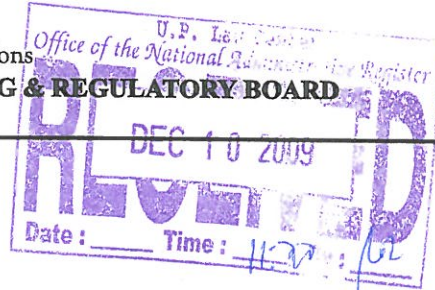




Republic of the Philippines
Department of Transportation & Communications
LAND TRANSPORTATION FRANCHISING & REGULATORY BOARD



MEMORANDUM CIRCULAR
NUMBER 2009-032

SUBJECT: AMENDMENT OF MEMORANDUM CIRCULAR 2006-005
and RELATED MCs ON VOLUNTARY SEGREGATION
TO OPERATE A UNIT FROM A CERTIFICATE OF PUBLIC
CONVENIENCE

The Board has been besieged with complaints from operators / actual owners of public utility vehicles whose units had been attached to transport cooperatives, corporations or transport associations under the "**kabit system**" but were dropped and substituted without their knowledge and consent. It has also come to the attention of the Board that units operating under a franchise have multiplied because the dropped units continue to operate while their "mother franchisee" have, on the other hand, already included new units from new beneficial owners in their fleets and have allowed the same to operate under their corporation / trade / association name. Requisite processes mandated by the Board for the purpose are even wantonly disregarded.

This practice is not only violative of the provisions of the Public Service Act, which categorically requires that sale and transfer must be upon prior approval by the Board, but is also detrimental to public service and prejudicial to the interests of the commuting public.

In consultation with the transport leaders, the commuting public and other stakeholders, to address the concerns for the safety, comfort and convenience of passengers and the general public, and due to the clamour of PUV operators, the Board, in the exercise of its regulatory powers mandated by Executive Order No 202, dated June 19 1987, hereby further allows the filing of petitions / applications under the voluntary segregation program up to June 30, 2010, subject to applicable policy guidelines and further conditions / restrictions, thus:

1. The by-laws of the corporation, cooperative or association or their corresponding applicable restrictions must be taken into account;
2. For purposes of Public Utility Buses the minimum number of operating units mandated by previous circulars shall be maintained;
3. The original "mother" franchisee (corporation, cooperative or association) shall not be allowed to substitute the segregated units;
4. The PUV owner applying for segregation must execute an undertaking that he is not the grantee of the CPC under which he / she is operating though he / she is the actual owner of the PUV being operated under the "**kabit system**". He / she shall thence be granted a new case number.
5. The following segregation fees per unit declared shall be collected from the applicant aside from the usual fees and charges of the Board:
 - a. Buses : P10,000.00
 - b. PUJ 5,500.00
 - c. Taxi 8,000.00



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This Memorandum Circular supersedes any and all issuances inconsistent herewith, and shall take effect fifteen (15) days after the filing of three (3) copies hereof with the U.P. Law Center, in accordance with Presidential Memorandum Circular No. 11 dated October 9, 1992.

SO ORDERED.

Quezon City, DEC 08 2009


ALBERTO M. SUANSING
Chairman




MARIA ELLEN DIRIGE-CABATU
Board Member


GERARDO A. PINILI
Board Member