MEMORANDUM CIRCULAR
NUMBER 2010-030

SUBJECT: LIFTING OF MEMORANDUM CIRCULAR NO.2010-009, which suspends the implementation of MC No.2009-035 [Re: Opening of Applications for Appropriation of Abandoned and/or expired CPCs in the Regional Offices] IN REGION 111 and AMENDMENT/MODIFICATION OF MC No. 2009-035.

After the issuance and effectively of Memorandum Circular (MC) No.2000-035, the Board found the necessity to review the Appropriation Program for Regional Offices which lead to the issuance of MC No. 2010-009 suspending the effectively of MC No.2009-035.

Upon compliance with directive of the Board to submit the necessary inventory of CPCs to be considered as abandoned and after assessing the need for transport services, Memorandum Circular (MC) No.2009-035 (suspending the implementation of the Appropriation Program in Regional Offices) is hereby LIFTED with respect to LTFRB-REGION 111.

Pursuant to Section 5 (i) and (k) of Executive Order No. 202, and for an orderly procedure of all petitions for cancellation and applications for appropriation, the Board hereby adopts the following amendments/modifications under the Appropriation Program for LTFRB-Region 111, to wit:

1. The Board allows a total of ONE HUNDRED (100) units for appropriation under PUB denomination. Only brand new units will be accepted under the Appropriation Program.
   \* Brand new units shall include units which are unused and year model is the current year or year before the application is filed.

2. The applicant must submit proof of the existence of a garage with the corresponding Barangay Clearance and Mayor’s permit;

3. The applicant is likewise required to submit an Income Tax Receipt (ITR) for the immediately past three years or appropriate corresponding proof of financial capacity for new corporation.

4. The applicant shall have at least PESOS: ONE HUNDRED THOUSAND (100,000.00) cash in bank/ hand or other tangible assets.

5. All applications under this Appropriation Program shall have a minimum Of two (2) units for each application. The Board may allow an applicant To file more than one application for required minimum number of units, Provided that all the applications shall be for brand new units.

6. Aside from the regular fees to be assessed by the Regional Office, an Appropriation fee in the amount of PESOS: TWENTY THOUSAND (20,000.00) per unit shall be assessed and paid/received before the application is accepted and considered as filed.
7. Prior to the filing of an application, any interested party shall inquire and secure from the Office of the Regional Director for available Certificates of Public Convenience (CPCs) that could be subject for cancellation and appropriation.

Appropriation under this Program shall cover CPCs which are deemed Abandoned from year 1996 to 2001.

- In assigning available CPCs, the following guidelines shall be observed:

- Older CPCs shall be appropriated first, and only until all CPCs for said year have been appropriated shall assignment on the following year be allowed.

  *Example:* Abandoned CPCs for the year 1996 should be appropriated and assigned first before appropriation is made for CPCs which expired in the year 1997 and for the subsequent years until year 2001.

- CPCs involving one (1) unit should be appropriated first.

8. After assignment of available CPCs for cancellation and appropriation, the applicant shall secure a Franchise Verification Report pertaining to the CPCs subject of the cancellation and appropriation from the Records Section/Unit with payment of appropriate fees.

9. Applicant shall then file a Petition for Cancellation for Appropriation with the Receiving Section/Unit.

10. Upon receipt of the application, the Receiving Section/Unit shall immediately forward the application to the Records Section/Unit for proper recording.

11. Thereafter, the Records Section/Unit shall issue a Notice of Hearing to the application to the Legal Section/Unit.

12. The Legal Section/Unit shall issue a Notice of Hearing to the applicant within five (5) days from receipt of the application from the Records Section/Unit.

No Second or subsequent Notice of Hearing and/or re-setting shall be allowed.

13. Applicant shall cause the publication of the Notice of Hearing once at least ten (10) days prior to the scheduled date of hearing in a newspaper of regional circulation. Applicant shall also furnish a copy of the Notice of Hearing to the operator(s) whose CPC is subject of the Petition for Cancellation and Appropriation at least ten (10) days prior to the scheduled date of hearing.

14. On the date of hearing, applicant shall submit proof of publication and notice to the operator whose CPC is subject of the Petition for Cancellation and Appropriation, as well as other supporting documents.

- While the applicant is not compelled to purchase these units prior to or at the time of filing, said applicant must submit, by way of supporting document, ANY of the following: Pro Forma Invoice, Sales Invoice, Delivery Receipts, or Document evidencing commitment to acquire or placement order which has been approved by the dealer.
• Failure of applicant to appear and formally offer evidence in support of the application, and/or to submit proof of notice to the operator concerned shall cause the outright dismissal of the application.

15. If the operator whose CPC is subject of the Petition for Cancellation and Appropriation fails to appear, despite due notice, on the date of the hearing the application shall be deemed submitted for decision.

16. If the operator whose CPC is subject of the Petition for Cancellation and Appropriation appears during the hearing and opposes the application, he/she/it shall be required to submit during said hearing his/her/its written opposition and attaching there to proof that the units subject of the application has been confirmed during the last three (3) years, current LTO registration of all units, proof of existence and roadworthiness of all units, and original receipt showing payment of all accounts with LTFRB.

17. If the hearing Officer finds sufficient grounds to the Opposition, the Application shall be referred back to the Office of the Regional Director for further evaluation/verification on the availability of other abandoned CPCs. Thereafter, said application shall be amended accordingly and a new Notice of Hearing shall be issued for publication and service to the operator/subject of the amended application. The proceeding above-mentioned shall also be observed.

18. Within fifteen (15) days from the scheduled date of hearing, the legal Section/Unit shall submit to the Regional Director its recommendation on the Petition.

19. Within forty-five (45) days from receipt of the recommendation of the Legal Section/Unit on the Petition, the Office of the Regional Director shall schedule the presentation and inspection of the entire units subject of the Petition. A written notice shall be sent to the applicant on his/her/its address on record. Failure of applicant to present and have the entire units inspected on the date scheduled shall cause the dismissal of the application with prejudice. All payments made connection with the petition/application shall be deemed forfeited in favor of the government. The CPC or CPCs subject of the appropriation shall again become available for appropriation to other applicants.

20. No Motion for Extension of Time to present the entire units for Inspection shall be allowed and/or entertained.

21. No Motion for Reconsideration pertaining to the Dismissal Order relative to the processing of the application/petition under the Appropriation Program shall be allowed and/or entertained.

22. No Sale and Transfer of the CPC issued under this Appropriation Program shall be allowed within FIVE (5) YEARS from issuance thereof. Any sale and transfer made within the five year prohibitive period shall be construed as a violation of the terms of the franchise and shall cause the automatic cancellation of the CPC.
All other issuances or parts thereof inconsistent herewith are hereby modified, amended, or superseded accordingly.

This Memorandum Circular shall take effect immediately following its publication in a newspaper of general circulation and the filing of three (3) copies hereof with the UP Law Center pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

SO ORDERED.  
JUN 28 2010
Quezon City, Philippines,

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ATTY. JIMMY G. PESIGAN

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ENGR. GERARDO A. PINILI  
Board Member

ATTY. MARIA ELLEN DIRIGE-CABATU, CPA
Board Member

EFFECTIVITY DATE: JULY 7, 2010