

SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

'18 APR 24 P5:49

RECEIVED

SENATE  
P.S. Res. No. 713

---

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

---

**RESOLUTION**

**DIRECTING THE COMMITTEE ON PUBLIC SERVICES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE OPERATION OF TRANSPORT NETWORK COMPANIES IN THE PHILIPPINES, PARTICULARLY ON THE ALLEGED OVERCHARGING OF FEES AND NON-IMPLEMENTATION OF STUDENT AND PERSONS WITH DISABILITY DISCOUNTS WITH THE ENDVIEW OF CRAFTING LEGISLATION REGULATING TRANSPORTATION NETWORK VEHICLE SERVICES IN THE COUNTRY**

**WHEREAS**, transportation is imbued with public interest, and it is the policy of the State to provide safe, efficient, affordable, and accessible mass transportation for all;

**WHEREAS**, the Land Transportation Franchising and Regulatory Board (LTFRB) is mandated to promulgate, administer, enforce, and monitor compliance of policies, laws, and regulations of public land transportation services;

**WHEREAS**, the LTFRB's powers and functions include the duty to: (1) 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, and (2) issue, amend, revise, suspend or cancel Certificates of Public Convenience or permits authorizing the operation of public land transportation services provided by motorized vehicles, and to prescribe the appropriate terms and conditions therefore;

**WHEREAS**, Transport Network Vehicle Service (TNVS) is a mode of land transportation that provides ridesharing, ride-hailing and carpooling

services wherein a third-party provider pairs passengers with drivers through its digital platform;

**WHEREAS**, on May 2015, the Department of Transportation (DOTR) issued Department Order (DO) No. 2015- 011 which legalized the operation of TNVS in the country; It provides that fares of TNVS shall be set by TNCs subject to oversight from the LTFRB in cases of abnormal disruptions of the market, such as but not limited to any change in the market, whether actual or imminently threatened, resulting from stress of weather, convulsion of nature, failure or shortage of electric power or other source of energy, strike, civil disorder, war, military action, national or local emergency, or other cause of an abnormal disruption of the market which results in the declaration of a state of emergency by the President”;

**WHEREAS**, on December 2016, the LTFRB ordered the regulation of TNVS fares, allowing TNCs to charge a flagdown rate of P40, with an additional P10 to P14 per kilometer;

**WHEREAS**, on March 26, 2018, it was announced that Grab acquired Uber's Southeast Asia operations, including its operations in the Philippines. It was reported that Uber will end up with a 27.5% stake in Grab under the agreement. On April 16, 2018, Uber officially halted its operations in the country following the issuance of a cease and desist order by the LTFRB;

**WHEREAS**, the Philippine Competition Commission (PCC) is reviewing the merger of Grab and Uber in Southeast Asia to ensure that there will be no monopoly of TNVS in the country as a result of the acquisition deal;

**WHEREAS**, on April 10, 2018, Puwersa ng Bayaning Atleta (PBA) Partylist Representative Jericho Nograles accused Grab of illegally charging two pesos (P2) per minute for their rides, on top of the LTFRB-approved flagdown rate of P40 and P10 to P14 per kilometer. Grab allegedly overcharged its customers around P1.8 billion to P3.2 billion despite its public declarations that it is not making any per-minute extra travel charge;

**WHEREAS**, on April 17, 2018, the LTFRB conducted a hearing on the alleged illegal charges by Grab on top of its government-approved pricing scheme. LTFRB Chair Martin Delgra III revealed that in one of their technical working group meetings in 2017, there were discussions about Grab’s plan to collect a P2 per minute extra travel charge. But Delgra said Grab did not inform LTFRB when it was implemented;

**WHEREAS**, the LTFRB emphasized that it has the sole power to change fares for public utility vehicles and ride-hailing services;

**WHEREAS**, on April 18, 2018, Grab admitted that it did not inform its users of the P2 per minute extra travel charge it implemented; the following day, the LTFRB suspended the P2 per minute extra travel charge by Grab pending the former's investigation into the matter;

**WHEREAS**, several complaints were posted in social media regarding an apparent increase in Grab's fare right after its acquisition of Uber's operations including complaints for the alleged slow and deliberate processing of their request for student and PWD discount to Grab were also posted in social media accounts.

**WHEREAS**, there is a need to look into the operations of TNVS in the country to ensure that TNCs are not imposing fees which are unauthorized and to make sure that TNCs are not engaged in deceptive business practices;

**WHEREAS**, it is also necessary to determine whether this alleged overcharging of fees is more than just a simple oversight on the part of the LTFRB, and to assess how LTFRB is crafting its regulations and conducting its functions in relation to TNVS operations;

**WHEREAS**, a clear legislative regulation for TNCs, its drivers and services shall be crafted to promote and regulate a non-conventional form of transportation system;

**WHEREAS**, it is the responsibility of Congress to safeguard the welfare of the Filipino people by ensuring the availability of affordable, dependable, quality, and safe public transportation for all;

**NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, to direct the Committee on Public Services to conduct an inquiry, in aid of legislation, on the operation of Transport Network Companies (TNCs) in the Philippines, particularly on the alleged overcharging of fees and non-implementation of student and persons with disability discounts, with the endview of crafting legislation regulating Transport Network Vehicle Services in the country.

*Adopted,*



**JOSEPH VICTOR G. EJERCITO**