



MEMORANDUM CIRCULAR

Number 2006-058

SUBJECT: MODIFYING DEPARTMENT ORDER NO. 97-1097 "PROVIDING STANDARD CLASSIFICATION FOR ALL PUBLIC TRANSPORT CONVEYANCES", AMENDING MEMORANDUM CIRCULAR NO. 2004-011 "RECLASSIFYING TOURIST TRANSPORT SERVICES" TO INCLUDE CORPORATE TRANSPORT LEASING SERVICES AS A NEW TOURIST TRANSPORT SERVICE SUB-CLASSIFICATION UNDER RENT-A-CAR SERVICES AND LIFTING THE MORATORIUM ON THE ACCEPTANCE OF APPLICATIONS/PETITIONS FOR NEW FRANCHISES

Pursuant to Department Order 2005-010 "Policy Guidelines on the Exercise of Authority and Functions by the Land Transportation Franchising and Regulatory Board", the LTFRB can amend or modify, in part or in its entirety, existing Department Order(s) previously issued by DOTC governing the powers and functions of LTFRB, specifically in prescribing and regulating routes, economically viable capacities and zones, or areas of operation for public land transportation services provided by motorized vehicles in accordance with public land transportation development plans and programs approved by DOTC.

The Board issued Memorandum Circular No. 2004-011 dated 28 May 2004, "Reclassifying Tourist Transport Services" and consequently implemented the corresponding Conversion Program for all affected Tourist Transport Service franchises.

The Board issued Memorandum Circular 2003-028 imposing a nationwide moratorium on the acceptance of applications/petitions for the issuance new franchises, except Trucks-For-Hire.

In view of the current demand for high quality transport services from foreign and domestic tourists, including foreign expatriate executives thereby boosting the country's tourism industry, this Board, in coordination with the Department of Tourism, is lifting the moratorium on the acceptance of applications/petitions for new franchises under the new sub-classification of Tourist Transport Services to be known as **Corporate Transport Leasing Services** under the Rent-a-Car Services sub-category, with the following physical and operational characteristics.

Vehicle Type	:	Four-door Sedan, Van, SUV, Pick-up and Limousine
Engine	:	Engine displacement of 1600 cubic centimeters (cc). and above Diesel or Gasoline or Liquefied Petroleum Gas or any other alternative fuel
Standards	:	MVIS-passed for roadworthiness, PETC-passed for smoke emission

Age Requirement : Not more than 5 years old, reckoned from the date of unit manufacture.

Operating Conditions: For foreign and domestic tourists including foreign expatriate executives, either chauffeur-driven or personally-driven.

From base of operation to any point within the Philippines

Terms and conditions: Lease Contract between the transport service provider and the lessee shall be presented to LTFRB

Franchise duration or expiry shall be based from the covered period of the Lease Contract. However, the transport service provider or operator is given ninety (90) days present another/renewed Lease Contract in order to extend the validity of the CPC/franchise.

Endorsement from the Department of Tourism shall be required.

Minimum of five (5) vehicle units per franchise application shall be required.

Contract Rates/
Service Fees : Monthly or quarterly or semi-annual or annual contract rates, subject to approval LTFRB

Other rules and regulations that are inconsistent with the provisions of this Memorandum Circular Order are hereby repealed and/or modified accordingly.

This Memorandum Circular shall take effect fifteen (15) days following the filing of three copies hereof with the Up Law Center, pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

SO ORDERED.

Quezon City, Philippines
2006

JUL 31 2006


MARIA ELENA H. BAUTISTA
Chairperson

GERARDO A. PINILI
Board Member

MARIA ELLEN-DIRIGE CABATU
Board Member