



MEMORANDUM CIRCULAR NO. 2005-015

SUBJECT : RATIONALIZATION PROGRAM FOR THE VOLUNTARY CONVERSION OF TOURIST BUS CERTIFICATES OF PUBLIC CONVENIENCE (CPCS) TO PUB AIRCON FRANCHISES

In the month of June 2003, Land Transportation Franchising and Regulatory Board (LTFRB) issued a directive authorizing the conversion of not more than 50% of the total Franchised Tourist Buses to Regular Aircon PUB (per operator's fleet size), subject to availability of the Route Measured Capacity (RMC) of the applicant-operator's authorized routes.

In the same year, LTFRB issued Memorandum Circular 2003-027, deferring the implementation of the said conversion scheme, pending further technical studies and review.

Per study conducted by the joint DOTC-LTFRB Technical Working Group, at least three hundred fifty (350) Tourist Franchised PUBs are being deployed to service PUB Aircon routes by at least 19 Bus Companies, nationwide. Such unauthorized deployment violates the terms and conditions of the CPC. This Rationalization Program for Voluntary Conversion was recommended to harmonize the operations of said franchisees.

Pursuant to Department Order 2005-10 (Policy Guidelines on the Exercise of Authority and Functions by the Land Transportation Franchising and Regulatory Board), this Board hereby orders the implementation of Rationalization Program to convert said Tourist PUB being operated as Regular Aircon PUBs. However, the following terms and conditions should be complied with:

1. Only operators who are both Tourist Bus and Regular PUB Aircon franchise-holders are qualified to apply for this Voluntary Conversion.
2. Tourist Bus Conversion shall only be allowed to convert to existing PUB Aircon routes, subject to the Route Measured Capacity (RMC) allocation for North and South PUB routes as determined by DOTC transport survey results. Tourist Bus Franchise holders can only apply for routes authorized under their current and co-existing Regular PUB Aircon CPCs. However, should the RMC be inadequate under the co-existing route, a second route option may be submitted by the applicant for Board consideration.