



Republic of the Philippines
Department of Transportation
LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD
East Avenue, Diliman, Quezon City

RESOLUTION NO. 143 Series of 2021

(re: Renewal of Accreditation of HIRNA MOBILITY SOLUTIONS, INC.
as Transportation Network Company)

WHEREAS, on 22 July 2021, the Board issued Resolution No. 087, series of 2021 directing the Pre-Accreditation Committee (PAC) to evaluate and review not only the documentary requirements set forth under Memorandum Circular No. 2015-015A but also the financial and operational performance of the Transport Network Companies (TNC) applying for renewal of its Certificate of Accreditation, such as:

1. Established physical office and number of employed full time employees;
2. Data of number of Accredited TNVS since the start of its operation, in relation to its role in providing public service;
3. Complaints filed against the TNC, and its manner of responding to said complaints;
4. Proof of financial capability of the TNC, as a going concern entity.

WHEREAS, stated also in the Resolution No. 87, s. 2021 that failure of the TNC to comply with the requirements set forth under Memorandum Circular No. 2015-015-A and Board Resolution No. 87, s. 2021 shall be a ground for the Denial of renewal of Certificate of Accreditation;

WHEREAS, in compliance to the directive of the Board, on 28 July 2021, the Pre-Accreditation Committee issued Resolution No. 089, series of 2021 directing all existing TNCs with pending Application for Renewal of Accreditation to comply with the submission of documents as required under Board Resolution No. 087, series of 2021, fifteen (15) days from receipt of the Notice of the Resolution;

WHEREAS, aside from posting the Board Resolution No. 087 and PAC Resolution No. 089 in the official website of the LTFRB, an email was also sent on 6 August 2021 to TNCs with pending Application for Renewal of Accreditation, including herein Applicant;

WHEREAS, herein Applicant acknowledged receipt of the Resolutions thru email on 6 August 2021, and submitted compliance on 23 August 2021;

WHEREAS, after due evaluation of the documents submitted, the following have been observed:

1. In submitting proof of established physical office, Applicant provided a copy of Co-Working Space Rental Agreement in Mandaluyong City for a Workstation (Seat No. 54) for a monthly rental fee of five thousand pesos (P5,000.00) and in Davao City for a monthly rental fee of three thousand pesos (P3,000.00).

More than the Accreditation thing, TNCs are LTFRB's partner in monitoring the daily operation of its accredited TNVS/Taxis, particularly on gathering data of TNVS/Taxis that are online and offline in any given time. Also, the main office of herein Applicant, specifically the one located in Mandaluyong City is merely a Workstation (Seat No. 54), which cannot be considered as an established office.

As regards the number of employees, it only provided the names of its eight (8) employees, including the CEO, Mr. Lakan-asa Bautista, without submitting other proofs like payroll, Taxes withheld from compensation, SSS remittance, Philhealth, etc. Of these eight (8) employees, it was not disclosed as to how many are based in Mandaluyong City Office and in Davao City office.

Given the kind of physical offices it is renting and the very limited number of employees it employed, these poses a question as to the capacity of the Applicant to assume the responsibilities of a TNC, in effectively monitoring its accredited TNVS/Taxis, attending the concerns of its accredited TNVS/Taxis and drivers, and responding to the complaints of the riding public.

2. As to the data of number of accredited TNVS/Taxis, it provided seven thousand six hundred sixty four (7,664) vehicles. With these number of accredited vehicles, it is imperative upon the applicant to have an established office with sufficient number of employees to effectively manage and monitor said PUVs.
3. On the complaints filed against them, Applicant recorded only twelve (12) complaints since 2018 up to present. This gives an impression to the PAC that herein applicant may not have effective and operational complaint mechanism, as required under Memorandum Circular No. 2015-015A, given the very limited number of employees it employed.
4. In submitting proof of financial capability, Applicant submitted only the page of its audited financial statement showing an Equity Deficit of Nineteen Million Five Hundred Seventeen Thousand Six Hundred Fourteen (P19,517,614). The financial condition of herein Applicant has a negative impact as to its capacity to sustain the operation of a TNC, as a going concern entity, and its capacity to pay all judgments and awards that may be rendered for any cause arising out of the operation of a TNC business.

WHEREAS, recognizing the role of the Transport Network Companies in the effective monitoring of operation of Transport Network Vehicles and Taxis, it is imperative upon the Board to carefully look into the company profile of the Applicant TNC to ensure not only the safety and convenience of the commuting public but also its capability to assume the responsibilities as a TNC;

NOW THEREFORE, for and in consideration of the foregoing, the Pre-Accreditation Committee hereby recommends to the Board to DENY the Application for Renewal of Accreditation of HIRNA MOBILITY SOLUTIONS, INC. for failure to meet the requirements sufficient to warrant the approval of its Application, without prejudice on the part of herein applicant to re-apply once the moratorium on the acceptance of Application for TNC Accreditation is lifted, in accordance with the parameters as may be set by the Board.

RECOMMENDED and SIGNED by the undersigned Chairman and Members of the Pre-Accreditation Committee, this ~~06 DEC 2021~~ 06 DEC 2021 of October 2021 at Quezon City, Philippines.


JOEL J. BOLANO
Member


ATTY. ZONA RUSSET M. TAMAYO
Member



ATTY. MARK T. COFINO
Member


NIDAP: QUBIC
Member

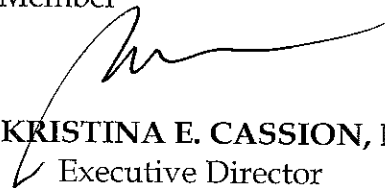

MARIA KRISTINA E. CASSION, MBA, CESE
Chairperson

Approved by:


ATTY. MARTIN B. DELGRA III
Chairman


PCol JOEL C. PERNITO (Ret.)
Board Member

Attested by:


MARIA KRISTINA E. CASSION, MBA, CESE
Executive Director