

**[ LTFRB MEMORANDUM CIRCULAR NO. 2005-022,  
July 19, 2005 ]**

**FARE REGULATION FOR METRO MANILA AIRCONDITIONED  
BUSES**

WHEREAS, it has come to the attention of the Board that immediate increase of fare rates of Air-Conditioned Public Utility Buses (PUB) in Metro Manila is being implemented without any authority from this Board;

WHEREAS, the Honorable Supreme Court enunciated in the case of Kilusang Mayo Uno Labor Center vs. Hon. Garcia, et.al., dated 23 December 1994, that the Legislature delegated to the defunct Public Service Commission (now, LTFRB) the power of fixing rates of public utility vehicles (PUV). This Board, the existing regulatory body today, is likewise vested with the same under Executive Order No. 202, dated 19 June 1987. Section 5 thereof specifically empowers this Board to *"determine, prescribe and approve and periodically review and adjust reasonable fares, rates and other related charges, relative to the operation of public land transportation services provided by motorized vehicles;"*

WHEREAS, the Supreme Court further declared that nowhere in the provisions of the Public Service Act and EO 202 would authorize any other entity (a common carrier, a transport operator, or other public service) to regulate fares, except PSC and now, LTFRB. It likewise declared that further delegation of such power would indeed constitute a negation of such duty in violation of the trust reposed in the delegatee mandated to discharge it directly. The policy of allowing PUV operators to change and increase/decrease their fares at will would result not only to a chaotic situation but to an anarchic state of affairs. This would leave the riding public at the mercy of transport operators who may increase fares every hour, every day, every month or every year, whenever it pleases them or whenever they deem it necessary to do so;

WHEREAS, the Department of Transportation and Communications (DOTC) issued Department Order No. 2002-77, dated 05 December 2002, the whole portion of which reads, thus:

"It has been observed that the "deregulated fare policy" for the air-conditioned bus services has resulted to unfair and cutthroat competition between operators of ordinary/regular passenger buses and operators of air-con buses, which ultimately translated into degradation of service efficiency and/or dislocation of services.

In view thereof and in order to ensure sustainability in bus operation, the LTFRB is hereby instructed to issue standard fare advisory not only to