MEMORANDUM CIRCULAR
NUMBER 2014- 010

SUBJECT: IMPLEMENTING GUIDELINES ON THE CONDUCT OF RATIONALIZATION
OF ROUTES OF PROVINCIAL PUBLIC UTILITY BUS SERVICE.

Pursuant to Sec. 5 (a) of Executive Order No. 202 granting authority to the Board to
prescribe and regulate routes of service, economically viable capacities and zones
or areas of operation of public land transportation services provided by motorized
vehicles in accordance with the public land transportation development plans and
programs approved by the Department of Transportation and Communications and
Section 16 (m) of the Public Service Act authorizing the Public Service Commission
(now LTFRB) to amend, modify or revoke at any time any certificate issued under the
provisions of the said Act, whenever the facts and circumstances on the strength of
which said certificate was issued have been misrepresented or materially changed,
this Board hereby promulgates these Implementing Guidelines on the Conduct of
Rationalization of Routes ("Implementing Guidelines"):

1. The following guidelines shall be observed by the Board and its Regional
Franchising and Regulatory Offices ("RFRO") in conducting the
rationalization of routes of buses:

   a. No new Certificates of Public Convenience (CPC) or franchises
      shall be issued to bus operators by virtue of the rationalization of
      routes;

   b. Modification of routes shall consist either by shortening or
      lengthening or amending authorized routes or adjustment of origin
      and destination;

   c. No Bus operator shall be allowed to lengthen its routes unless it has
      existing franchise in its proposed modified route;

   d. A bus operator must have either its own passenger terminal or a
      common passenger bus terminal in the origin and destination
      points of its proposed modified routes. Further, a bus operator must
      always have a garage that is sufficient to accommodate its buses,
      without need to park along roads and other public places;

   e. A bus operator shall be allowed to increase or decrease the
      authorized units of its existing franchises PROVIDED that there shall
be no increase in the total/aggregate number of authorized units of each bus operator;

f. The "prior operator" rule shall be observed. This means that before permitting a new operator to invade the territory of another operator, the prior operator must first be given the opportunity to extend its service in order to meet public need. However, where public interest would be better served by admitting a new operator, as when the prior operator has failed to render adequate, sufficient and satisfactory service, the "prior operator" rule shall not apply.

g. No additional provincial buses shall be allowed to pass or traverse through EDSA from Monumento, Caloocan City to Roxas Blvd., Pasay City but may be allowed to cross Edsa to reach their terminal/garage in Metro Manila except provincial buses coming from SLEX may be allowed to pass through EDSA from Magalanes, Makati City to reach their terminals along EDSA, Pasay City;

h. As provided for under Department Order 2011-003, RORO related buses shall be restricted from passing through or crossing through EDSA with terminal points limited to areas outside EDSA.

i. The description of the proposed authorized routes shall be the Origin and Destination only without mentioning the "via" provided that the route is not circuitous and the distance must be nearest to the origin and destination to allow flexibility on the part of the bus operators to ply the routes which shall best serve the public interest and public convenience;

j. A bus operator shall not be allowed to rationalize its routes resulting to total abandonment of any of its authorized routes as determined by the Board;

k. The modification of routes to be conducted under this Memorandum Circular shall be subject to the establishment of Integrated Transport System as provided for under Executive Order No. 67, Series of 2012:

The bus operators shall have 180 days to substitute their phased-out units from the date of the decision approving the modification of their rationalized routes.

m. Modification of route under this memorandum circular shall be without prejudice to the resolution of any pending case on the subject modified cpcs.

2. The following rules, in addition to the applicable provisions of the 2011 Revised Rules of Practice and Procedure before the LTFRB, shall be observed
by the Board and RFROs in hearing and deciding Petitions for Modification of Route:

a. Each bus operator shall file a verified Petition for Modification of Route ("Petition") involving any or all its existing and valid CPCs, including those expired CPCs but with pending Applications for Extensions of Validity;

b. Cancelled CPCs shall not be included in the petition;

c. Units that have not been registered with the LTO for the last three consecutive years should not be included in the Petition and shall be deducted from the total number of authorized units of the operator;

d. Petitions affecting inter-regional routes (even if the original case folders are maintained in the RFROs) shall be filed in the Central Office, and intra-regional routes shall be filed in the RFROs concerned;

e. All Petitions filed in the Central Office shall be seven (7) copies and five (5) in RFROs;

f. All Petitions shall be supported by certified true copies of the Franchise Verification of all CPCs involved which is issued not more than one (1) month upon filing of the Petition and Matrix of the existing and valid CPCs and the proposed modification of routes as per the sample Matrix attached as Annex "A" hereof;

g. Upon receipt of the Petition, the Legal Division or the Regional Director shall issue a Notice of Hearing. The petitioner shall cause the publication of the Notice of Hearing, Petition and Matrix at least ten (10) DAYS before the scheduled hearing in any major news paper of general circulation in the entire Philippines; however, the petitioners whose Petitions were filed in the RFROs have the option to publish it in a newspaper of general circulation in the Region;

h. The Petitioner shall also cause the posting of the Notice of Hearing, copy of the Petition and Matrix in the LTFRB or RFRO's bulletin board. Proof of posting shall be submitted during the hearing;

i. If the Petitioner fails to cause the publication of Notice of Hearing, Petition and Matrix as above provided, a Second Notice of Hearing may be issued upon payment of the required fees. Subsequent failure to comply with the jurisdictional requirements shall cause the dismissal of the application for lack of interest;

j. During the hearing, the petitioner or his duly authorized representative shall personally appear AND be assisted by counsel of his own choice;

k. Any party who contests the Petition must file a written opposition on or before the scheduled initial hearing of the Petition; and
1. If the Petition is found to be complete in form and substance and all documentary requirements complied with, the same shall be submitted for resolution.

3. In addition to the regular filing fee, a modification fee shall be paid by the Petitioner upon the filing of its Petition as follows:
   a) Inter-regional routes: Php 20,000 per unit included/covered in the proposed modified routes;
   b) Intra-regional routes: Php 10,000 per unit included/covered in the proposed modified routes;

4. All Petitions must be filed in the Central Office and RFOs not later than 15 August 2014. No Petitions shall be accepted after 15 August 2014.

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.

Quezon City, Philippines, JUL 9 2014
EFFECTIVITY DATE: JULY 11, 2014

ATTY. WINSTON M. GINEZ, CPA
Chairman

ENGR. RONALDO F. CORPUS
Board Member

ATTY. ANTONIO ENRILE, INTON, JR.
Board Member

ATTESTED BY:

ATTY. ROBERTO P. CABRERA III
Executive Director

OFFICE OF THE NATIONAL ADMINISTRATIVE REGISTERS AND REGULATIONS
RECEIVED JUL 1 2014
TIME: ___ BY: ___
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**Provisional Authorized Units**

**Operating Units**

**Provisional Authorized Route**

**Units Authorized Route**

**CPC No.**

**No. of Authorized**

**Units**

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