- Seven Pesos and Seventy-Five Centavos** (P37.75), an increase of more sixty-four percent (64%);
- c. That the high operating and maintenance costs of PUJ service has increased, which greatly reduced the income of petitioners;
- d. That petitioners' purchasing power based on the value of One Peso (Php1.00) in 2005 is now only **Seventy-Eight Centavos** (Php0.78), a twenty-two percent (22%) decrease.

Petitioner PASANG MASDA on the other hand, in its *Urgent Motion to Revert Back (Public Utility Jitneys Fare Rate to Php7.50)*, prays that the minimum fare rate be reverted back to Seven Pesos and Fifty Centavos (Php7.50) considering the fact that the price of diesel per liter has reached the bracket of Php35.00 – Php36.00, as per the history of fare increases/decreases promulgated by this Board on previous rollback Orders.

Antecedent Facts:

On July 14, 2008, this Board issued a Consolidated Decision in LTFRB cases 2001-1798 and 2007-2102, granting a fare rate adjustment of Fifty Centavos (Php0.50) to the then existing provisional fare of Eight Pesos (Php8.00) for the first four kilometers or an approved PUJ fare of Eight Pesos and Fifty Centavos (Php8.50) for the first four (4) kilometers, and an additional One Peso and Fifty Centavos (Php1.50) for the succeeding kilometers. The said decision was precipitated by the incessant increase in the price of fuel "due mainly to the decline of the value of dollar, the rising global demand...and supply outages in the oil producing countries."

At that time, the pump price of diesel was Fifty Two Pesos (Php52.00) per liter.

On November 4, 2008 however, prompted by the sudden and dramatic drop of oil prices in the world market, this Board issued an Order in LTFRB Case No. 2008-1654 granting a provisional reduction of fare rates from Eight Pesos and Fifty Centavos (Php8.50) to Eight Pesos (Php8.00) for the first four (4) kilometers and an additional One Peso and Fifty Centavos (Php1.50) for every succeeding kilometer. The prevailing pump price of diesel fuel at that time was Forty-Four Pesos and Forty-Three Centavos (Php44.43) per liter.

On December 4, 2008, due to the continuous decline of the price of crude oil in the world market, this Board issued another Order on LTFRB Case Nos. 2008-1654 and 2008-0692, further granting another provisional reduction of fare rates from Eight Pesos (Php8.00) to Seven Pesos and Fifty Centavos (Php7.50) for the first four (4) kilometers and an additional One Peso and Forty Centavos (Php1.40) for every succeeding kilometer. The prevailing pump price of diesel fuel at that time was Thirty Five Pesos (Php35.00) per liter.

Finally, on February 20, 2009, when the prevailing pump price of diesel was hovering at around Twenty Three Pesos (Php23.00) per liter, this Board issued an Order further reducing the fare rate from Seven Pesos and Fifty Centavos (Php7.50) to Seven Pesos (Php7.00) for the first four (4) kilometers and an additional One Peso and Forty Centavos (Php1.40) for every succeeding kilometer.

To date, the pump price of diesel (based on December 14, 2010 price) is Thirty-Seven Pesos and Seventy-Five Centavos (Php37.75), an increase of more than Fourteen Pesos (Php14.00) or roughly sixty-four percent (64%), from the time the last Order on fare rates was made by this Board.

Discussion

At the onset, this Board bears stressing the fact that the abovementioned Orders to rollback the fare rates Passenger Utility Jitneys (PUJ) were provisional in nature. The Board on the said Orders, was exercising its power to provisionally increase fare rates without hearing, citing Section 16(c) of the Public Service Act, as amended, which states to wit:

“That the Commission (Board) may, in its discretion, approve rates proposed by public services **provisionally and without necessity of any hearing**; provided it shall call a hearing within thirty (30) days thereafter, upon publication and notice to the concerns operating in the territory affected.” [emphasis supplied]

Furthermore, this Board notes that on November 2008, when the price of diesel went down from Php52.00 to Php39.85, the Board issued the aforementioned “*Fare Reduction Order*” at the urging of the PUJ operators and drivers in Metro Manila who even offered to voluntarily reduce the minimum fare from Php8.50 to Php8.00. When the price of diesel continued to drop to Php34.95, the PUJ operators again reduced the minimum fare to Php7.50 on December 4, 2008, and again on February 23, 2009 when the price of diesel dropped to Php23.00, resulting in a minimum fare