

# **BRIEF ON THE AGENCY**

The Land Transportation Franchising and Regulatory Board (LTFRB) is the agency created by virtue of Exec. Order No. 202, series of 1987, under the Department of Transportation and Communications (DOTC), which handles the issuance of authority to any entity (corporate or individual) wishing to engage in public land-based transportation service.

## **Historical Background**

The regulatory land transportation dates back to the early 1900s. The LTFRB therefore, is a product of a series of transformations. The evolutionary progression runs as thus:

- Supervising Expert Office - 1906
- Coastline Rate Commission - 1907
- Board of Public Utility Commissioners - 1913
- Public Utilities Commission - 1914
- Public Service Commission - 1926
- Specialized Regulatory Boards - 1972
- Board of Transportation - 1979
- Land Transportation Commission (BOT & BLT) - 1985
- Land Transportation Franchising & Regulatory Board - 1987

# **Vision**

World-class land transportation services contributing to the over-all development of the country, improvement of the socio-economic status of its stakeholders, and promotion of the welfare of the general public.

# **Mission**

Ensure that the commuting public has adequate, safe, convenient, environment-friendly and dependable public land transportation services at reasonable rates through the implementation of land-based transportation policies, programs, and projects responsive to an *investment-led* and *demand-driven* industry.

# **Mandate**

To promulgate, administer, enforce, and monitor compliance of policies, laws, and regulations of public land transportation services.

# **EXECUTIVE ORDER 202**

(Creating LTFRB, dated June 19, 1987)

- **Aimed to simplify the Franchising System and at the same time enunciated the policies of the DOTC in particular and the Gov't in general, geared toward improving the land transportation system of the country.**

# **EXECUTIVE ORDER NO. 202**

## **CREATING THE LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD**

WHEREAS, the Department of Transportation and Communications is vested with, among others, quasi – judicial powers and functions pursuant to Executive Order No. 125, as amended;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines do hereby order:

SECTION 1. Creation of the Land Transportation Franchising and Regulatory Board. - There is hereby created in the Department of Transportation and Communications, the Land Transportation Franchising and Regulatory Board, hereinafter referred to as the ‘ Board ‘.

SEC. 2. Composition of the Board – The Board shall be composed of a Chairman and two (2) members with the same rank, salary and privileges of an Assistant Secretary, all of whom shall be appointed by the President of the Philippines upon recommendation of the Secretary of Transportation and Communications. One (1) member of the Board shall be a member of the Bar and shall have engaged in the practice of law in the Philippines for at least five (5) years, another a holder of a degree in civil engineering , and the other a holder of a degree in economics, finance or management both with the same number of years of experience and practice.

SEC. 3. Executive Director and Support Staff of the Board. – The Board shall have an Executive Director who shall also be appointed by the President of the Philippines upon the recommendation of the Secretary of Transportation and Communications. He shall have the rank, salary and privileges of a Department Service Chief. He shall assist the Board in the performance of its powers and functions.

The Board shall be supported by the Technical Evaluation Division, Legal Division, Management Information Division, Administrative Division and Finance Division.

SEC. 4. Supervision and Control over the Board. – The Secretary of Transportation and Communications, through his duly designated Undersecretary, shall exercise administrative supervision and control over the Land Transportation Franchising and Regulatory Board.

**SEC. 5. Powers and Functions of the Land Transportation Franchising and Regulatory Board. - The Board shall have the following powers and functions :**

- a. To 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 of Transportation and Communications;
- b. To 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;
- c. 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;
- d. To issue preliminary or permanent injunctions, whether prohibitory or Mandatory, in all cases in which it has jurisdiction, and in which cases the pertinent provisions of the Rules of Court shall apply;
- e. To punish for contempt of the Board, both direct and indirect, in accordance with the pertinent provisions of, and the penalties prescribe by, the Rules of Court;
- f. To issue subpoena and subpoena duces tecum and to summon witnesses to appear in any proceedings of the Board, to administer oaths and affirmations;
- g. To conduct investigations and hearings of complaints for violation of the public service laws on land transportation and of the Board's rules and regulations, orders, decisions and/ or ruling and to impose fines and/ or penalties for such violations;

- h. To review motu proprio the decisions/actions of the Regional Franchising and Regulatory Office herein created;
- i. To promulgate rules and regulations governing proceedings before the Board and the Regional Franchising and Regulatory Office: Provided, That except with respect to paragraphs d,e,f and g hereof, the rules of procedure and evidence prevailing in the courts of law should not be controlling and it is the spirit and intention of said rules that the Board and the Regional Franchising and Regulatory Offices shall use every and all reasonable means to ascertain facts in its case speedily and objectively and without regard to technicalities of law and procedures, all in the interest of due process;
- j. To fix, impose and collect, and periodically review and adjust, reasonable fees and other related charges for services rendered;
- k. To formulate. Promulgate, administer, implement and enforce rules and Regulations on land transportation public utilities, standard of measurements and/ or design, and rules and regulations requiring operators of any public land transportation service to equip, install and provide in their stations such devices, equipment facilities and operating procedures and techniques as may promote safety, protection, comfort and convenience to persons and property in their charges as well as the safety of persons and property within their areas of operations;
- l. To coordinate and cooperate with other government agencies and entities Concerned with any aspect involving public land transportation services with the end in view of effecting continuing improvement of such services; and
- m. To perform such other functions and duties as may be provided by law, as may be provided by law, as may be necessary, or proper or incidental to the purposes and objectives of this Executive Order.

SEC. 6 . Decision of the Board; Appeals Therefrom and / or Review Thereof. - The Board, in the exercise of its powers and functions, shall sit and render its decision en banc. Every such decision, order, or resolution of the Board must bear the concurrence and signature of at least tow (2) members thereof.

The decision, order or resolution of the Board shall be appealable to the Secretary within thirty (30) days from receipt of the decision: Provided, That the Secretary may motu proprio review any decision or action or the Board before the same becomes final.

SEC. 7. Creation of Regional Franchising and Regulatory Offices. - There shall be a Regional Franchising and Regulatory Office in each of the administrative regions of the country which shall be headed by a Board Regional Manager having the rank, salary and privileges of a Department Assistant Regional Director. The Regional Franchising and Regulatory Offices shall hear and decide uncontested application/ petitions for routes, within their respective administrative regions: Provided, That applications/petitions for routes, extending their respective territorial jurisdictions shall be heard and decided by the Board.

SEC. 8. Appeals. - The decisions, orders and resolutions of the Regional Franchising and Regulatory Offices shall be appealable to the Board within thirty (30) days from receipt of the decision.

SEC. 9. Appropriations. - Funds needed to carry out the provisions of this Executive Order shall be taken from the funds available in the Department of Transportation and Communications. Thereafter, the approved budget of the Board shall be included in the General Appropriations Act.

SEC. 10. Effectivity. – This Executive Order shall take effect immediately.

**Done in the City of Manila, this 19<sup>th</sup> day of June, in the year of Our Lord, nineteen hundred and eighty – seven.**

