



Republic of the Philippines

DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

DEPARTMENT ORDER NO 2010-25

SUBJECT : **RECALLING LTFRB MC NOS. 2009-031, 2010-007 AND 2010-019**

LTFRB Memorandum Circular No. 2009-031 dated December 07, 2009, Memorandum Circular No. 2010-007 dated January 25, 2010 and Memorandum Circular No. 2010-019 dated May 04, 2010 all pertain to the lifting of the moratorium on the acceptance of applications for taxi franchises.

Under these Memorandum Circulars, issued purportedly to address a perceived deficiency in taxis operating in Metro Manila allegedly due to population growth, tourist arrivals and a resurgent economy, taxi applications through appropriation of dormant taxi franchises were accepted for processing and issuance subject to certain guidelines.

It appears that the perceived deficiency in taxis operating in Metro Manila is more apparent than real, being actually seasonal in character than a real shortage. Factors such as the MMDA's number coding scheme, worsening traffic in many parts of Metro Manila and rush hour volume of commuters taking taxis have created the perception of a dire shortage in taxis in Metro Manila and other urban centers.

- Thus, until the DOTC has rationally and effectively determined a demonstrated need for additional taxis, the legal, proper and more rational way to accept, process and resolve taxi applications is not to allow the appropriation of dormant or even dead taxi franchises but for the LTFRB to accept new taxi applications under criteria and guidelines issued by the DOTC for the purpose.

No less than the Philippine National Taxi Operators Association (PNTOA) agrees with the position of the Department through their position paper dated 28 July 2010.

Premises considered, this Department hereby revokes LTFRB Memorandum Circular Nos. 2009-031, 2010-007 and 2010-019 and is hereby directing the LTFRB to forth with cease and desist from accepting applications for taxi franchise through appropriation.

To be fair and equitable to taxi applicants with pending applications by appropriation who have already paid the required fees to the LTFRB for their applications, the LTFRB is now directed to:

- 1) process pending applications, petitions for compliance and similar petitions and review all non-final decisions strictly adhering to the following requirements:

THE COLUMBIA TOWER
BRGY. WACK-WACK, ORTIGAS AVENUE
1555 MANDALUYONG CITY, PHILIPPINES

TELEFAX: (632) 723-4925
TRUNKLINE: 727-7960 TO 79
DOTC ACTION CENTER HOTLINE: 7890

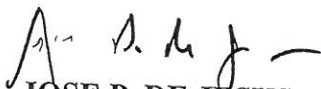
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- a) garages which should not be less than 300 meters in area and with documents showing ownership or rights to use said facilities by the applicants are to be inspected with the corresponding inspection reports attached to the case records of the applicants;
- b) units subject of the applications and correspondingly franchised must be brand new units inspected by the LTFRB-CO with the corresponding inspection reports attached to the case records of the applicants;
- c) only the number of units corresponding to the amount of appropriation fees already paid will be considered for processing as indicated in the herein attached List of Applications for Appropriation of Abandoned Taxi Franchises marked as Annex 1 and which forms an integral part of this Department Order);
- d) applicants, to demonstrate their financial capacity, should have a bank deposit of at least P4.0 Million under their names certified to by the Bank Managers of the banks where the said deposits are maintained.
- 2) the LTFRB-CO, with the applicants complying with the foregoing requirements, will conduct the proceedings and issue the appropriate decisions on the applications for taxi franchises pursuant to this Department Order.
- 3). no sale and transfer and dropping/substitution of units authorized by the LTFRB under this Department Order will be allowed within five (5) years from the grant of the franchises.
- 4) grantees of taxi franchises issued by the LTFRB pursuant to this Department Order will be sanctioned with appropriate penalties including cancellation of their franchises for violating the conditions prescribed in their franchise and this Department Order.

All other issuances or parts thereof inconsistent herewith are hereby modified, amended or superseded accordingly.

This Department Order takes effect immediately.

05 August 2010


JOSE P. DE JESUS
Secretary



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