



Revised Guidelines on the Issuance of Endorsement for the Registration of Proposed Transportation Cooperatives (TCs) to CDA and TC Accreditation Processing and Requirements.

Resolution No. 2018-09-02

Whereas, the OTC Board had passed three (3) separate resolutions concerning the guidelines and processes in the issuance of endorsement for the registration of the proposed Transportation Cooperatives (TCs) to Cooperative Development Authority (CDA) and in the accreditation of TCs, to wit:

- 1. Resolution No. 2018-07-02 (Revised documentary requirements in the accreditation of TCs and capitalization*
- 2. Resolution No. 2018-07-03 (Amendments/revision on the existing guidelines in the accreditation of TCs (processing and approval); and*
- 3. Resolution No. 2018-07-04 (Amendments/revision on the existing criteria and procedures for the endorsement of the proposed Transportation Cooperatives (TCs) for registration with CDA.*

Whereas, the Board also directed the reconstitution of the Technical Accreditation Committee (TAC) to be composed of OTC technical personnel who shall facilitate the needed Complete Staff Work in the evaluation of all applications for accreditation of TCs including the submission of appropriate recommendations for the Board's guidance;


Whereas, the newly reconstituted TAC during its meeting held 07 September 2018 also discussed the above-mentioned inter-related resolutions. The TAC was able to consolidate/merge the same into a more comprehensive guidelines and recommended its approval to the board;

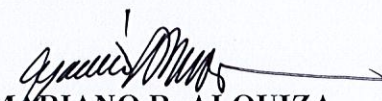
Now therefore, upon motion by Mr. Bolano, duly seconded by Mr. Abello, Be It:

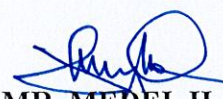
Resolves, as it is hereby resolved to approve the attached Revised Guidelines on the issuance of endorsement for the registration of proposed Transportation Cooperatives to CDA and TC accreditation processing and requirements, herein referred as ANNEX 1. Likewise, the OTC management is hereby directed to provide the timeframe on the core-processes of the said guidelines in accordance with the provisions of the Ease of Doing Business Law;

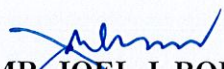
Resolved Further, that all existing guidelines, rules and regulations which are inconsistent thereto are hereby revoked or amended, accordingly.

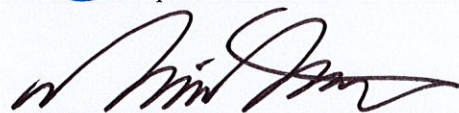
Approved this 27 September 2018, Quezon City, Philippines.

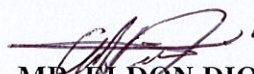

MR. SAMUEL W. ABELLO
TC Sector Representative


ASEC. MARIANO R. ALQUIZA
DOLE Representative


MR. MEHEL H. AFALLA
OIC, Office of the Chairman


MR. JOEL J. BOLANO
LTFRB Representative


PSUPT. OLIVER S. TANSECO
PNP Representative


MR. ELDON DIONISIO
DOTr Representative



"ANNEX 1"

Revised Guidelines on the Issuance of Endorsement for the Registration of Proposed Transportation Cooperatives (TCs) to Cooperative Development Authority and Transport Cooperative Accreditation Processing and Requirements

Legal Basis

- Rule V, Section 6, Items 5 & 10 (Registration Requirements for Transport Cooperatives) of the Revised Rules and Regulations Implementing Certain and Special Provisions of the Philippine Cooperative Code of 2008
- Article II (Promotion, Organization and Accreditation), Section 17 (Issuance of Certificate of Accreditation) of the OTC Administrative Order No. 2000-01
- Item 2 and last paragraph of OTC Board Resolution No. 2018-07-03 dated 25 July 2018 (role of the OD-POAS and reconstitution of TAC members)
- OTC Special Order No. 2018-08-041 dated 07 August 2018 (Work assignment of concerned staff of the Operations Division)
- OTC Special Order No. 2018-08-046 dated 30 August 2018 (Reconstitution of the Technical Accreditation Committee)

Coverage

These guidelines shall apply to all transport cooperative-applicants intending to operate public transport service using PUJ, Multi-Cab, UV, Taxi, Mini-Bus, Bus and Trucks. Separate guidelines shall apply to Tricycle and Motorized-Banca or small sea-craft.

I. For Endorsement for Registration to CDA

A. Documentary Requirements

1. Notarized copy of Articles of Cooperation clearly indicating therein the following:
 - Required minimum capitalization on the type of service that the TC-applicant intends/proposes to operate;
 - Inclusion of the specific business operation (transport) in Article VII of the Article of Cooperation;
 - If the TC applicant is an existing Multi-Purpose Cooperative, inclusion of the word "Transport" in its name and transport operation in its purposes/objectives;
2. Signed copy of By-Laws with specific provision on route operation;

3. Copy of Simplified Economic Survey/Business Plan with **supplementary data/information sheet**; and
4. Detailed Sketch of Route (For proposed TCs with fixed routes) and/or Copy/ies of Valid Certificate of Public Convenience (CPC) or Franchise for at least 15 units per route

B. Other Conditions

1. All of the founding/organizing members of the TC-applicant should have undergone the required Cooperative Education and Transport Operation Seminar (CETOS).
2. If the TC-applicant intends to engage in providing multiple fixed routes, the minimum number of unit requirements per type and per route shall be applied.
3. A TC-applicant proposing to serve the route or area of transport operation of existing transport cooperative/s, the OTC evaluation shall be guided by the following:
 - If the proposed route/area of operation will affect 50% or more of the existing TC/s, the affected TCs shall be duly notified and be given 7 working days to file the formal position paper (opposition or non-opposition);
 - If opposed, OTC shall evaluate the opposition paper and if substantiated, the proposed TC shall be encouraged/advised to join the existing and/or modify their proposed route in a manner that it would complement the existing TC and not to adversely affect the operational viability of the existing TC/s; and
 - Even if opposed, should the TC-applicant be greater in number than the existing TC, in terms of members and units as indicated in the economic survey and/or as per validation, the applicant may be endorsed, and that the affected existing TC shall be duly informed on the same.
4. Proposed TC applying to engage in a non-fixed route such as, school service, hauling service and tourist service, may be endorsed upon completion of the above-mentioned requirements regardless if there are other existing TCs engage in similar type/mode service/s.
5. Proposed TC with fixed/non-fixed route/s endorsed to CDA should apply for accreditation within ninety (90) days upon issuance of the endorsement. OTC may consider endorsing, subject to evaluation, other TC proponent/applicant with the same intended route based on the following:
 - Failure of the proposed TC to appropriately respond to the OTC's 90-day notice citing the cause/s of delay that affected its supposed processing of accreditation; or
 - Failure of the proposed TC to present justifiable reason/s to defend/warrant its non-compliance with the accreditation application timeframe.

C. Processing

1. The OD, through its POAS shall evaluate with due diligence the registration application and related documents duly referred by concerned offices of the Cooperative Development Authority (CDA) or as per requested by the applying transport cooperative.
2. If the application fully satisfies the requirements and other conditions contained in these guidelines, the OD-POAS shall prepare the official endorsement document for the signature of the Head of the Agency or his authorized alternate signatory.
3. The signed endorsement document shall be immediately released and transmitted to concerned CDA office copy-furnished the applicant. The endorsement shall be accompanied by the appropriate supporting documents enumerated in Item A. Likewise, a notice of advice shall also be issued to the TC-applicant regarding the 90-day period for the submission of its application & documents for accreditation.
4. If the application has deficiency/ies in the documentary requirements and/or conflicting status with any or all of the stipulations in Item B – 1 to 3 (Conditions), OTC to duly notify the TC-applicant with advice/s on the remedial/appropriate action/s needed to be undertaken.
5. If deemed necessary and/or the situation warrants, OTC may also initiate supplemental evaluation methods to validate and support its evaluation of the TC application.

II. Accreditation of Transportation Cooperatives

A. Nature/Type of Board Action to the Accreditation Application

1	Full Accreditation	TC-applicant has fully complied with all documentary requirements and other conditions herein set.
2	Provisional Accreditation	<p>TC-applicant has complied with the minimum requirements.</p> <p>TC applicant failed to comply with any or all of the following:</p> <ol style="list-style-type: none">a. Minimum number of units and franchises within one (1) year upon its approval; andb. Undertaking to comply with the PUVM/OFG requirements upon approval of the rationalized routes.
3	Deferred	If the requirement submitted requires validation and verification and other condition/s required by the OTC Board.

4	Disapproved	TC-applicant fails to comply with the minimum requirement and application was disapproved by the OTC Board with option for appeal to be filed within 30 days upon receipt of the notice of disapproval.
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B. Documentary Requirements

	For TC-applicant without CPC/franchise	For TC-applicant with valid CPCs/franchises
1	Copy of CDA Certificate of Registration	Copy of CDA Certificate of Registration
2		OR/CR of at least 15 units (PUJs, Vans, Taxis or Multi-cabs), 10 units (Buses) & 2 units (Trucks) – For individually-owned units with valid CPC
3		Management Agreement – For individually-owned units with valid CPC intended for the initial consolidation of individual franchises
4		Copy of individual CPC/franchises that are subject for consolidation
5	Bank Certification of deposit representing the paid-up capital of the cooperative	Bank Certification of deposit representing the paid-up capital of the cooperative
6	Affidavit that no payment was made by the TC-applicant for any transaction with OTC and acknowledging that approval for TC accreditation is not an assurance that CPC/franchise will be granted (Pro-forma provided)	Affidavit that no payment was made by the TC-applicant for any transaction with OTC and acknowledging that approval for accreditation is not an assurance that CPC/franchise will be granted (Pro-forma provided)

C. Other Conditions

1. To ascertain the financial capability of the TC-applicant, the following capitalization requirement per type of unit shall be observed:

Type of Unit		Amount
PUJ/Multi-Cab (15 units)	Authorized Capital Stock	Php4,800,000.00
	Subscribed Capital Stock	1,200,000.00
	Paid-Up Capital	300,000.00

Taxis/Vans (15 units)	Authorized Capital Stock	Php12,000,000.00
	Subscribed Capital Stock	3,000,000.00
	Paid-Up Capital	750,000.00
Buses/Mini-Buses (10 units)	Authorized Capital Stock	Php16,000,000.00
	Subscribed Capital Stock	4,000,000.00
	Paid-Up Capital	1,000,000.00
Trucks for Hire (2 units)	Authorized Capital Stock	Php 3,200,000.00
	Subscribed Capital Stock	800,000.00
	Paid-Up Capital	200,000.00

2. In relation to Item II-B-5, the total amount to be required in the bank deposit certification shall be based in the following formula of computation:
 - For PUJ, Php20,000 per unit for PUJ multiplied by the number of units (at least 15 units)
 - For Taxi & UV, Php50,000 per unit multiplied by the number of units (at least 15 units)
 - For Mini-Bus, Bus & Truck, Php100,000 per unit multiplied by the number of units (at least 10 units for Mini-Bus/ Bus & 2 units for Truck)
3. Compliance with the requirements of the Omnibus Franchising Guidelines (OFG)/Public Utility Vehicle Modernization (PUVM) Program (e.g. modernized units, fleet management operation, garage & terminal, etc.)

D. Processing

1. The OD – POAS, upon receipt of the application, shall, with due diligence, evaluate the sufficiency of the documents submitted and compliance with other conditions set in these guidelines. It shall also serve as the Secretariat of the Technical Accreditation Committee (TAC).
2. If found sufficient and compliant, a notice shall be issued to properly inform the TC-applicant and a write-up shall be prepared for presentation to the members of the TAC, in the scheduled meeting called for the purpose.
3. If not complete, a letter shall also be prepared informing the TC applicant on the submission of lacking requirements and providing appropriate advice/s. The applicant is given thirty (30) days to comply and failure to respond within the prescribed period will be basis for OTC to accept potential TC applicant on the same applied route.
4. Once considered by the TAC, the final write-up (with recommendation) will be prepared for OTC Board consideration.
5. If not considered by the TAC, the TC applicant shall be duly notified on the underlying reasons for deferment and appropriate advice/s giving the same thirty (30) days to

submit any supporting documents as may be required by the TAC. Only applications that completed the deficiencies shall be re-evaluated and presented to the TAC prior to elevating the same to the OTC Board.

6. The Chairperson of the TAC shall present to the OTC Board, in the meeting called for the purpose, all applications for accreditation. Once approved by the Board, the following shall be prepared by the OD-POAS:
 - a. Letter of approval;
 - b. Certificate of Accreditation signed by the OTC Chairperson; and
 - c. Certificate of Good Standing (CGS) with validity up to June 30 of the following year.

In case of provisional accreditation, an interim certificate shall be issued together the conditional letter and CGS.

7. In case of deferral and/or disapproval by the Board of the TC-application, the following shall be observed:
 - If deferred, the TC applicant shall be duly notified of the rationale and/or additional/supporting documents to be required by the Board. The applicant is given thirty (30) days to comply; and/or
 - If disapproved, the TC applicant shall be duly notified of the reason/s giving the same the option to file an appeal within thirty (30) days.

III. OTHER PROVISION

The systems and procedures for endorsement for CDA registration and TC accreditations shall conform with the requirements of the Republic Act No. 11032 (An Act Promoting Ease of Doing Business and Efficient Delivery of Government Services, Amending for the Purpose Republic Act No. 9485, Otherwise known as the Anti-Red Tape Act Of 2007, and for Other Purposes), to include the current service standards or Citizen's Charter of this Agency. Any updates, improvements and/or re-engineering initiatives duly approved/adopted by the Agency involving the two (2) concerned business transactions shall automatically form part of this guidelines.

IV. REPEALING CLAUSE

All prior procedures, orders, circulars or any related issuance thereof inconsistent with these provisions are hereby amended accordingly.

IV. SEPARABILITY CLAUSE

If any part of this procedure is found to be unconstitutional by a court of law such part shall be severed from the remainder of the MOA, and such action shall not affect the other remaining parts of this procedures that shall remain valid and subsisting.

IV. EFFECTIVITY

This procedure shall take effect fifteen days after 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