

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



'18 MAY -2 P1 :25

SENATE
P.S. Res. No. **719**

RECEIVED

Introduced by Senator Grace Poe

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON PUBLIC SERVICES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE POLICIES, PLANS, PENALTY SYSTEM AND REMEDIAL MEASURES THAT CAN BE FORMULATED ON THE INCREASING CASES OF ABUSIVE DRIVERS IN GRAB PH, TAXIS, AND OTHER COMMON CARRIERS CONSIDERING THAT THE PRESENT RELEVANT STATUTES MANDATE THAT THEY ARE BOUND TO OBSERVE EXTRAORDINARY DILIGENCE FOR THE SAFETY AND PROTECTION OF PASSENGERS

1 WHEREAS, Article 1732, Subsection 1, Section 4 of Republic Act No. 386, or
2 "*The Civil Code of the Philippines*", defines common carriers as "...persons,
3 corporations, firms or associations engaged in the business of carrying or
4 transporting passengers or goods or both, by land, water, or air, for compensation,
5 offering their services to the public";

6 WHEREAS, Article 1733 of the same section of R.A. No. 386 provides that
7 common carriers "...are bound to observe extraordinary diligence in the vigilance
8 over the goods and for the safety of the passengers transported by them, according
9 to all the circumstances of each case";

10 WHEREAS, in consonance with the above provisions, Section 15 of
11 Commonwealth Act No. 146, or the "*Public Service Act*" provides that "...no public
12 service shall operate in the Philippines without possessing a valid and subsisting
13 'certificate of public convenience' or 'certificate of public convenience and necessity'
14 to the effect that the operation of said service and the authorization to do business
15 will promote the public interests in a proper and suitable manner";

16 WHEREAS, on 08 May 2015, the Department of Transportation (DOTr) issued
17 Department Order No. 2015-011 which recognizes "Transportation Network Vehicle

1 Service" as a classification of public transport conveyance and directs the Land
2 Transportation Franchising and Regulatory Board "...to promulgate the relevant
3 implementing Memorandum Circular" and to "...accredit the TNCs and to promulgate
4 the guidelines for their accreditation";

5 WHEREAS, subsequently, the LTFRB issued Memorandum Circular 2015-015
6 and 2015-016 establishing the guidelines for the accreditation of Transport Network
7 Companies and M.C. 2015-17 and 2015-018 for the accreditation of Transport
8 Network Vehicle Service drivers.

9 WHEREAS, GrabTaxi, now simply known as Grab, entered the Philippine
10 market and registered as a TNC under the aforementioned LTFRB guidelines;

11 WHEREAS, just this April, Grab became the sole operating TNVS in the
12 Philippines when its operations were merged with its former competitor, Uber;

13 WHEREAS, immediately after the reported merger, riders began to complain
14 of unduly high fares from Grab, which led to calls to set a cap on their fares;

15 WHEREAS, similarly, there are number of cases and reports about the abusive
16 behaviour of some taxi drivers;

17 WHEREAS, the high fares were compounded with reports of unresponsive and
18 even frequent cancellation by Grab drivers, who would at times not even show up at
19 their rider's location;

20 WHEREAS, there are also allegations that some drivers are actively colluding
21 to cause artificial shortages in TNVS supply , thus creating artificial price surges;

22 WHEREAS, due to the above events, Grab is exercising a *de facto* monopoly
23 exercising a dominant position in the Philippine TNVS market, independently from
24 competitors, customers, suppliers, or consumers;

25 WHEREAS, Grab's status as a *de facto* monopoly does not override its status
26 as a common carrier and its correlative duty to observe extraordinary diligence in the
27 vigilance over the goods and for the safety of the passengers transported by them;

28 WHEREAS, although other competitors to Grab are forthcoming, it will take a
29 while before they are fully integrated in the local market;

30 WHEREAS, as many commuters rely on their services to navigate Metro
31 Manilas's traffic situation, Grab is undoubtedly a public service, and must thus
32 perform the duties expected of them

1 WHEREAS, as a TNC, Grab acts as a quasi-regulator in ensuring that its
2 drivers provide the highest level of service to the riding public, and to weed out
3 those who abuse their privilege as TNVS drivers;
4 NOW THEREFOR BE IT RESOLVED, as it is hereby resolved by the Senate of
5 the Philippines, to direct the Senate Committee on Public Services to conduct an
6 inquiry, in aid of legislation, on the policies, plans, penalty system and remedial
7 measures that can be formulated on the increasing cases of abusive drivers in Grab
8 Ph, taxis, and other common carriers considering that the present relevant statutes
9 mandate that they are bound to observe extraordinary diligence for the safety and
10 protection of passengers.

Adopted,


GRACE POE