



Republic of the Philippines  
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

MAY 08 2015

Department Order No. 2015-011

Subject: **FURTHER AMENDING DEPARTMENT ORDER NO. 97-1097 TO PROMOTE MOBILITY**

## INTRODUCTION

The cities and municipalities of the Philippines are growing very rapidly. With urbanization and growth come increased demand for mobility.

Mobility is a key concern in various Philippine cities and municipalities. Recognizing such need, the DOTC is developing and implementing mass transport systems that can deliver safe, efficient, and reliable transport services. However, given that conventional forms of mass transport, such as urban rail, take time to implement, the Department will recognize new forms of transport services that can help to address the large demand for transport services in expeditious and responsive ways. In addition to recognizing these new forms of transport services, there is also a need to modernize and improve the transport services currently being offered to the Filipino commuting public.

Our objective is to encourage innovation across all forms of public land transport in order to increase mobility on major thoroughfares, boost travel times, improve the quality, sustainability and reliability of public transport services, and respond to the needs of the modern commuter.

Department Order 97-1097 (as amended), which set the standard classifications for public transport conveyances to be used as basis for the issuance of Certificates of Public Convenience for public utility vehicles, is hereby further amended.

### 1. **BUS RAPID TRANSIT**

The worsening traffic congestion in metropolitan areas calls for prioritizing road space for public transport and raising service quality, so that private vehicle users will prefer to use public transport instead of their cars and motorcycles. Bus rapid transit (BRT) is a high quality bus-based public transport system that is able to achieve shorter travel times and high passenger volumes, based on use of segregated public transport lanes, electronic fare payment systems, and stations and vehicles designed for fast boarding and alighting. Centralized control of bus operations avoids unsafe on-street competition for passengers, reduces bunching, and improves reliability.

The amendment shall read:

**"1.A. BUS RAPID TRANSIT (BRT)**

A modern and efficient bus service type shall be operated with the hereunder operation characteristics:

- |                         |          |   |
|-------------------------|----------|---|
| <b>Bus body make</b>    | <b>:</b> | <b>a) Ordinary coach, articulated, double decker or guideway bus</b>  |
|                         |          | <b>b) Euro IV or better emissions standard or clean alternative fuel with equivalent or better emissions (e.g. electric or hybrid vehicles)</b>                         |
|                         |          | <b>c) Must have emergency exits and tempered panoramic glass windows</b>  |
|                         |          | <b>d) Other specifications that may be provided as appropriate for the BRT design of the specific mass transit corridor/s</b>   |
| <b>Model Year</b>       | <b>:</b> | <b>Not more than three (3) years old (based on year of manufacture)</b>   |
| <b>Ventilation</b>      | <b>:</b> | <b>Airconditioned</b>   |
| <b>Routes</b>           | <b>:</b> | <b>Fixed route regular, limited stops or express</b>  |
| <b>Fare</b>             | <b>:</b> | <b>Based on distance or zonal, or as may be authorized</b>  |
| <b>Operation System</b> | <b>:</b> | <b>a) Operating along a lane or roadway dedicated to public transport vehicles for all or portions of its route</b>   |
|                         |          | <b>b) With on-board Closed Circuit Television (CCTV), 4 cameras, continuous recording of minimum past 72 hours of operation</b>   |
|                         |          | <b>c) With vehicle tracking via on-board Global Positioning System (GPS) devices</b>  |
|                         |          | <b>d) With Automatic Fare Collection System (AFCS)</b>  |
|                         |          | <b>e) With free Wi-Fi for all passengers</b>  |
|                         |          | <b>f) With on-board automated bus arrival electronic display and announcement system</b>  |
|                         |          | <b>g) With vehicle floor height that permits level boarding and alighting at BRT stations</b>   |
|                         |          | <b>h) Drivers under salary, with no compensation linked to ridership, but with incentives for better customer service and reduction of accidents</b>                    |
|                         |          | <b>i) Operating under the direction of a system manager or control center that coordinates vehicles on the same route and ensures compliance with the service plan"</b> |

**2. AIRPORT BUS**

Due to the increasing number of airport passengers and traffic congestion surrounding airport terminal facilities, there is a need for airport greeters, air passengers and airport employees to be served by higher capacity vehicles.

The amendment shall read:

**"1.B. AIRPORT BUS**

An airport bus service type shall be operated with the hereunder operation characteristics:

- Bus body make : a) Ordinary coach  
b) Euro IV or better emissions standard or clean alternative fuel with equivalent or better emissions (e.g. electric or hybrid vehicles)  
c) Low floor height (0.28-0.38m)  
d) With adequate luggage racks/compartments based on estimated number of air passengers and other riders  
e) Must have emergency exits and tempered panoramic glass windows
- Ventilation : Airconditioned
- Routes : To be identified by DOTC
- Fare : As authorized by LTFRB
- Operating Conditions : a) Service with scheduled trips and designated off-street stops for loading/unloading passengers  
b) No loading/unloading of passengers outside of designated off-street stops  
c) With on-board Closed Circuit Television (CCTV), 4 cameras, continuous recording of minimum past 72 hours of bus operations  
d) With vehicle tracking via on-board Global Positioning system (GPS) devices  
e) With free Wi-Fi for all passengers  
f) With on-board automated bus arrival electronic display and announcement system  
g) With automatic fare collection system as one of the options for payment  
h) Drivers under salary, with no compensation linked to ridership, but with incentives for better customer service and reduction of accidents  
i) With booking office, lay-over area/garage, and off-street loading/unloading areas.

### 3. TAXIS

Due to the rapid population and economic growth experienced in key cities nationwide, such as Metro Manila, Metro Cebu and Metro Davao, there is an increase in the number of passengers in need of reliable transport services to facilitate their daily commute. However, issues plaguing the taxi industry such as inefficient and uneven taxi availability, poor customer service and lack of safety and security diminish from the quality of the commuter experience. In view of this, a new classification is hereby created and designated as "PREMIUM TAXI."

The amendment shall read:

#### "5.B. PREMIUM TAXI

- Vehicle Type : Four or five door automobiles, sedan type, with engine displacement of 2000cc or higher (or its equivalent, if electric-, hybrid-, or alternate fuel-powered vehicle)
- Seating Capacity : Four (4) excluding the driver
- Route : No fixed route within a specified area
- Ventilation : Air-conditioned

- Fare : As authorized by LTFRB
- Operating Conditions : a) The operator must have at least twenty-five (25) units in his/her fleet;
- b) The top light must display "Premium Taxi;"
- c) Drivers must be in uniform and must have company IDs;
- d) All vehicles must have clear glass windows;
- e) All vehicles must be brand new at the time of franchise application;
- f) All vehicles must be in a colour set by the LTFRB;
- g) All vehicles shall have a maximum age of 7 years;
- h) All vehicles must be equipped with a GPS vehicle tracking and navigation device.
- i) All vehicles must be equipped with an on-board electronic taxi fare payment device capable of processing payments made with credit card or debit card;
- j) The operator must have a facility for booking and dispatching by way of an online or smartphone-based application;
- k) The operator must have its own workshop and depot with a space of at least 15 sq. m. per vehicle and a total area of at least 750 sq. m. This should be separate from any existing workshop and depot already occupied by or assigned to other taxis in their fleet; and
- l) The operator must comply with rules and regulations issued by government agencies."

#### 4. TRANSPORTATION NETWORK VEHICLE SERVICE

Technological innovations are constantly challenging and often transforming established practices of industries. One such "catalytic" technology in the transportation industry is the "Online-Enabled Transportation Service (OETS)" that connects drivers with potential customers who request a ride. The internet-based digital technology application ("Application") provides services by connecting available registered vehicles with registered customers who request rides. Once a request is accepted, the driver picks up the customers and brings them to their destination. Globally, the service providers which provide this type of Application and facilitate this new type of transportation service is referred to by many jurisdictions as Transportation Network Companies (TNC).

Borrowing from the California Public Utilities Commission, TNC is defined as an "organization whether a corporation, partnership, sole proprietor, or other form, that provides pre-arranged transportation services for compensation using an online-enabled application or platform technology to connect passengers with drivers using their personal vehicles." In this jurisdiction, TNC shall mean as an "organization whether a corporation, partnership, or sole proprietor, that provides pre-arranged transportation services for compensation using internet-based technology application or digital platform technology to connect passengers with drivers using their personal vehicles."

The amendment shall read:

"12. TRANSPORTATION NETWORK VEHICLE SERVICE

- Vehicle Type** : Sedan, Asian Utility Vehicle, Sports Utility Vehicle, Van, Sport Utility Vehicle or other similar vehicles
- Seating Capacity** : Not more than 7 passengers, excluding the driver
- Ventilation** : Airconditioned
- Route** : No fixed route
- Fare** : As set by TNC, 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.
- Mode of Payment** : Pre-arranged
- Operation Conditions** :
- a) Driver must be accredited by the TNC;
  - b) Driver must hold a professional driver's license;
  - c) Driver must be registered with the LTFRB;
  - d) Vehicle must be accredited by the TNC;
  - e) Vehicle must not be more than 3 years old from date of manufacture;
  - f) Maximum age limit of the vehicle is 7 years from date of manufacture;
  - g) Vehicle must be equipped with proper tools and equipment;
  - h) Driver must always have an on-line enabled digital device during a pre-arranged ride;
  - i) Driver must only carry passengers who pre-arrange rides through TNC-provided online-enabled application and not through phone call or booking service;
  - j) Driver is prohibited from accepting street hails from potential passengers;
  - k) Driver is prohibited from accepting passengers in the airports, unless authorized by the airport management;
  - l) Driver must display during trips his Identification Card prescribed by the LTFRB;
  - m) Passengers must be insured with the LTFRB accredited personal passenger accident insurance providers; and
  - n) Operators and their drivers must comply with the rules and regulations issued by government agencies.
- Validity** : One year and may be renewed. Grantee must always remain in good standing with the TNC."

For purposes of this Department Order, the LTFRB is mandated to promulgate the relevant implementing Memorandum Circular within thirty (30) days from date hereof.

Regarding the TNVS, considering that an accreditation by the TNC is required of the TNVS applicant, the LTFRB is further directed to accredit the TNCs while waiting guidance from the legislature regarding regulation of this new industry and to promulgate the guidelines for their accreditation.

This Department Order amends and supersedes all issuances inconsistent herewith, and shall take effect immediately, following its publication in a newspaper of general circulation.

For strict compliance.

  
JOSEPH EMILIO AGUINALDO ABAYA  
Secretary 



  
DOTC-OSEC OUTGOING 15-00826