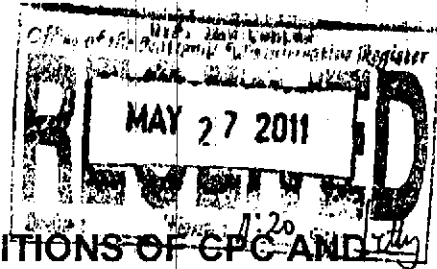




Republic of the Philippines  
Department of Transportation and Communications  
**LAND TRANSPORTATION FRANCHISING & REGULATORY BOARD**  
East Avenue, Quezon City

**MEMORANDUM CIRCULAR  
NUMBER 2011 - 004**



**Subject: 2011 REVISED TERMS AND CONDITIONS OF CPC AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF**

For proper observance of all holders of Certificates of Public Convenience to Operate Public Land Transportation Services, and their drivers to obey, follow and observe orders, rules and regulations of the Land Transportation Franchising and Regulatory Board, which by express terms, are incorporated into and form an integral part of every Certificate of Public Convenience granted to every public utility engaged in operating land transportation services, and in response to the public demand for effective enforcement and strict observance of franchise related matters by the Board, the following enumerated comprehensive terms and conditions shall now form part of every decision/ CPC to be issued by this Board :

1. The PUV operator shall ensure that the commuting public has adequate, safe, convenient, environment-friendly and dependable public land transportation services at reasonable rates through the strict implementation of land-based transportation policies, programs, and projects responsive to an investment-led and demand-driven industry, and in adherence to the provisions of the Clean Air Act and other related environmental laws.
2. The PUV operator shall prohibit smoking or the act of carrying a lighted cigarette or other tobacco products within the terminal/garage or inside all PUVs and shall cause the prominent display of the "No Smoking" signs within the premises of the terminal/garage and inside all PUVs.
3. The PUV operator shall not resort to cessation of service as a sign or demonstration of protest against any government



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decision or action under pain of suspension or cancellation of the authority to operate granted by the Board nor shall the PUV operator tolerate, allow or authorize personnel to join others committing acts prejudicial to the riding public, including, but not limited to, paralyzing transport services by intimidation, coercion or violence.

4. The PUV operator shall give his/her/its customers or users, all information and assistance pertaining to his services in order that they may secure proper, efficient and economical service.
5. It shall be unlawful for any PUV operator to give undue preferences or make unjust discrimination in his/her/its service.
6. Except for PUJs, the PUV operator shall adopt a commercial, trade or business name duly issued by any authorized government agency subject to the approval of the Board.
7. Should the PUV operator decide to adopt its own trade/company design, color scheme or combination of colors distinct from what is required by the Board such as in the case of (but not limited to) unit markings, uniforms and the like, the same should be subject to prior approval of the Board.
8. The installation of transit advertising materials and other types of markings on public utility vehicles shall be subject to the prior approval of the Board.
9. It shall be unlawful for any PUV operator to cause, allow or in any other manner help or consent to the registration in his/her/its name, fictitiously, surreptitiously or otherwise any equipment belonging to another person and/or to cause allow or in any other manner help or consent to the operation of the same or of any other equipment, under his/her/its Certificate of Public Convenience.



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10. The PUV operator shall charge the passenger and freight rates as authorized by the Board. In no case shall fares lower or higher than those authorized be charged without previous authority from the Board. The PUV operator shall post a copy of the Fare Matrix in a conspicuous place at his/her/its office, terminal or waiting stations, and in the interior of each motor vehicle which is in actual service.
11. Children less than 1 meter in height shall be transported free of charge and those from 1 to 1.30 meters in height shall pay half fare. PUV operators shall provide in an adequate place in their motor vehicles the necessary markings for verifying the heights of the children passengers who are entitled to free or half fare.
12. The PUV operators shall grant fare discounts as prescribed by law, policies, rules and regulations to Senior Citizens and Persons with Disability.
13. The PUV operator shall grant fare discounts to Students during school days and shall cover only those currently enrolled in Pre-school, Elementary, Secondary and Collegiate schools, including academic, vocational or technical schools duly recognized by the Government, EXCEPT: those of dancing and driving schools, short term courses of seminar type, and Post-graduate studies (those taking up medicine, law, masteral, doctoral degrees and the like).
14. The PUV operator shall not deprive passengers granted fare privileges and discounted fares with appropriate seats.
15. The PUV operator shall display the International Symbol of Accessibility in their units and shall designate seats in all their units specifically for the use of Persons with Disabilities as follows:

*For PUBs*

- Regular buses shall have at least five (5) designated seats for PWDs near entrance doors.



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- Airconditioned buses shall have at least four (4) designated seats for PWDs near entrance doors.
- For regular and airconditioned city buses, other passengers may use those designated seats if not occupied but shall yield them to incoming PWDs whenever the occasion arises.
- For provincial buses, other passengers may use those designated seats if no PWDs shall occupy these seats at the start of the trip.
- Owners or operators of PUBs operating in highly urbanized cities shall install in their units audio-visual aids such as buzzers, bells, flashing lights to inform the driver of any alighting passenger.

*For PUJs*

- Owners of PUJs shall provide at least two (2) seats, at the convenience of the PWD, for the use of PWDs in their units.
- Other passengers may use those designated seats if not occupied but shall yield them to incoming PWDs whenever the occasion arises.

*For Bus Terminals and Stations*

- Widen doors/access to comfort rooms to be able to allow the entry of wheelchairs
- Provide ramps for easy access by wheelchairs to the waiting lounges; and
- Mark a bench or space for the use of PWDs in waiting lounges. This may be used by others if there are no PWDs using it.

It shall be considered discrimination for PUV operators and their drivers/ personnel to charge higher fare or to refuse to convey a PWD, his orthopedic devices, personal effects, and merchandise by reason of his disability.

16. The PUV operator shall operate the unit/s authorized and registered pursuant to the authority granted only on the route authorized in the Certificate of Public Conveyance unless otherwise authorized by the Board.
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17. The PUV operator shall not allow any motor vehicle belonging to others to be registered and/or operated under the certificate of public convenience granted.
  18. The PUV operator shall not allow any illegal transfer of motor vehicle plate/s or illegally reproduce the same (known as "*kambal plaka*") for the use by unauthorized motor vehicle units.
  19. The PUV operator shall not allow the illegal use or transfer of chassis or engine motor (known as "*pukpok chassis*") for the used of unauthorized PUVs.
  20. No PUV operator shall accept or carry in his/her/its motor vehicle passengers in excess of the capacity fixed by the Board.
  21. Every passenger is entitled to a free carriage of 10 kilograms of baggage and shall pay the corresponding freightage for excess weight.
  22. When the PUV operator's unit/s carry both passengers and freight, the freight shall be placed in a separate compartment, except packages or bundles the size of which will allow placement under the seats without causing inconvenience to, and compromising the safety of, the other passengers.
  23. In case freight is carried on top of Public Utility Buses, it shall not exceed 20 kilos per square meter of roof area, distributed so that it will not endanger the lives of passengers or stability of the bus unit.
  24. The PUV operator shall not load animals of any kind, except fowls. In the carriage of such fowls and other animals, the convenience, comfort and safety of the passengers shall not in any way be sacrificed. Any cargo which emit foul odor shall be covered with canvass or any other suitable material so that it will not be offensive to passengers.
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25. The PUV operator shall not carry nor transport cadavers or corpses in his/her/its motor vehicle unless it carries no other passengers, except relatives or friends of the deceased.
  26. For the purpose of loading and/or unloading freight or passengers, motor vehicles should be drawn to the curb or to any designated loading and unloading areas.
  27. All PUB and Taxi operators shall issue tickets/receipts to passengers in accordance with the requirements of the Bureau of Internal Revenue (BIR) for this purpose. In issuing the said tickets/receipts, the exact amount of fare collected, point of embarkation and destination shall be clearly indicated.
  28. All taxi meters with receipt shall be presented to the Board **twice a year** for testing and sealing as provided by existing policies and on such dates or instances as may be prescribed by the Board.
  29. The PUV operator shall employ drivers, conductors, inspectors and other personnel who are courteous and of good moral character. In no case shall the PUV operator employ any person who has been convicted by a competent court of homicide and/or serious physical injuries, theft, estafa, robbery and crimes against chastity, unless with prior written approval by the Board.
  30. PUV operators are prohibited from employing drivers who do not have a valid professional driver's license and appropriate restriction code.
  31. The PUV operator and their drivers shall attend trainings/seminars on transport management, road safety, and good driving habits to be conducted/accredited by the Board.
  32. Before accepting or hiring drivers and conductors, the PUV operator shall subject them to orientation and rigid examinations pursuant to existing laws, policies, rules and
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regulations. In the course of employment, the PUV operator shall, at his/her/its own expense, mandatorily conduct or cause the conduct of training and/or seminars of his/her/its drivers, conductors/ress, inspectors and other concerned personnel.

33. Each PUV operator shall provide the required uniform for his/her/its drivers, conductors and inspectors when on duty. The color of the uniform (polo shirt or t-shirt with collar) shall be as follows:

i.	For PUJ Service	-	light blue
ii.	For PUB Service	-	white
iii.	For Taxi Service	-	red
iv.	For UV Express	-	green
v.	For Trucks for Hire Service	-	maroon
vi.	For Tourist Transport Service	-	yellow
vii.	For School Service	-	yellow
viii.	For Shuttle Service	-	yellow

Except for PUJs, the polo uniform should bear the name of the driver, conductor or inspector and logo of the company/business name (if applicable).

Each driver, conductor, and inspector shall wear long pants (any color) and shoes. Slippers/sandals shall not be allowed.

Each driver, conductor, and inspector shall also be issued a company ID which shall bear the company's name, address, name of driver/conductor/inspector and photograph, and must be conspicuously displayed or worn during each trip.

Any deviation from the above requirements such as company/ association/cooperative-issued uniform should be subject to prior approval by the Board.

34. The PUV operator shall submit to the Board on or before May 15<sup>th</sup> of every year an Annual Report in the form prescribed by the Board. The PUV operator shall also



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submit with the Annual Report a Certification from the Social Security System that all contributions for the employees have been paid.

- PUV operators engaged in one or more than one class/denomination of public service shall file a separate Annual Report for each.
35. The PUV operator shall pay to the Board on or before September 30<sup>th</sup> of every year supervision and regulation fees computed at the rate applicable to the authorized service and shall submit to the Board a list of authorized unit/s registered for the current year for which the said fees are paid.
  36. The PUV operator shall seek confirmation of his/her/its franchise with the Board prior to registration of the authorized unit/s with the Land Transportation Office. Failure to confirm for two (2) consecutive years shall result in the cancellation of franchise.
  37. The PUV operator shall comply with the provisions of the Social Security Act, Labor and Social Legislation, Taxation Law and all other laws, rules and regulations pertaining to the operation of public land transportation services.
  38. Each PUV operator shall inscribe on both sides of each of his/her/its public utility vehicle, in letters legible at a distance, his full name and below it the word "operator", address, passenger seating capacity (including driver and/or conductor), authorized route, case number, and plate number. In case of Trucks-for-Hire, aside from those enumerated, the freight capacity in tonnage should be indicated. If a commercial or business name has been adopted by the PUV operator, the same should be inscribed legibly in conspicuous places on both sides of his/her/its public utility vehicle above the other inscriptions mentioned herein.





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39. Each public utility vehicle, when not actually offered for public service while operating on highways, shall display on its front, a signboard of suitable size on which shall be written in letters legible at a short distance the inscription: **"NOT AVAILABLE"**.
40. Each taxicab shall be provided with signs **"ON CALL"** and **"GARAGE"** which shall be displayed near the taximeter or at the windshield when the taxicab driver is on his way to pick-up a passenger pursuant to a call made by the passenger at the operator's garage or when the taxicab driver is on its way back to the operator's garage. Said signs must be legible at a distance of at least thirty (30) meters.
41. Public utility vehicles (when applicable) shall carry on its front above the windshield a signboard/panel route of suitable size, legible at a distance, on which shall be written the route of the particular trip being undertaken in accordance with the corresponding Certificate of Public Convenience. Said signboard/panel route must be lighted when the motor vehicle is operated after dark.
42. Public utility vehicles shall be provided with sign **"FULL"** which should be displayed when the vehicle is carrying its maximum capacity. In vehicles of the closed type, said sign shall be placed in a conspicuous part of the entrance and on the left side of the windshield.
43. The PUV operator shall strictly prohibit the exhibition of pornographic video tapes and/or violent films, which include nudity, explicit violence and extremely offensive and profane language in all of the authorized units.
44. The PUV operator shall keep a record, in chronological order, of all accidents that may occur in connection with the operation of PUVs, including the nature, causes, consequences and measures undertaken to avoid recurrence (including financial assistance or help to accident victim/s). A detailed report should be submitted to the Board



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on or before the 10<sup>th</sup> day of the following month. Failure to do so shall be subject to the penalties as may be imposed by the Board on the erring PUV operator.

45. Accidents which result in the death or physical injuries shall be reported to the Board within seventy-two (72) hours from their occurrence. Failure to do so shall be subject to the penalties as may be imposed by the Board on the erring PUV operator.

46. In cases of accidents resulting in death or physical injuries, the Board may, prior to the hearing, suspend for a period not exceeding thirty (30) days any certificate of public convenience or the exercise of any right or authority issued or granted, whenever it is necessary to avoid further injuries or damages which may result in the continued operation of the business.

i. If there is willful or contumacious refusal of the PUV operator to comply with the Preventive Suspension Order, the Board shall suspend ALL the certificates of public convenience or the exercise of any right or authority issued or granted to the PUV operator.

ii. All the authorized units under the suspended franchise shall be brought to the Board or to any of its duly accredited agency/office for inspection on roadworthiness. The PUV operator and all his/her/its drivers/conductors are mandated to undergo Road Safety seminars conducted by the Board or its duly accredited/recognized training center at the expense of the PUV operator.

47. All PUV operators, drivers and/or conductors, shall render immediate assistance to the victim/s of accidents by bringing them to the nearest hospital for medical assistance, or immediately report the accident to the nearest police station for investigation. Failure to do so shall be deemed "**Hit and Run**" accident and shall cause the suspension for a period of



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thirty (30) days of all the authorized units under the franchise number where the involved motor vehicle is included.

48. All PUV operators shall comply with all existing Memorandum Circulars, Resolutions and other Orders issued by the Board and those which may subsequently be issued.

## **PENALTIES**

Except for Paragraphs 14, 17 and 18, violations of the terms and conditions herein set forth shall be penalized as follows:

1 <sup>st</sup> Offense	fine of P2,000.00
2 <sup>nd</sup> Offense	fine of P3,000.00 with suspension of CPC for sixty (60) days and confiscation of "for hire" plate/s
3 <sup>rd</sup> Offense	fine of P5,000.00 and cancellation of CPC

For Paragraph 14, violations thereof shall be penalized as follows (in accordance with BP344 and RA7277, as amended):

1 <sup>st</sup> Offense	fine of P50,000.00
2 <sup>nd</sup> and subsequent Offenses	fine of P100,000.00

For Paragraphs 17 and 18, violations thereof shall be penalized as follows:

1 <sup>st</sup> Offense	Suspension of CPC where unit involved is included for a period of six (6) months
2 <sup>nd</sup> Offense	Cancellation of CPC where unit involved is Included
3 <sup>rd</sup> Offense	Cancellation of all CPCs granted to the PUV Operator and perpetual disqualification to be a grantee of CPC for any mode of transport issued by the Board

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This Memorandum Circular supersedes and amends all issuances inconsistent herewith, and shall take effect fifteen (15) days following its publication in a newspaper of general circulation and filing of three (3) copies hereof with the UP Law Center pursuant to Presidential Memorandum Circular No. 11 dated 9 October 1992.

MAY 25 2011

  
**ATTY. NELSON P. LALUCES**  
Chairman



  
**ENGR. SAMUEL JULIUS B. GARCIA**  
Board Member

  
**ATTY. MANUEL M. IWAY**  
Board Member

EFFECTIVITY DATE: JUNE 11, 2011

ATTESTED BY:

  
**ATTY. DANTE XENON B. ATIENZA**  
Executive Director