



Republic of the Philippines
DEPARTMENT OF TRANSPORTATION

2017-011

DEPARTMENT ORDER NO. _____

SUBJECT: OMNIBUS GUIDELINES ON THE PLANNING AND IDENTIFICATION OF PUBLIC ROAD TRANSPORTATION SERVICES AND FRANCHISE ISSUANCE

DATE: 19 JUNE 2017

WHEREAS, Executive Order 125-A and Administrative Order 202, s. 1987, consistent with the national government policy, authorize and promote adequate, safe, reliable, efficient, and environment-friendly Public Utility Vehicles (PUVs);

WHEREAS, public road transport services nationwide should be provided in a timely, sufficient, cost-effective, and reliable manner;

WHEREAS, the Department recognizes the need to depart from the long-standing exclusive reliance on private sector initiative in serving local road transport requirements that are processed by the Land Transportation Franchising and Regulatory Board (LTFRB) without the benefit of local public transport plans based on local mobility requirements;

WHEREAS, it is the Department's policy that a local-level public transport planning approach, in line with the decentralization envisioned by Republic Act (R.A.) 7160 or *The Local Government Code of the Philippines* (LGC), will, in the longer term, be more effective in determining local public transport services;

WHEREAS, Section 17 of the LGC further provides that LGUs, particularly in cities, shall endeavor to provide adequate, effective, and efficient transportation facilities that would provide access and mobility for its people to pursue socio-economic activities, as reflected in its Comprehensive Land Use Plan (CLUP);

WHEREAS, the Department recognizes the subsidiarity principle that LGUs are in a better position to identify local public transport service requirements and formulate plans for improving connectivity between and among their urban and rural socio-economic activities, in the province and the region that they are a part of;

NOW THEREFORE, I, ARTHUR P. TUGADE, Secretary of the Department of Transportation, by virtue of the powers vested in me by law, hereby order that the following rules and procedures on the issuance of franchises for public transport routes and services be hereby adopted:

1. DEFINITION OF TERMS

- 1.1 **Alternative Fuel Vehicles/Engines** - vehicles/engines that use alternative fuels such as biodiesel, bioethanol, natural gas, electricity, solar, hydrogen, and automotive LPG, instead of gasoline and diesel.
- 1.2 **Arterial Roads** – roads that provide the highest level of service for the longest uninterrupted distance, with some degree of access control. They may be highways and be circumferential or radial in form. These roads deliver traffic from collector roads to other arterial roads and expressways.
- 1.3 **Certificate of Public Convenience (CPC)** – permit issued by the LTFRB for the operation of road transportation services for public use.

AN

RRY

- 1.4 **Collector Roads** - roads that provide a less highly developed level of service at a lower speed for shorter distances. Their function is to collect traffic from local roads and connect them to arterial roads.
- 1.5 **Comprehensive Development Plan (CDP)** – the action plan prepared by a local government to develop and implement priority sectoral and cross-sectoral programs and projects in the proper locations gradually and incrementally, until the desired shape or form of development is eventually attained.
- 1.6 **Comprehensive Land Use Plan (CLUP)** – the plan for long term management of the local territory, identifying areas where development can and cannot be located and directing public and private investments accordingly.
- 1.7 **Comprehensive Local Transport Plan (CLTP)** – a detailed plan addressing the mobility needs of both people and freight, describing policies and programs for the operation, management, improvement, maintenance, and best use of resources for the delivery of high quality transport services.
- 1.8 **DENR** – the Department of Environment and Natural Resources.
- 1.9 **Department** – the Department of Transportation.
- 1.10 **Developmental Routes** – routes designed to serve new residential, commercial, and other land use developments.
- 1.11 **Expressways** – highways with limited access, normally with interchanges; may include facilities for levying tolls for passage in an open or closed system.
- 1.12 **Garage** – an off-street area where public utility vehicles are stored or parked while not in operation and where repair or maintenance works are done.
- 1.13 **Hop-on Hop-off** – a type of tourist transport service that stops to load and unload passengers, and which caters to a network of tourist destinations.
- 1.14 **Land Transportation Franchising and Regulatory Board (LTFRB)** – the Board composed of the Chairman and two (2) commissioners, created by virtue of Executive Order (E.O.) 202, series 1987 under the Department.
- 1.15 **Local Government Units (LGUs)** – city, provincial, and municipal governments, or agencies or authorities responsible for special economic zones or administrative regions.
- 1.16 **Local Public Transport Route Plan (LPTRP)** - a plan detailing the route network, mode, and required number of units per mode for delivering public land transport services. This is prepared by Local Government Units and approved by the Department/LTFRB. This plan shall serve as the basis of a comprehensive local transport plan.
- 1.17 **Local Roads** – roads not defined as arterial or collector. They primarily provide access to land with little or no through movement.
- 1.18 **Loop service** – a continuous service with a specific route structure within a defined zone which includes, but is not limited to, industrial parks, economic zones, school campuses, and emerging business districts. These routes shall start and terminate at an off-street terminal.
- 1.19 **Metro Manila Urban Transport Integration Study Update and Capacity Enhancement Program (MUCEP) Study Area** – area consisting of the sixteen (16) cities (Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Navotas, Pasay, Pasig, Parañaque, Quezon City, San Juan, Taguig, and Valenzuela) and one (1) municipality (Pateros) of Metro Manila and identified

cities and municipalities in its adjoining provinces (Bulacan, Rizal, Laguna, and Cavite) that constitute the geographical coverage of the MUCEP research.

- 1.20 **Operator** – a holder or grantee of a valid and subsisting CPC issued by the LTFRB.
- 1.21 **Point-to-Point (P2P) Bus Services / Express Buses** – bus services using mini-coaches or coaches providing direct services from origin to destination without boarding or alighting passengers in between.
- 1.22 **Public Transport Planning** – the professional discipline responsible for developing public transport systems. It is a hybrid discipline involving aspects of geography, social sciences, transport engineering, and urban planning.
- 1.23 **Public Utility Buses (PUBs)** – air-conditioned and/or non-air-conditioned coaches used as Public Utility Vehicles and classified as mass transit system, further classified in Section 2.2.
- 1.24 **Public Utility Jeepneys (PUJs)** – Public Utility Vehicles that are used as feeder services to mass transit systems such as buses, BRT and rail transport, and further classified in Section 2.2.
- 1.25 **Public Utility Vehicles (PUVs)** – vehicles that carry passengers and/or cargo for a fee, offering services to the public, which may include, but are not limited to, UV Express Service, PUBs, PUJs, TNVS, Filcab and Taxis. Further classifications are provided in Section 2.2.
- 1.26 **Refurbished or Rebuilt Vehicles** – used and/or pre-registered vehicles with used/new/remanufactured chassis and engine/motor, with upgraded body designs, braking systems, and/or safety devices meeting public safety and emission standards.
- 1.27 **Route** – a path with defined starting and ending points that a public transportation unit is authorized to operate, as defined in the unit's CPC.
- 1.28 **Safety Officer** – a person tasked to ensure the suitability of vehicles in operation whose responsibilities include, but are not limited to, the regular monitoring of a vehicle's safety features, assessing a driver's fitness and capability to drive, and conducting safety trainings.
- 1.29 **School Services** – Public Utility Vehicles providing services to students and school officials from school vicinities to residences and vice-versa, and issued authority on the basis of a valid contract with, or authorization from, a school, and further classified in Section 2.2.
- 1.30 **Stops** – are strategically located points or areas within an authorized route that are officially designated and allocated for pick-up and drop-off of passengers.
- 1.31 **Terminal** – off-street area where passengers board and alight, usually located at the start and at the end of a route.
- 1.32 **Transfer Area** – an area, hub, or facility where two (2) or more routes meet, enabling passengers to connect or transfer to other routes or modes.
- 1.33 **Transport Network Corporation (TNC)** – an organization whether a corporation, partnership, or sole proprietor that provides pre-arranged transportation services for compensation using an internet-based technology application or digital platform technology to connect passengers with drivers using their personal vehicles.
- 1.34 **Transport Network Vehicle Service (TNVS)** – a Public Utility Vehicle accredited with a Transport Network Corporation (TNC), which is granted authority or franchise by the LTFRB to run a public transport service.

- 1.35 **Transport Planning** – the process of defining future policies, goals, investments, services, facilities, and designs to prepare for the expected mobility requirements of people and/or goods.
- 1.36 **Turning Point** – route ends; zone centroids; road network or turn back systems (except for loop-type services) where Public Utility Vehicles are allowed to maneuver to resume operation and where transfer services are normally available.
- 1.37 **Utility Vehicle (UV) Express Service** – a form of paratransit system which uses airconditioned utility vehicles or vans that ferry passengers directly from an authorized origin and destination. They may pick-up (load) and/or drop-off (unload) their passengers within two (2) kilometer radius from their end points specified in their CPCs or within the territorial bounds of the commercial / business district specified therein.
- 1.38 **Zoning Map** – the duly authenticated map defining divisions of different planned land uses and regulations of land into zones in a city/municipality. It is a graphical translation of the regulations to efficiently carry-out the presumptions of the Zoning Ordinance. For purposes of accountability, the zoning map shall be provided with transparent overlay(s) depicting critical information that the users/public should know, e.g., fault lines, subsidence areas, protected areas, and others.
- 1.39 **Zoning Ordinance** – written regulation and law that define how property in specific geographic zones can be used. The Zoning Ordinance is a legally binding set of rules and regulations affirming the usage of land in a city/municipality.

2. POLICIES AND PRINCIPLES

These guidelines shall be anchored on the following Public Road Transportation Basic Policies and Principles:

2.1 Basic Policy

The Department shall reduce reliance on private vehicle use and move toward environmentally-sound mobility solutions, and shall develop and promote high quality public transportation systems, including non-motorized transport, and ensure to prioritize the movement of people and goods, rather than vehicles. Pursuant to this, the Department shall promulgate, administer, enforce, and monitor compliance of public land transportation policies, laws, and regulations which promote mobility as a basic human need.

The LTFRB is tasked to implement this Department Order and to encourage and require the consolidation of operators and the establishment of bigger coordinated fleets of PUVs. Incentives and higher priority may be granted to operators with larger fleet sizes using higher capacity vehicles.

As a basic policy, PUV drivers shall undergo the mandatory continuing drivers' education thru the Drivers' Academy and be on fixed salary and benefits with no compensation linked to ridership.

Road public transport throughout the country shall be delivered in a manner which is reliable, safe, accessible, environmentally friendly, dependable, efficient, comfortable, and governed by the following principles:

- 2.1.1 **Reliability.** Public transport must be predictable in terms of travel time, waiting time, and schedule. Commuters will benefit from a fixed dispatch time and short intervals between vehicles during peak demand periods, as they need not wait long for the PUV to arrive. Operating hours for a route shall also be responsive to the needs of visitors, night students, and workers who require late night travel.

- 2.1.2 **Safety.** All vehicles and services shall comply with national standards and international vehicle safety conventions. All relevant vehicle parts shall be compliant with Philippine National Standards (PNS). Boarding or alighting from PUVs in undesignated stops is fundamentally unsafe. Bus stops and stations shall be adequately lit at night for security. All PUVs must be equipped with fire extinguishers. Speed Limiters shall be installed pursuant to R.A. 10916 or the *Road Speed Limiter Act of 2016* and its IRR. For selected PUVs, CCTVs shall be installed to monitor activity in and around the vehicle, and deter traffic violations and criminal activities. Global Navigation Satellite System (GNSS) (e.g., GPS) receivers shall be installed on PUVs to enable recording of vehicle location and speed and sharing of real-time PUV information for the convenience of commuters and operators. For all PUVs, windshield and windows shall not be tinted.
- 2.1.3 **Accessibility.** Public transport must be available in every community, with accessibility for all segments of society, including senior citizens and persons with disabilities. Access shall include good walkways and bikeways to provide connectivity with other modes of transportation. Designated location of stops, pick-up, and drop-off points with adequate facilities shall be provided to facilitate convenient boarding and alighting of passengers.
- 2.1.4 **Environmental soundness.** Public transport vehicles with combustion engines must have low emissions, as proven by compliance with EURO IV emission standards or better (e.g., EURO V, EURO VI), as prescribed by the DENR. Other preferred public transport vehicles are those using electric drives and/or running on alternative fuels, such as electric and solar.
- 2.1.5 **Comfort.** The vehicle is fitted with comfortable seats where passengers are able to relax, rest, and be productive during the journey, through the provision of Wi-Fi access. For buses that permit standing passengers, the number of standing passengers must not exceed five (5) persons per square meter of the available standing space.

To achieve the above principles, the LTRFB shall provide guidelines on key performance indicators that set the quality of service for all land public transport operations.

2.2 Hierarchy and Classification of Public Transportation Modes

As a matter of policy, the modes of transportation shall follow the hierarchy of roads. Thus, higher capacity transportation modes shall have priority in terms of CPC allocation and transit right of way in trunk lines or main thoroughfares over lower capacity modes. Taxis, TNVS, tourist transport services, and shuttle services are excluded as they are considered as door-to-door services and do not have specific routes. Thus, as a general rule, assigning higher capacity modes to routes currently traversed by lower capacity modes in the Local Public Transport Route Plan may be allowed, but not otherwise.

The operation of tricycles shall be in accordance with Joint Memorandum Circular No. 1, series of 2008 of the DILG and the DOTC, which states that tricycle operation should only be confined along city or municipal roads, not along national roads and is limited only to routes not traversed by higher modes of public transport. Motorcycles and other farm implements such as the *kuliglig* are likewise not allowed as public transport conveyance. Further basis of the provision of this mode should also be the LPTRP.

PN *MM* *RR*

Modes and routes shall be classified and prioritized as follows:

2.2.1 Public Utility Buses (PUBs)

- Route: Buses operate along arterial roads, highways, expressways, and identified collector roads.
- Services: Regular (non-airconditioned), Airconditioned, Express, Point-to-Point (P2P), Shuttle, Loop, Premium, and Limited Stop.
- Fare Collection: Based on distance or zonal as authorized by the LTFRB.
- Body Make: Coach with entry and exit doors; emergency exits; tempered glass windows; minimum eleven (11) meters in length; single-deck, articulated or double-deck; city buses should be low entry for quick boarding and alighting and with space for at least one (1) passenger with wheelchair and foldable or retractable wheelchair ramp at curbside door.
- Provincial buses shall use coaches with at least eleven (11) meters in length with provisions for cargo compartments.
- Seating arrangements, except for provincial buses, may be along the length of the bus, along the width of the bus, or a combination thereof. Reclining seats may be allowed for tourist and premium bus services.
- The above Body Make shall be subject to further specifications as provided by the LTFRB.
- Other Features: With GNSS receiver, free Wi-Fi, CCTV (4 cameras, continuous recording of past 72 hours of operation), Automatic Fare Collection System (AFCS) for PUBs within highly urbanized independent cities, speed limiter, and dashboard camera (at least 24 hours of recording) compliant with LTFRB specifications; compliant with prescribed DENR emissions standards or better; with lay-over/garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement.
- Year Model: Year models of the chassis and the engine or motor shall be current as of franchise application.

2.2.2 Mini-buses

- Demand: It shall serve routes with passenger demand up to a maximum of 5,000 pphpd.
- Route: Mini-buses operate along major arterial roads, highways, expressways, and identified collector roads.
- Mini-buses are appropriate for corridors where demand may be insufficient for operation of larger-sized buses.
- Services: Regular (non-airconditioned), Airconditioned, Loop, Shuttle, and/or Express.
- W RRY*

Fare Collection: Based on distance and/or zonal as authorized by the LTFRB.

Body Make: Mini coach with emergency exit, tempered glass windows, seven (7) to nine (9) meters in length, single-deck; with no wooden components; for urban routes, should be low entry for quick boarding and alighting and with space for at least one (1) passenger with wheelchair and foldable or retractable wheelchair ramp at curbside door

The above Body Make shall be subject to further specifications as provided by the LTFRB.

Other Features: With GNSS receiver, free Wi-Fi, CCTV (4 cameras, continuous recording of past 72 hours of operation), Automatic Fare Collection System (AFCS) for Mini-buses within highly urbanized independent cities, speed limiter, and dashboard camera (at least 24 hours of recording) compliant with LTFRB specifications; compliant with prescribed DENR emission standards or better; with lay-over/garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement.

Year Model: Year models of the chassis and the engine/motor shall be current as of franchise application.

2.2.3 Public Utility Jeepneys (PUJs) and Utility Vehicle (UV) Express Services

Demand: It shall serve routes with passenger demand at a maximum of 1,000 pphpd.

Route: Appropriate as feeder services operating in arterial, collector, and local roads, linking neighborhoods and communities to mass transit lines and bus routes, and traversing commercial, industrial, recreational, or residential area.

However, this mode is restricted from operating along EDSA and national highways or expressways in highly urbanized areas.

Further guidance and exceptions shall be issued by the LTFRB.

Fare Collection: Based on distance and/or zonal as authorized by the LTFRB.

Body Make: Vehicle below seven (7) meters in length; door locations should allow boarding and alighting only from the curbside, not from the rear.

The Body Make shall be subject to further specifications as provided by the LTFRB.

Other Features: GNSS receiver, free Wi-Fi, CCTV with continuous recording of past 72 hours of operation, Automatic Fare Collection System (AFCS) for PUJs and UV Express Services within highly urbanized independent cities.

speed limiter, and dashboard camera (at least 24 hours of recording) compliant with LTFRB specifications; compliant with prescribed DENR emission standards or better; with lay-over or garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement.

Year Model: For UV Express Services, the year models of the chassis and the engine or motor shall be current as of franchise application.

For PUJs, guidelines shall be subject to further specifications as provided by the LTFRB.

2.2.4 **Filcab Service**

Demand: It shall serve routes with maximum passenger demand of 500 pphpd. Whenever applicable, this service is meant to replace tricycles on roads and areas where tricycle operations are restricted (*Administrative Order No. 1, s. 1968 DPWH*).

Operation: Fixed routes (regular, limited stop and/or express) and intra-zonal (i.e. zones as defined in the LGU Zoning Ordinance) within a specified area as authorized. Operation shall be prohibited on arterial roads, highways, and expressways.

Fare Collection: Based on distance or zonal as authorized by the LTFRB.

Body Make: Mini-Jitney/Multicab, seating capacity of seven (7) to eleven (11) passengers excluding the driver; door locations should allow boarding and alighting only from the curbside, not from the rear.

Other Features: GNSS receiver, Automatic Fare Collection System (AFCS) for Filcab services within highly urbanized independent cities, speed limiter compliant with LTFRB specifications; compliant with prescribed DENR emission standards or better; with lay-over or garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement.

Year Model: Year models of the chassis and the engine/motor shall be current as of franchise application.

2.2.5 **School Services**

Route: School to residence subject to valid contract or school authorization.

Fare Collection: As may be authorized by the LTFRB.

Body Make: Van, Mini coach, coaster, or coach; with front-facing seating arrangement and individual seat belts; with chevron markings and body painted yellow; door locations should allow boarding and alighting only from the curbside, not from the rear.

Other Features: With GNSS receiver, free Wi-Fi, CCTV (4 cameras, continuous recording of past 72 hours of operation), speed limiter, and dashboard camera (at least 24 hours of recording) compliant with LTFRB specifications; compliant with prescribed DENR emission standards or better; with lay-over or garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement.

2.2.6 Taxis

Operation: Door-to-door service.

Fare Collection: Metered or coupon as approved by the LTFRB.

Body Make: Van, Sedan, Utility Vehicle, Sports Utility Vehicle, or other similar vehicles.

Other Features: With GNSS receiver, free Wi-Fi, CCTV with continuous recording of past 72 hours of operation, and dashboard camera (at least 24 hours of recording) compliant with LTFRB specifications; compliant with prescribed DENR emission standards or better; with lay-over or garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement.

Year Model: Year models of the chassis and the engine or motor shall be current as of franchise application.

2.2.7 Transportation Network Vehicle Services (TNVS)

Operation: Door-to-door service.

Fare Collection: Pre-arranged fare as authorized by the LTFRB.

Body Make: Van, Sedan, Utility Vehicle, Sports Utility Vehicle, or other similar vehicles.

Seating: Not more than seven (7) passengers excluding the driver.

Other Features: With GNSS receiver, free Wi-Fi, CCTV with continuous recording of past 72 hours of operation, and dashboard camera (at least 24 hours of recording) compliant with LTFRB specifications; compliant with prescribed DENR emission standards or better; with lay-over or garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement).

Further directives on fare collection, regulation, and specifications of TNVS shall be provided by the LTFRB.

2.2.8 Tourist Transport Services

Operation: Transport services for tourists and hop-on hop-off.

Fare Collection: Based on contract with oversight function by the LTFRB.

Body Make: Coach, Mini-coach, Coaster, Van or Car, and/or SUV.

- Other Features: With GNSS receiver, free Wi-Fi, CCTV with continuous recording of past 72 hours of operation, speed limiter, and dashboard camera (at least 24 hours of recording) compliant with LTFRB specifications; compliant with prescribed DENR emissions standards or better; with lay-over or garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement.
- Year Model: Year models of the chassis and the engine or motor shall be current as of franchise application.
- Requirements: Department of Tourism endorsement for franchise application is required.

2.2.9 Shuttle Service

- Operation: No fixed route.
- Fare Collection: Based on contract with oversight function by the LTFRB.
- Body Make: Same as bus and/or mini-bus (Section 2.2.1 and 2.2.2).
- Other Features: With GNSS receiver, free Wi-Fi, CCTV (4 cameras, continuous recording of past 72 hours of operation), speed limiter, and dashboard camera (at least 24 hours of recording) compliant with LTFRB specifications; compliant with DENR emissions standards or better; with lay-over or garage with sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement.
- Year Model: Year models of the chassis and the engine or motor shall be current as of franchise application.

2.2.10 Exceptions to Rules 2.2.1 to 2.2.10 and Issuance of Subsequent Memorandum Circulars by the LTFRB

Any exception to the rules under 2.2.1 to 2.2.10 shall be granted expressly and in writing by the LTFRB through a formal unanimous resolution.

Furthermore, a Memorandum Circular shall be issued by the LTFRB to provide further specifications and details to determine the classification, body, make, and other requirements of the vehicles being registered, as well as the hierarchy of a vehicle class in relation to the route concerned.

2.3 Route Connectivity Policy

For major arterial roads, highways, and expressways, PUBs and Mini Buses are the prescribed mode for public transport. However, PUJs, Filcabs, and UV Express Services may operate on minimal portions of the PUB corridor for the sole purpose of providing intermodal transfers at bus stops, so long as such purpose is indicated in the relevant LGU transportation plan.

2.4 New or Developmental Routes

New routes shall be designed such that overlaps with existing routes do not exceed 25% of the length of any of the affected routes. Previously authorized routes may be restructured (i.e., merged with another previously authorized route, or with a new route, or shortened, or split into different routes) due to marked change in trip

patterns arising from urban renewal or urban redevelopment projects and/or resulting from traffic circulation plans of Local Government Units.

For new or developmental routes, a minimum fleet size of fifteen (15) units for any type of PUV for six (6) months shall be imposed, subject to review by the LTFRB.

Subject to an express and written grant by the LTFRB through a formal unanimous resolution, the 25% overlap limit may be waived subject to the following conditions:

- 2.4.1 A newly developed residential or commercial area is at least five (5) kilometers away from the origin or destination of the traditional route;
- 2.4.2 The passenger demand generated or attracted by a newly developed area is greater than what the existing route cannot adequately or economically serve;
- 2.4.3 Additional and/or new sections of a road network are developed, thereby providing shorter and faster trips; and
- 2.4.4 Other conditions that may be provided by the Department, and/or by the LTFRB with the approval of the Department.

2.5 Maximum Distance Policy

PUJ Service routes shall have the following maximum distances:

Route coverage	Maximum Route Length
Highly urbanized cities, independent component cities, and component cities	15 km
Inter-regional, inter-provincial, provincial, and municipal	35 km

For PUJ loop services, the loop length shall be covered by similar restrictions.

UV Express service routes shall have the following maximum distances:

Route coverage	Maximum Route Length
Highly urbanized cities, independent component cities, and component cities	35 km
Inter-regional, inter-provincial, provincial, and municipal routes originating or terminating in Metro Manila	35 km
Inter-regional, inter-provincial, provincial, and municipal routes not originating or terminating in Metro Manila	60 km

For PUBs, no maximum distance is required.

Exceptions to this policy may be granted if an application for the same is expressly submitted in writing together with a conduct of transport survey or study. The LTFRB, through a formal unanimous resolution, shall grant the exception subject to the following conditions or situations:

- 2.5.1 The absence of a transfer area between route ends,

- 2.5.2 The absence of alternative transport services or the existing services/supply cannot meet the passenger demand and in some cases, the route is abandoned;
- 2.5.3 Most sections of the route have limited road space or width capacities that discourage/prevent normal operations;
- 2.5.4 The transport demand between the applied routes is not substantial to assure profitable operations; and
- 2.5.5 Other conditions that may be provided by the Department, and/or by the LTFRB.

2.6 Criteria for Public Transportation Route Rationalization

The establishment of public transportation routes and the corresponding modes of services shall be based on the following criteria:

- 2.6.1 Passenger demand patterns and characteristics;
- 2.6.2 Road network configuration;
- 2.6.3 Corresponding road functions (road hierarchy); and
- 2.6.4 Road capacities.

3. PROCEDURAL GUIDELINES

3.1 Local Public Transport Route Planning

The Local Public Transport Route Plan shall be the minimum requirement prescribed for the issuance of franchises. This shall form part of the Local Transport Plan (LTP) which relates land use to transport modes and provides measures for traffic management.

- 3.1.1 The Department shall set guidelines, criteria, and procedures for local public transport route planning and help build local capacities to prepare LPTRPs and consequently, LTPs. The Department shall facilitate other channels for capacity building assistance to local governments and metropolitan authorities, through linkages with national agencies, academe, and development agencies.
- 3.1.2 Cities and municipalities shall be responsible for collecting data, analyzing public transport supply and demand, and identifying specific public transport supply gaps for travel within their territories and for capturing this in city and municipal public transportation plans.
- 3.1.3 Provincial governments shall be responsible for collecting data, analyzing public transport supply and demand, and identifying specific public transport supply gaps for travel between component cities and municipalities within the province and for capturing this in provincial public transportation plans.
- 3.1.4 Identification of public transport supply gaps and public transportation planning between and among independent cities, provinces, and regions not covered under 3.1.2 and 3.1.3 shall be the responsibility of the Department.
- 3.1.5 LPTRPs shall identify the additional services that are required within the area of responsibility, including routes, the type of service required, and the number and type of vehicles for each service and route.

- 3.1.6 Transportation plans from LGUs, duly approved by the respective Sanggunians, shall be made in accordance with the policies stated in this Order and subsequent issuances and guidelines from the Department. These plans must focus on the movement of people and individual trips, not on the movement of vehicles.
- 3.1.7 In the conduct of transport surveys and other data collection for purposes of route identification, the LGUs shall encourage the participation of concerned stakeholders.
- 3.1.8 City and municipal governments within the MUCEP Study Area shall develop their local LPTRPs covering public transport services that operate exclusively within their boundaries. However, inter-city or inter-municipal transportation planning for the MUCEP Study Area shall be done by the Department.
- 3.1.9 Emphasis shall be given to connectivity of transportation between and among cities and municipalities considering the volume of passengers, as well as the inter-modality of transport services.

3.2 Approval Process for Local Public Transport Route Plans (LPTRPs)

- 3.2.1 The LPTRPs covered by 3.1.2 and 3.1.3 and other documentary requirements specified in Section 4 shall be submitted to the LTFRB for review and approval, subject to the oversight function of the Department.
- 3.2.2 The documentary requirements shall be evaluated and approved by the LTFRB for consistency and compliance with this Department Order and further Memorandum Circulars.
- 3.2.3 Once approved, the LTFRB shall conduct an open and transparent process to select the public transport operators to deliver the needed services.
- 3.2.4 In case the LGU is not ready to take on the responsibility for public transport route planning in its domain, or if an approved LPTRP for the city or municipality is not yet available, the Department can determine the routes and services for which franchises shall be issued by LTFRB.
- 3.2.5 The LTFRB shall develop an online database of public transportation franchises, by region, route, and type of service.

3.3 Route Requirements

In order to improve operations and quality of service, existing operators are to consolidate.

- 3.3.1 Routes shall have a minimum number of units as set by the LPTRPs, provided that the minimum number of units may be increased by up to 15% to cover the downtime or maintenance of units.
- 3.3.2 A route shall have the least possible number of operators, as determined by the LTFRB.
- 3.3.3 Taxis, TNVS, and Tourist Transport Services shall have a minimum of ten (10) units.

3.4 Issuance of Franchises for Public Transportation Services

- 3.4.1 The LTFRB shall publish a call for applications to service the areas with determined public need.

- 3.4.2 For each route or service identified for franchise issuance, the LTFRB shall announce a selection process and invite applications with an application deadline. The invitation shall state the route, number of units, service quality standards, vehicle specifications, suggested fare, and other requirements which are consistent with the policies of this Department and other government agencies.
- 3.4.3 The invitation shall also state the qualification requirements for each applicant, the documents required to be submitted to the LTFRB, and the evaluation criteria and process to be used in evaluating the applications.
- 3.4.4 The LTFRB may impose minimum fleet sizes for operators on a route, as needed.
- 3.4.5 If selected, the operator concerned shall be issued a franchise consistent with, and subject to, the rules and regulations governing public transport franchises.
- 3.4.6 CPCs issued in violation of the moratorium (LTFRB Memorandum Circulars No. 2003-028 and 2010-025) shall be addressed in a subsequent LTFRB Memorandum Circular.

3.5 Route Modification

LGUs may propose modifications in routes for review and approval of the LTFRB and the Department. The proposals for route modifications should include the rationale or justification for the changes.

3.6 Road Transport Planning Division (RTPD)

The primary responsibility of promoting the preparation of LPTRPs as described above as well as monitoring the implementation by the LTFRB of the provisions of this D.O. shall be lodged with the Road Transport Planning Division (RTPD) of the Department.

3.7 Mandates and Functions of the RTPD

In addition to current functions and responsibilities of the Road Transport Planning Division, the Division shall also have the function of building LGU capacities to prepare the LPTRPs.

4. REQUIREMENTS

In accordance with R.A. No. 7160, the *Local Government Code of 1991*, the Department of Interior and Local Government (DILG) Memorandum Circular No. 2011-712, *Guide to Comprehensive Development Plan (CDP) Preparation for Local Government Unit*, the Housing and Land Use Regulatory Board (HLURB) *Guide to Comprehensive Land Use Plan Preparation Volume 1* (2014) and other pertinent laws, the LGU and/or its equivalent body shall submit to the Department a copy of the Infrastructure Sector Study of the Comprehensive Development Plan including the following:

4.1 Local Public Transport Route Plan

- 4.1.1 **List and map of existing public transportation routes**, i.e., PUB, PUJ, UV Express Service, Filcab, tricycles, and other public transport operating in the area including route descriptions (citing specific streets and barrage name), route distances, number of operating and authorized units, operating hours per route, route turnaround time, estimated travel time from origin to destination, and average frequency or headway per route per day.

- 4.1.2 **List and map of proposed routes** indicating the route name, route length, route alignments, transport mode, the type of service required, the frequency of service along each route, the number of vehicles for each route, and route structure descriptions, citing specific street and barangay names. The LPTRP shall also contain the specific location of stops, pick-up and drop-off points, and from origin to destination and vice versa, as well as terminal or turning points as defined in Section 7 hereof. In the determination of the number of vehicles for each route, a minimum of fifteen (15) introductory units shall be imposed for developmental routes, which shall then be re-evaluated by the LTFRB after six (6) months of operation upon the determination and establishment of the actual demand for the services in the route. The map shall also indicate the road classification and link attributes such as distance, number of lanes per direction, and average travel speed.
- The LPTRP should be regularly evaluated and updated every five (5) years.
- 4.1.3 **Estimated existing and forecasted passenger demand for each proposed route**, i.e., estimated passenger volume between identified stops along the entire stretch of the proposed route and describing clearly the methodology and assumptions used in the generation of estimated passenger demand.
- 4.1.4 **Inventory of available transport facilities** to include information on location of transport infrastructure support facilities, i.e., park and ride, bicycle lanes, parking terminals, loading and unloading areas, Intelligent Transport Systems (ITS), and other transport infrastructure, i.e., airport, ports, and railways, as applicable.
- 4.2 All LPTRPs submitted by LGUs shall be consistent with the LGU's respective plans embodied in their **Comprehensive Development Plan (CDP), Comprehensive Land Use Plan (CLUP), Zoning Ordinance and Zoning Map**.
- 4.3 The Department may provide capacity development assistance to LGUs to establish their respective LPTRPs as it may deem necessary.

5. REQUIREMENTS FOR OPERATORS

5.1 Safety Requirements

- 5.1.1 PUV operators must fulfill safety operations requirements, whereby a safety officer, employed or assigned on a full-time basis, must inspect each unit and driver before dispatch and ensure efficient operations on the ground with daily reports filed and submitted to the LTFRB on a regular basis for monitoring.

It shall be the duty of the LTFRB to ensure that operators comply with the safety requirements, by evaluating the submitted maintenance ledger per unit. This shall be a mandatory requirement for the confirmation of the unit.

- 5.1.2 Qualification requirements of safety officers shall be established by the LTFRB through a subsequent Memorandum Circular.

5.2 Modernization of Public Transport Services

To modernize existing transport services, brand new and environmentally-friendly units shall be promoted and be given priority in the allocation of CPCs and deployment, based on route categories.

Relative thereto, the following requirements shall be adopted:

- 5.2.1 Environmentally-friendly units are vehicles that use an electric drive and/or a combustion engine that complies with Euro IV or better emission standards as prescribed by the DENR to reduce greenhouse gas emissions, toxic fumes, particulate matter, and other forms of air pollution;
- 5.2.2 The LTFRB shall issue a Memorandum Circular to provide for a modernization program for all PUVs, establishing the age limit of each classification based on the year of the oldest major component (i.e. chassis and engine/motor) of the vehicle and not the initial year of registration or the year of importation; and
- 5.2.3 Refurbished and/or rebuilt vehicles shall pass the type approval system test and issued a Certificate of Compliance with Emission Standards (CCES) as a condition to initial registration by the LTO and to the roadworthiness test of the LTO-Motor Vehicle Inspection System for renewal of registration. Refurbished and/or rebuilt PUBs, even with new engines or motors, shall not be allowed to substitute for phased-out units.

5.3 Off-Street Terminal

- 5.3.1 For fixed routes with end points, no franchise application, petition for modification of franchise, petition for dropping and/or substitution, petition for change of ownership and/or petition for extension of franchise validity shall be entertained by the LTFRB without the presentation of a proof of operation of an off-street terminal. However, for circular routes or routes that loop, an off-street terminal may not be required based on the determination of the LTFRB;
- 5.3.2 If rented and/or leased, the off-street terminal shall have a contract validity of at least the duration of franchise validity;
- 5.3.3 Off-Street terminals shall be located at both ends of the route being proposed, and shall be provided with loading/unloading bays and vehicle layover areas;
- 5.3.4 The minimum terminal size must be at least 130% of the total space requirement of 50% of the franchised units; and
- 5.3.5 Private sector participation in the development of terminals shall be encouraged.

6. ABANDONMENT OF ROUTES

- 6.1 Abandonment of services in a PUV fixed route shall be prohibited. A fleet operator operating with less than its total franchised units in the franchised route for more than three (3) months shall be considered abandonment of route and shall be penalized by revocation of the franchise.
- 6.2 Any approved vacant routes or units that were found abandoned shall be open to new franchise application subject to the provisions of this Guideline.

7. TERMINALS AND TURNING POINTS

7.1 LGU Clearance to Operate Terminals

The requirements for public transportation terminals shall remain enforced and adhered to in all franchise applications. All public transportation terminals shall comply with the LGU's land use and zoning plan. As such, the concerned LGU, in

coordination with the Department and the LTFRB, shall have the authority to designate terminal locations and issue prior clearance to operate said terminals, consistent with the DILG-DOTr Joint Memorandum Circular No. 01, s. of 2008.

7.2 Terminal or Turning Point Identification Guidelines

Provision of terminals shall be consistent with the DILG-DOTr Joint Memorandum Circular No. 01, s. of 2008. For routes outside Metro Manila, the LGU concerned, in coordination with the Department and the LTFRB, shall designate the terminal or turning point.

7.3 Classification of PUJ and UV Express Services

To classify PUJ and UV Express Services, the terminal or turning point shall be the basis. PUJ and UV Express Services from inside an urban area to within 500 m. radius of the identified terminal turning point are classified as urban PUJ/UV Express Services.

PUJ and UV Express Services travelling from within 500 m. radius of the identified terminal turning point towards the provinces are considered inter-regional, inter-provincial, provincial, or municipal PUJ/UV Express Service routes.

7.4 Intermodal or Integrated Transport System (ITS) Terminals

All provincial routes, as designated by the approved LPTRP bound for metropolitan areas, shall have destinations only up to the integrated transportation terminals (ITS), where available. P2P Buses which operate within the MUCEP Area may opt not to use the ITS terminals depending on their approved route plans. Furthermore, routes that will be affected as a result of the introduction of ITS shall be modified according to the approved route plan.

8. EXCEPTIONS

Any exception to the above stated rules shall require an express and written grant of authority to be issued through a collegial and unanimous ruling from the LTFRB granting the exception.

In the event that the LTFRB fails to secure a unanimous vote but is able to secure a majority vote granting an exception on matters which admit of exception to these guidelines, the Secretary of the Department shall decide such matters.

The LTFRB may, *motu proprio* and/or through an evaluation of a written Exception Application for the same, issue and/or grant exceptions to the above mentioned rules, provided that such grant shall be pursuant to the general policies stated in this Order.

All submissions of Exception Applications to the LTFRB shall need to be accompanied by recommendation/s, whether favorable or not, from all the LGUs which have jurisdiction over the areas where the proposed route/s shall traverse.

9. CITATIONS FOR PUBLIC UTILITY VEHICLES CLASSIFICATION AND DESIGN

The following shall be the basis in classifying all public transport conveyances:

- 9.1 Department Order 97-1097 entitled "*Providing Standard Classification for all Public Transport Conveyances*" as amended by Department Order 2004-24 entitled "*Amending Department Order 97-1097 Reclassifying Tourist Transport Service*", Department Order 2015-011 Further amending Department Order 97-1097 to Promote Mobility

- 9.2 Department Order 2004-52 entitled "*Including Asian Utility Vehicle (AUV)/Van Express Service as Additional Type of Public Transport Service Further Amending Department Order 97-1097*";
- 9.3 LTFRB Memorandum 2006-058 entitled "*Modifying Department Order 97-1997 Amending Memorandum Circular 2004-011 Reclassifying Tourist Transport Services to Include Corporate Transport Leasing Services as New Tourist Transport Service Sub-Classification under Rent-A-Car Services and Lifting the Moratorium on the Acceptance of Applications/Petitions for New Franchises*";
- 9.4 LTFRB Memorandum Circular 2005-023 entitled "*Modifying Department Order 2004-52 Relative to the Opening of AUV/Van Express Services As New Public Land Transport Classification and Promulgating Its Implementing Rules And Regulations*";
- 9.5 Pursuant to Department Order 2010-32 entitled "*Harmonization of Motor Vehicle (MV) Classification of LTO and LTFRB*"; and
- 9.6 Applicable Philippine National Standards (PNS);

Any vehicle design deviating from such standards shall be subject to technical evaluation and clearance by the Department and the LTO before the LTFRB can consider the same fit for franchise application.

10. MONITORING AND EVALUATION

Operators shall provide annual progress reports on their operations within the 1st quarter of the succeeding year, to the LTFRB for evaluation. These reports shall contain, among others, ridership, service quality evaluation, financial statements, and maintenance ledgers of all vehicles. The LTFRB shall then submit a compiled annual report to the Department by the 2nd quarter of the succeeding year, which contains assessments and evaluations of the reports from the LGUs.

11. TRANSITORY PROVISION

- 11.1 Upon effectivity, the provisions of this Department Order shall immediately apply to all new applications for franchise and petitions for modification.
- 11.2 All existing, updated, and valid franchises shall remain effective for a maximum of three (3) years from the effectivity of this Order, or upon the approval of new application/s for the specific route determined by LPTRPs, whichever is earlier. For this purpose, the LTFRB will provide the mechanism for transitioning existing and new franchisees such that the transition under this Department Order will be completed within the specified three (3) year period.
- 11.3 The immediately preceding rule shall be applicable to petitions for dropping or substitution.
- 11.4 During the three (3) year transitory period, operators that follow the provisions of this Department Order and subsequent Memorandum Circulars to be issued by the LTFRB shall have an extended franchise duration, with terms and conditions to be specified by the LTFRB.
- 11.5 During the transitory period, the LTFRB shall adopt a policy whereby franchise applications will undergo a two-step process. On the first stage, the citizenship requirement and financial capability as well as proof of public need shall be submitted, except for the unit or vehicle proposed to be authorized. On the second stage, the operator will be given a period by the LTFRB to procure their vehicle(s).

Operators with smaller fleets shall have an earlier deadline than those with large fleets. Once the vehicle is presented and approved, then the franchise is granted.

- 11.6 During the transitory period, operators that do not follow fleet requirements as detailed in Section 3.3 shall be permitted, provided that the same shall integrate operations management, including dispatching, an off-street terminal, and safety inspections, with other operators such that the fleet organized under the common operations management shall satisfy the provisions in Section 3.3.
- 11.7 Measures to mitigate any adverse social impact on the vulnerable members of the public transport sector in the implementation of this Order may be adopted by the Department, in consultation with the LTFRB and, when necessary, with the affected stakeholders.
- 11.8 Sections 11.1 to 11.7 notwithstanding, the Department and the LTFRB shall impose such additional terms, restrictions, or limitations as may be deemed necessary to implement the policies and purposes of this Order.

12. SEPARABILITY CLAUSE


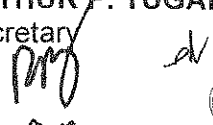
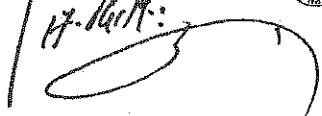
If any part or provision of this Department Order is held unconstitutional or invalid, other parts of provisions which are not affected shall continue to remain in full force and effect.

13. REPEALING CLAUSE

All other Department Orders, Circulars, Special Orders, Office Orders and/or other issuances inconsistent herewith are hereby superseded or modified accordingly.

14. EFFECTIVITY

This Department Order shall take effect thirty (30) days following completion of its publication in the Official Gazette and/or in a newspaper of general circulation and/or the filing of three (3) copies hereof with the UP Law Center pursuant to Memorandum Circular 11 dated 09 October 1992 of the Office of the President.


ARTHUR P. TUGADE
Secretary





DOT-OSCE OUTGOING 17-00837