

SEVENTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
Second Regular Session



'17 JUL 19 P1:03

SENATE  
P.S. Res. No. 430

RECEIVED BY: 

---

Introduced by Senator Poe

---

RESOLUTION

**DIRECTING THE SENATE COMMITTEE ON PUBLIC SERVICES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE POLICY OF THE LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD (LTFRB) TO STOP PROCESSING AND ACCEPTING NEW APPLICATIONS OF TRANSPORTATION NETWORK VEHICLE SERVICES (TNVS), CONSIDERING THE IMPACT OF THE SAME ON END-USERS AND THE EMERGENCE OF TNVS AS A VIABLE MODE OF TRANSPORTATION**

**WHEREAS**, Article 14, Section 10 of the 1987 Philippine Constitution states that technology is essential for national development, and directs the State to give priority to innovation and its utilization;

**WHEREAS**, Transport Network Companies (TNCs) is an emerging mode of transportation in which a third party provider (such as Uber or Grab) pairs passengers with drivers through its digital platform;

**WHEREAS**, on February 2014, TNVS provider Uber was launched in the Philippines, followed by GrabTaxi (now known as Grab) on May of the same year;

**WHEREAS**, on May 2015, the Department of Transportation (DOTr) issued Department Order No. 2015-011, which introduced Transportation Network Vehicle Service (TNVS) as a new mode of transportation in the Philippines; as a result, the Philippines reportedly became the first country to develop nationwide ride-sharing regulations;

**WHEREAS**, pursuant to the abovementioned Department Order, the Land Transportation Franchising and Regulatory Board (LTFRB) issued Memorandum Circular No. 2015-017 that sets the guidelines for the acceptance of applications for a Certificate of Public Convenience to operate a TNVS;

**WHEREAS**, the same Memorandum Circular states that "...a Provisional Authority (PA) may be issued for a period of forty-five days upon acceptance of the Application as a transition period for this type of service, provided a photocopy of the passenger insurance policy is submitted";

**WHEREAS**, as of December 2016, GrabCar was reportedly used by more than 1 million users, while Uber had around 600,000 users, attesting to the emergence of TNVS as a viable alternative to existing modes of point-to-point transportation;

**WHEREAS**, on July 2016, the LTFRB issued Memorandum Circular No. 2016-008, suspended the acceptance of all TNVS applications within or entering Metro Manila, and then later expanded the suspension nationwide through Memorandum Circular No. 2016-012;

**WHEREAS**, on a hearing held by the LTFRB last 11 July 2016, LTFRB alleged that 56,000 drivers had been accredited by Uber and Grab to drive, yet only 3,700 drivers had officially been authorized to operate;

**WHEREAS**, the LTFRB then fined Uber and Grab Php 5 million each and directed both to “cease with dispatch” the operations of unauthorized drivers by 26 July 2017, stating that they would impound the vehicles of TNVS drivers who did not have certificates of public convenience;

**WHEREAS**, it was reported that LTFRB Memorandum Circular No. 2016-008, adversely delayed the existing applications for TNVS certificates of conveyance, while also closing the door on new applications;

**WHEREAS**, TNV drivers claimed that even if they complied with all the requirements of the LTFRB, their applications for PA were either not processed judiciously or did make the cut due to the suspension;

**WHEREAS**, while the intent of LTFRB’s proposed policy towards unauthorized TNVS is laudable, it may have unintended negative effects for consumers, considering that demand for TNV services will remain despite the possible reduction of TNVs drivers on the road; take for example Uber, which has 10,000 active drivers, but because the LTFRB rejected 5,800 of their applications for a PA and 3,500 applications are still pending, there are only 700 drivers authorized to serve the same number of users on the road;

**WHEREAS**, prudent regulation is still necessary for government to ensure the highest degree of service for the general public;

**WHEREAS**, in particular, public transportation, whether traditional or innovative, must be regulated for the following reasons:

- a) To ensure the safety and comfort of passengers and commuters;
- b) To hold erring or abusive operators accountable; and
- c) To ensure that an adequate number of public transportation units are available in all areas;

**WHEREAS**, congressional action is necessary to address the issues concerning the legal status of TNVS and to institutionalize their existence as a mode of transportation; thus, until such time that Congress is able to pass a law, the LTFRB should review its policy and defer on making hasty judgments against TNVS that will ultimately affect the convenience of the riding public;

**NOW THEREFORE BE IT RESOLVED**, as it is hereby resolved by the Philippine Senate, to direct the Senate Committee on Public Services to conduct an inquiry, in aid of legislation, on the policy of the Land Transportation Franchising and Regulatory Board (LTFRB) to stop processing and accepting new applications of Transportation Network

Vehicle Services (TNVS), considering the impact of the same on end-users and the emergence of TNVS as a viable mode of transportation.

*Adopted,*

  
GRACE POE

/ld71817