

**[ CDA RESOLUTION NO. 233, s.1993, September 30, 1993 ]**

**DOTC-CDA IMPLEMENTING GUIDELINES ON THE ORGANIZATION AND REGISTRATION OF PUBLIC TRANSPORTATION AND TELECOMMUNICATIONS SERVICE COOPERATIVES**

WHEREAS, it is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people towards the attainment of economic development and social justice;

WHEREAS, in pursuance of this policy, the Cooperative Code of the Philippines under Republic Act No. 6938 mandates that the Government and all its branches, subdivisions, instrumentalities, and agencies shall ensure the provision of technical guidance, financial assistance and other services to enable cooperatives to develop into viable and responsive economic enterprises;

WHEREAS, the Cooperative Development Authority (CDA), being the central registering agency of all types of cooperatives, has been designated under Executive Order No. 95, series of 1993, to be lead agency mandated to coordinate all activities of government agencies with cooperative programs and projects;

WHEREAS, a transport cooperative program was established and promoted by the government through the Office of Transportation Cooperatives (OTC), an agency attached to the Department of Transportation and Communications (DOTC);

WHEREAS, public service cooperatives, to include transportation and telecommunications services, are required under the Cooperative Code of the Philippines to secure, prior to their registration with the CDA, favorable endorsement from the appropriate government franchising agencies;

WHEREAS, the agencies authorized by law to issue franchises and certificates of public convenience and necessity to operate public transportation and telecommunications services are agencies attached to or sectoral offices under the Department of Transportation and Communications (DOTC), namely, the Land Transportation Franchising and Regulatory Board (LTFRB) for public land transportation services, the Maritime Industry Authority (MARINA) for water transport services, the Civil Aeronautics Board (CAB) for air transport services, and the National Telecommunications Commission (NTC) for telecommunication services;

WHEREAS, Art. 97 of R.A. 6938 likewise requires that for public service cooperatives to be registered, they must satisfy such other requirements as may be imposed by other pertinent government agencies concerned;

WHEREAS, Art. 98 of the same law authorizes the joint issuance by the concerned agencies of the necessary rules, regulations and guidelines to implement the

provisions on public service cooperatives;

NOW, THEREFORE, the Cooperative Development Authority (CDA) and the Department of Transportation and Communications (DOTC) do hereby promulgate these Joint Implementing Guidelines on the Organization and Registration of Transportation and Telecommunications Service Cooperatives;

SECTION 1. Definition of Terms — A public transport service cooperative shall refer to an organization registered with the Cooperative Development Authority, and accredited by the Office of Transportation Cooperatives (OTC), composed of a group of persons including drivers, pilots, airplane or ship crew, investors or owners of vehicles, aircraft or sea vessels, and all allied workers of the public transport industry, whether land, air or water transport, who have agreed to pool their skills, savings, and other resources, including vehicles, aircrafts/airplanes or sea vessels/ships, to operate a business enterprise that will provide the members and the public the necessary facilities and service for the economic and efficient carriage of passengers and goods. Such groups shall open their membership to users or commuters under the arrangements consistent with the principles of cooperativism. The term transport cooperatives or transportation cooperatives as used herein shall mean public transport service cooperatives as herein before defined.

Registration shall mean the formal acquisition of juridical personality by the cooperative concerned through the issuance of a certificate of registration by and under the official seal of the CDA.

Accreditation shall refer to the approval by the Board of Directors of the OTC of the organization of the transport cooperatives which should take place prior to registration with the CDA and after the requirements imposed by the DOTC/OTC shall have been satisfied. It may also refer to the approval by the OTC Board of the application for accreditation sought by a transport cooperative already registered with the CDA prior to the promulgation of these Joint Implementing Guidelines. Accreditation by DOTC/OTC shall entitle the transport service cooperatives to all the assistance, rights and privileges extended by the DOTC/OTC to all transport cooperatives falling under its jurisdiction pursuant to Executive Order No. 898. With respect to a telecommunications service cooperative, accreditation shall be made by the agency or the official to be designated by the DOTC Secretary.

A telecommunications service cooperative shall refer to an organization registered with the CDA, and accredited by the DOTC, composed of investors, carrier-operators, and users of facilities and services devoted to transmitting messages, data or information by means of electromagnetic transmission, with or without benefit or any closed transmission medium, including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching and delivery of such information) essential to transmission. Telecom service cooperative and telecom cooperative shall mean telecommunications service cooperative as herein above defined.

Endorsement shall refer to the favorable consideration extended by the appropriate franchising agency, such as the LTFRB, the MARINA, or the CAB, in the case of public land, water, or air transportation services, respectively, or by the NTC, in the case of telecommunications services, to the application for registration of a transport or telecommunications service cooperative after it is convinced that the organization of

the cooperative is for a legitimate purpose and that its organizers satisfy the requirements of citizenship under the Constitution and other pertinent requirements under other applicable laws. It should not be construed as an automatic grant of franchise or certificate of public convenience and necessity which is a separate legal act that is extended only after compliance with the requirements of the Public Service Act.

**SECTION 2. Organization of Transportation Service Cooperatives** — Any group of persons may organize a cooperative for the purpose of engaging in public land, water, or air transportation services, provided that the membership shall be composed of investors/operators, drivers, pilots, ship and airplane crews, allied workers, and in appropriate cases, the commuters or users of such services. For such interested parties to have easy access to information on the mechanics of organizing and operating transportation service cooperatives, the CDA and the DOTC, the latter either directly or through the OTC, the LTFRB, the LTO, the MARINA, the CAB, or the Air Transportation Office (ATO), in coordination with the existing transportation cooperatives and other cooperative sectors, shall extend every technical assistance necessary for these parties, if qualified, to be able to organize and have their cooperative properly registered. For this purpose, to augment the OTC's limited resources, the LTO, LTFRB, MARINA, CAB, and ATO shall designate personnel in the regions that will be in charge of transportation service cooperative concerns and who will assist organizers in the preparation of applications for organization and the documents required for registration of such cooperatives.

**SECTION 3. Organization of Telecommunications Service Cooperatives** — Any group of persons may organize a cooperative for the purpose of engaging in telecommunications operations and services for the general public or for its members, provided that substantial portion of the ownership and management of the facilities, to the extent that the DOTC may determine, shall be in the hands of or eventually transferred to the general membership. The period for such transfer shall likewise be determined by the DOTC. Technical assistance for the organization of telecommunications service cooperatives shall be extended by the OTC, DOTC, NTC, and the Telecommunications Office (TELOF).

**SECTION 4. Where to File** — Applications for organization and registration of transport cooperatives may be filed with any unit of the CDA or with the OTC. The same may also be received in any district or regional office of the LTO and LTFRB, in the case of public land transportation cooperative; or MARINA, in the case of water transport cooperatives; or CAB and ATO, in the case of air transport cooperatives, including their respective central offices, whichever is convenient to the organizers. Preliminary determination of sufficiency of organizational and documentary submissions and compliance with the legal requirements may be made at the unit where the application is received. Where there are substantial requirements lacking, the receiving unit shall advise the applicant on what to do consistent with these guidelines and return the documents for further compliance. This process is not to be construed as part of the CDA evaluation process that shall make the prescription period contemplated in Art. 16 of Republic Act No. 6938 to start running.

When the receiving office/unit is satisfied that the basic requirements have more or less been complied with by the applicant, it shall forward the application to organize

and other pertinent documents to the OTC for evaluation and for consideration by its Board of Directors consistent with the requirements of Art. 97, par. (3) and these guidelines. If an LTFRB or LTO regional office, or the MARINA, or the CAB is the receiving office, it may already include its favorable endorsement among the documents to be forwarded to the OTC. Transmittal may be done by the receiving unit or directly by the applicant if it so wishes.

Applications to organize and register a telecommunications service cooperative may be received in any TELOF, or NTC office, regional or central, which shall make the preliminary determination of the sufficiency of the organizational and documentary submissions. Once favorably endorsed, the applications shall be transmitted to the DOTC/OTC for accreditation prior to transmittal to the CDA for the necessary registration certificate. The above described procedures, whenever possible may also be followed.

**SECTION 5. Pre-registration Evaluation** — The OTC shall immediately evaluate the documents it receives directly from organizers of transport or telecommunications cooperatives or from the receiving regional/district unit. Upon being satisfied that the DOTC/OTC requirements have been complied with in accordance with these guidelines and any addendum hereto, or with such other circulars, memoranda, or orders that may hereafter be issued, the OTC Board of Directors shall approve the application and shall forthwith transmit the documents to the CDA unit concerned, together with the endorsement of the concerned franchising agency. In the absence of such endorsement, the documents shall first be referred to the concerned franchising agency for its favorable endorsement. The OTC shall immediately notify the applicant of the action taken on its application to enable the same to make follow-ups, if it so wishes, with the concerned agency.

**SECTION 6. Jurisdiction** — Transport cooperatives proposing to operate transport services on routes that traverse more than one region shall file their duly accomplished organizational documents for registration with the Central Office of the CDA, which shall have jurisdiction over the said cooperatives on registration and other cooperative matters specified in R.A. No. 6938. If their area of operation is confined within one region, such documents will be filed with the nearest CDA office in the region, and the regional unit concerned shall have original jurisdiction over them. The same bases for determining jurisdiction shall apply to telecommunications service cooperatives.

The receipt by the CDA of the application together with the necessary endorsements shall make the prescriptive period provided under Art. 16 of R.A. No. 6938 start to run unless the CDA has other reasons to suspend the running of the period.

**SECTION 7. Registration** — Only applications for registration duly endorsed by the local government unit, the LTFRB, MARINA, CAB or NTC, as the case may be, and accredited by the DOTC/OTC shall be acted upon by the CDA. Full compliance with the requirements of Art. 14 (4) of the Cooperative Code of the Philippines must be satisfied to entitle the applicant or telecom cooperative to registration.

**SECTION 8. Cooperative Education and Transport/Telecommunications Operation Seminar** — The CDA and the DOTC, the latter through the OTC, LTO, LTFRB, MARINA, CAB, ATO, TELOF, or NTC shall support the newly registered cooperative technically by extending seminars to enhance its operation both as a cooperative