

RESOLUTION NO. 080 Series of 2018

(Re: RENEWAL OF ACCREDITATION OF U-HOP TRANSPORTATION NETWORK VEHICLE SYSTEM, INC. AS TRANSPORTATION NETWORK COMPANY)

WHEREAS, on 10 May 2018, the Committee issued Resolution No. 038 Series of 2018 wherein the committee resolved:

"NOW THEREFORE, taking into consideration the safety and protection of the riding public, and premises considered, this Committee resolves to DIRECT applicant U-Hop Transportation Network Vehicle System, Inc. TO SUBMIT within Ten (10) days from receipt of this Resolution the following documents:

- a) Past performance of the applicant within the first accreditation re: apprehensions and violations committed by their partners/operators.
- b) Business Permit
- c) Latest Income Tax Return

The applicant is further directed to SUBMIT its revised Terms of Service incorporating the following statements:

The TNC shall exercise due diligence of a good father of a family in accrediting and supervising its drivers. The TNC shall be held liable for acts or omissions committed by its TNVS while online, except if the same is beyond the TNC's control pursuant to the provisions of MC No. 2015-015-A and other pertinent rules and regulations."

WHEREAS, the herein applicant received said Resolution No. 038 S. 2018 on 23rd of May 2018.

WHEREAS, on 27 July 2018, the applicant U-Hop Transportation Network Service, Inc. submitted a Manifestation that it has "filed" copies of the following pleadings in connection with its petition for renewal of accreditation as follows:

1. Motion for Extension of Time on 4 June 2018
2. Second Motion for Extension of Time on 13 June 2018
3. Third Motion for Extension of Time on 22 June 2018
4. Fourth Motion for Extension of Time on 2 July 2018
5. Compliance on 12 July 2018

WHEREAS, the applicant U-Hop Transportation Network Service, Inc. has actually filed four (4) Motions for Extension of Time for their En Banc Case No. CO-EB-2018-02-0013 as follows:

1. Motion for Extension of Time to file Position Paper received by OED on 30 May 2018
2. Second Motion for Extension of Time to file Position Paper received by OED on 14 June 2018
3. Third Motion for Extension of Time to file Position Paper received by OED on 29 June 2018
4. Fourth Motion for Extension of Time to file Position Paper received by OED on 27 July 2018

WHEREAS, the applicant still charges an "Operator's Joining Fee" of One Hundred Fifty Thousand Pesos (Php 150,000.00) upon its Operators or Partners as stated in its revised Terms of Service for U-Hop Operators h) Terms of Service for TNVS Operators attached to its Manifestation filed on 27 July 2018 re: Compliance on July 2018, to wit:

"1. MINIMUM INCOME

- 1.1 OPTION A: U-Hop agrees to pay shuttle operator a monthly rate of Twenty-Five Thousand Pesos (PHP25,000.00) payable every 5th and 20th of the MONTH. This amount is guaranteed if the operator has opted to pay the one-time joining fee of One-Hundred Fifty Thousand Pesos (PhP150,000.00).
- 1.2 OPTION B: U-Hop agrees to pay shuttle operator a monthly rate payable every 5th and 20th of the month computed based on the fares collected by the operator's shuttle minus 18% commission. This amount is payable in case the operator has not opted to pay the one-time joining fee of One Hundred Fifty Thousand Pesos Ph150,000.00"

"3. OBLIGATIONS OF THE TNVO

- 3.1 At his/her option, to pay the lifetime transferrable Joining Fee of One Hundred Fifty Thousand Pesos (PHP150,000.00) per unit within a twelve (12) month period, less any discount, if applicable.
- 3.2 To pay for the Shuttle Device Package (Verification and POS, GPS, Vehicle Security System, Mobile App, and 5-year Data Plan) inclusive of one-time device installation fee, in the amount of Seventy Five Thousand Pesos (PHP75,000.00) less discount, if applicable."

- 3.3 To be aware of the transfer fee of Ten Thousand Pesos (PHP10,000.00) upon selling its U-Hop joining rights"

ALSO,

"5. MONEY BACK GUARANTEE

- 5.1 One Hundred percent (100%) of the Joining Fee and Shuttle Device Package within 6 months may be refunded to the TNVO if not satisfied with the U-Hop system. Should there be any changes in the LTFRB circular prohibiting the operation of the TNVS System within this period, the 100% refund applies as well.
- 5.2 Fifty Percent (50%) of the Joining Fee Shuttle Device Package may be refunded after six (6) months but no more than 1 year.
- 5.3 No refund after one (1) year. All payments are consummated at this point.
- The Shuttle Device Package must surrendered prior to any refund."

WHEREAS, the applicant's Articles of Incorporation still states thus:

"That the primary purpose of this corporation is to engage, as may be permitted by law, in the operation of supporting and auxiliary activities to land transport. [160990]"

(Emphasis ours.)

WHEREAS, the applicant still fails to submit its Business Permit duly issued by the Pasig City government as directed by the Resolution No. 038 S. 2018.

WHEREAS, in the applicant's revised Terms of Service for U-Hop Operators h) Terms of Service for TNVS Operators attached to its Manifestation filed on 27 July 2018 re: Compliance on July 2018, the applicant still consistently uses the term "Shuttle" showing that the applicant is actually a Shuttle Service.

WHEREAS, the No. 4.2 (ii) of the applicant's Terms of Service for U-Hop Members still states:

"We are not responsible for: (ii) the actions or inactions of any drivers;"

AND the No. 5.1 of the applicant's Terms of Service for U-Hop Members states:

"We may wish to transfer our rights or obligations or sub-contract our obligations under these Terms & Conditions to another other legal entity."

(emphasis ours.)

NOW THEREFORE, taking into consideration the safety and protection of the riding public, and premises considered, this Committee resolves to **DENY** applicant U-Hop Transportation Network Service, Inc.'s petition for renewal of its accreditation as a Transportation Network Company based on the following grounds:

1. Failure to submit the requirements within the period specified in the Resolution No. 038 S. 2018;
2. Failure to submit Business Permit duly issued by the Pasig City government;
3. Still requiring an "Operator's Joining Fee" of One Hundred Fifty Thousand Pesos (Php 150,000.00) upon its Operators or Partners that gave rise to complaints and thereby adversely affecting its performance;
4. Non-compliant purpose in the applicant's Articles of Incorporation;
5. Still consistent use of Shuttle as the mode transportation.

APPROVED AND SIGNED by the undersigned Chairman and Members of the Pre-Accreditation Committee, this 28 day of September 2018 at Quezon City, Philippines.

ATTY. SAMUEL A. M. JARDIN

Chairman

ATTY. CARL SHA JEMIMAH F. MARBELLA

Member

ATTY. ZONA RUSSET M. TAMAYO

Member

NIDA P. QUBIC

Member

JOEL J. BOLANO

Member