



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

**MEMORANDUM CIRCULAR
NUMBER 2008 - 009**

SUBJECT: SIMPLIFYING CLASSIFICATIONS OF TOURIST TRANSPORT SERVICES PURSUANT TO DEPT. ORDER NO. 97-1097, MEMORANDUM CIRCULAR NOS. 98-002, 2003-001, 2004-01, 2004-026, 2005-033, 2006-049, 2006-058 AND RELATED ISSUANCES TO OBVIATE CONFUSION AND MISAPPREHENSION OF THE KIND OF SERVICES PROVIDED AND THE UNITS TO BE AUTHORIZED.

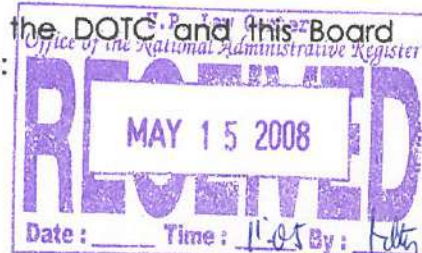
Preliminary Matters

It is a given that the tourism industry is a rich source of dollar revenue for the country which must be supported by the Government, particularly its transport sector. In this regard, the Dept. of Transportation and Communications (DOTC) and the Land Transportation Franchising and Regulatory Board (Board) have actively responded to the demands of the industry in terms of transport facilities to cater to the needs of foreign and local tourists. However, their issuances subjected Tourist Transport Services into classifications, sub-classifications and subcategories that are now confusing and a source of erroneous interpretations. Accordingly, there is need to simplify these classifications in the interest of better franchising and regulation.

Department Order No. 2005-010 titled: "Policy Guidelines on the Executive Authority and Functions by the LTFRB," has given this Board authority to amend or modify, Department Orders previously issued by the DOTC governing the powers and functions of the LTFRB, specially in prescribing and regulating routes, economically viable capacities (e.g., classifications), zones, as well as areas of operation for public land transportation service in accordance with public land transportation development plans and programs approved by the DOTC.

The Various Issuances

For a better appreciation of the confusion, the DOTC and this Board made various issuances, some of which are as follows:





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a) MC No. 98-004 dated January 20, 1998 – it provided that pursuant to DOTC Dept. Order No. 97-1097, applications for TOURIST TRANSPORT SERVICE may propose the operation of the following: Sedan, AUV, Station Wagon, Pick-up and Mini-Coach or Coach. It required DOT endorsement and those authorized under "Tourist Bus, Tourist Car, etc." shall continue operation under such denomination but they may file for conversion under this TOURIST TRANSPORT SERVICE denomination;

b) MC No. 2003-001 dated JANUARY 7, 2003 – Reclassifying Tourist Transport Services – To boost the industry Tourist Transport Services were reclassified as follows:

i. Tourist Shuttle Service - tourist vans with concession agreement plying from international/domestic airports, seaports and/or hotels covered with tourist shuttle service franchise with predetermined rates by the Board;

ii. Tourist Metered Taxi Service – four (4)-door sedans or AUVs with concession agreement plying the international and/or domestic airports, seaports and/or hotels covered with tourist metered taxi franchise requiring a minimum of 10 units;

iii. Tourist Coupon Taxi Service – four (4)-door sedan with concession agreement, plying the international and/or domestic airports, seaport and hotel covered with tourist coupon taxi service franchise charging predetermined rates with a minimum of 10 units;

iv. Tourist Chartered Service – bus, coaster, van (other than AUV) and 4-door sedan catering to tourist covered with tourist chartered service franchise with predetermined charges requiring a minimum of 3 units;

c) MC No. 2004-011 dated May 26, 2004 – Amendment to Memorandum Circular No. 2003-001 (Reclassification of Tourist Transport Services). Pursuant to MC No. 2003-011 applicants were granted CPCs to operate tourist services under the denominations set forth therein. To provide better transport facilities to our tourists, thereby boosting the country's tourist industry, it directs conversion of those types/denominations of tourist transport services issued under MC No. 2003-001 under the following reclassification:



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i. Tourist Coupon Transport Service – four (4)-door sedan, vans (Mits. L-300, Nissan Urvan, Toyota Hi-Ace, etc.) or their equivalents and AUVs plying the international and/or domestic airports, seaports, and hotels. In its operation, the operator is required to provide certain information about its service for the protection of the tourists;

ii. Tourist Chartered Transport Service – coasters, vans, (such as but not limited to Mits. 300, Nissan Urvan, Toyota Hi-Ace, etc.) or their equivalents, air conditioned jeepneys (with at least 12 pass.) mini-buses and buses. The service must be covered by Contract of Service, units must bear body markings, etc.;

iii. Tourist Rent-A-Car Transport Service – luxury vehicles, pick-up, limousines, SUVs and vans with plush carpeting, luxurious, upholstery, etc. and with engine displacement of 2000cc and wheel base minimum of 2370 mm;

d) MC No. 200 4-026 dated Sept. 6, 2004 – Amendment to MC No. 2004-011, RE: Amendment to MC No. 2003-001 (Reclassification of Tourist Transport Service). The age requirement for all tourist transport services shall be ten (10) years from the date of manufacture;

e) MC No. 2005-033 dated Sept. 29, 2005 – Lifting the Moratorium on the acceptance of petitions for new CPCs for Tourist Chartered Services. – MC Nos. 2005-015 and 2005-020 allowed the conversion of CPCs for the operation of Tourist Transport services for buses to regular point-to-point PUB lines/routes under certain conditions. Accordingly, some 196 units were vacated as tourist transport service slots because of this conversion which were then opened for applications for tourist transport service. The Board then lifted the moratorium of the filing of applications to new CPCs to operate under the denomination of Tourist Chartered Services (brand-new, A/C PUJs only) to cover the 196 converted units;

f) MC No. 2006-034 dated May 12, 2006 – Modifying Dept. Order No. 97-1097 classifying Public Transport Conveyances, amending MC No. 2004-011 Reclassifying Tourist Transport Services to include City Tours Services. – In addition to the types and kinds of Tourist Transport Services, the Board hereby adds another denomination which is known as City Tours Services, as a new Tourist Transport Service Sub-classification. To



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promote Filipino culture, this shall use coaster-type air-conditioned jeepneys with seating capacity of 15 to 21 passengers;

g) MC No. 2006-049 dated July 6, 2006 – Lifting the Moratorium on acceptance of applications for new CPCs for Rent-A-Car sub-classification under Tourist Transport Services per MC No. 2004-011 as amended by MC No. 2004-026. RENT-A-CAR Transport Service as sub-classification of Tourist Transport Service shall use luxury vehicles such as Mercedes Benz, BMW, Honda, etc. and similar vehicle types with minimum engine displacement of 2000cc and/or 6-cylinder and minimum wheelbase of 2670mm. It requires contract or service agreement which shall be the basis for period of grant of CPC;

h) MC No. 2006-058 dated July 31, 2006 – Modifying Dept. Order No. 97-1097 and MC No. 2004-011 "Reclassifying Tourist Transport Service" to include Corporate Leasing Services as a new tourist transport service sub-classification under Rent-A-Car Services. Again, the Board has accepted applications for new CPCs under the new sub-classification of Tourist Transport Services to be known as Corporate Transport Leasing Services under Rent-A-Car subcategory. It has the following features: engine displacement of 1600 cc and either diesel or gasoline or LPG or any alternative fuel, model is at least 5 years old; lease contract for the operational use of the units, etc.;

Summary of Issuances

To summarize and to underscore the confusion, the series of issuances were made on TOURIST TRANSPORT SERVICE: under a) MC No. 98-004 Tourist Bus, Tourist Car, etc. may apply for conversion to Tourist Transport Service denomination; b) MC No. 2003-001 reclassified it into Tourist Shuttle Service, Tourist Metered Taxi Service, Tourist Coupon Taxi Service and Tourist Chartered Service; c) MC No. 2004-011 Reclassified it again into Tourist Transport Services, to Tourist Coupon Transport Service, Tourist Chartered Transport Service and Tourist Rent-A-Car Transport Service; d) MC No. 2006-034 reclassified it further to include City Tours Services; e) MC No. 2006-049, actually reiterated RENT-A-CAR Transport Service as sub-classification of Tourist Transport Service under MC No. 2004-011. And f) MC No. 2006-058 added finally the new sub-classification of Tourist Transport Services to be known as Corporate Transport Leasing Services under Rent-A-Car subcategory under MC No. 2006-058.



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Decree

IN VIEW of the above premises and to obviate confusion, it is hereby decreed henceforth that to be only under the following categories/classification:

a) The denomination or type of service known as TOURIST TRANSPORT SERVICE shall be retained as the general description of public utility vehicles that provide transport services for tourists in various manners or modes of transportation, e.g., shuttle, tour bus service, taxi, rent-a-car, etc. It shall henceforth be either:

TOURIST BUS TRANSPORT SERVICE – for buses (with a maximum capacity of sitting 60 passengers), mini-coach and coaches (both with a minimum of 20 which includes coasters and maximum sitting capacity of 42 passengers and upwards);

TOURIST CAR TRANSPORT SERVICE - for AUV, cars/four (4) door sedans including taxi (metered or coupon), Rent-A-Car Transport Service (tourist cars, etc., either of high end/luxury model or ordinary model regardless of engine displacement and wheelbase. In view of the high costs of vehicles and to allow more operators to participate in the business, the minimum engine displacement of at least 1300cc for Rent-A-Car Transport Service shall be required.

Metered taxi is a standard car of four (4) door sedan authorized to operate a taxi service with duly calibrated meter issuing receipt with base of operation within Metro Manila or other established regions, or within two (2) or more regions catering to tourist passengers from airport to hotels and other related destinations under a special rate approved by the Board owing to its tourist clientele and since it is not allowed to pick and drop ordinary passengers on the return trip.

Coupon taxi is a standard car or four (4) door sedan or Asian Utility Vehicle (AUV) authorized to operate a taxi service without the usual taximeter but under predetermined rate duly paid upon departure using coupons indicating therein the name of the operator, description of the unit, rate/fare, destination among other items, with base of operation within Metro Manila or from



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Metro Manila to any point in the Island of Luzon or other established regions, or within two (2) or more regions under a special rate to approved by the Board owing to its tourists clientele and since it is not allowed to pick and drop ordinary passengers on the return trip.

Rent-A-Car Transport Service is a class of tourist transport under Tourist Car Transport Service which is a standard car or four (4) door sedan or AUV authorized to operate a rent-a-car service whereby said vehicles usually of the luxury type are leased to tourists either on the hourly or daily basis or on distance to be traveled with base of operation within Metro Manila or from Metro Manila to any point in the Island of Luzon or other established regions, or within two (2) or more regions under a special rate to be approved by the Board.

TOURIST AIR-CONDITIONED JEEP TRANSPORT SERVICE

- for jeep or PUJ body type vehicle similar to the designs that proliferate along the roads and thoroughfares of the country, air-conditioned, well appointed interiors, colorful interior and exterior paintings and with larger body that can accommodate between 12 to 21 passengers. This special classification is a tribute and in response to the clamor to promote and take pride in this symbol of Filipino ingenuity of having fashioned a motor vehicle which is functional and distinctive of our culture, from abandoned equipment of war. These vehicles shall be used preferably to and from hotels to various tourist spots in the country under a special rate which shall be approved by the Board. The Board shall issue subsequent rules and regulations on this classification of service should the same be necessary.

b. All CPCs for Tourist Transport Services previously granted either under Tourist Bus, Tourist Car, Tourist Shuttle Service, Tourist Metered Taxi Service, Tourist Coupon Taxi Service, Tourist Chartered Service, Tourist Coupon Transport Service, Tourist Chartered Transport Service, Tourist Rent-A-Car Transport Service, City Tours Services, and Corporate Transport Leasing Services under Rent-A-Car subcategory, etc. should file the corresponding applications for conversion within six (6) months from effectivity of this Memorandum Circular.



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Those with pending application under the denominations/types/modes of service which have been subsumed under the three (3) main categories (Tourist Bus Transport Service, Tourist Car Transport Service and Tourist Airconditioned Jeep Transport Service) are also directed to file the corresponding amendments of their applications to conform to the classification set forth herein.

Applications for renewal should be filed either **Tourist Bus Transport Service** or **Tourist Car Transport Service** with six (6) month period as set forth above, stating therein the specific mode, manner, denomination or category of service depending upon the type and size of motor vehicle use, either bus type or car/4 door sedan type and subject to the acceptance-guidelines which shall be provided in subsequent circulars, if necessary;.

In other words, applications for renewal of franchises or for new franchises (should they be opened) shall be only either under any of the three (3) main categories/classifications (Tourist Bus Transport Service, Tourist Car Transport Service and Tourist Airconditioned Jeep Transport Service) but specifying therein the type or mode of service subsumed there under. For example, a) An application for CPC to operate Tourist Bus Transport Service shall allege/specify therein that the service shall operate air-conditioned tourist buses with 60 passenger capacity to carry tourists from airports to hotels to various tourist destinations and vice versa; or b) An application for Tourist Car Transport Service shall allege/specify therein the operation of airconditioned metered taxi, coupon taxi or rent-a-car service, or such covered services, as the case may be.

c) To level the playing field, allow more participants in the tourist service business, and to conserve dollars for the country, although this Board encourages the fielding in of brand new models, it will now accept year model of up to five (5) years old for cars/sedans/vans and up to ten (10) years old for buses, coaches, etc. from date of manufacture at the time of the filing of applications for CPCs to operate Tourist Transport Services either for Tourist Bus Transport Service or Tourist Car Transport Service, as the case may be. A brand new unit, for these purposes means a unit manufactured in the current year when the application was applied. For non-brand new, the age of these units shall be based on the year of manufacture at the time of the filing of the applications. The Board as usual reserves the right to deny the application for defects, failure of the non-brand new units to pass inspection that may be



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conducted, fraud or misrepresentation regarding the age of the proposed units and for other valid reasons.

All issuances or pertinent parts of Dept. Order No. 97-1097, MC No. 98-004, MC No. 2003-001, MC No. 2004-011, MC No. 2006-034, MC No. 2006-049, MC No. 2006-058 and the like, which are inconsistent herewith are hereby modified accordingly or superseded/revoked.

This Memorandum Circular shall take effect fifteen (15) days following the filing of three (3) copies thereof with the UP Law Center, pursuant to Presidential Memorandum Circular No. 11, dated October 9, 1992.

SO ORDERED.

Quezon City, Philippines, MAY 13 2008.


THOMPSON C. LANTION
Chairman


GERARDO A. PINILI
Board Member


MARIA ELLEN DIRIGE-CABATU
Board Member