


SEVENTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

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RECEIVED BY: 

SENATE
P.S. Res 262

Introduced by Senator Poe

RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE REPORTED NEED TO CRAFT GUIDELINES
TO CURB AND LIMIT THE ALLEGED INIQUITOUS AND UNREASONABLE
SURGE PRICING OF TRANSPORT NETWORK COMPANIES

WHEREAS, various media sources reported that transport network companies (TNCs), such as Grab and Uber, have been under fire for unreasonable surge pricing during the holiday season;

WHEREAS, in a statement, the Land Transportation Franchising and Regulatory Board (LTFRB) claimed that it received complaints that surge prices would range from Php 2,000 to Php 28,000;¹

WHEREAS, in response, the LTFRB ordered TNCs, particularly Uber and Grab, to limit the maximum allowable fare price surge to twice the rates for time covered and distance travelled, excluding the base fare; thus, the surge price for a 10-kilometer, one-hour trip should cost an Uber passenger only Php 348, a Grab Sedan passenger Php 200, and a Grab Premium passenger Php 280;²

WHEREAS, the LTFRB also ordered Grab to lower its fare rate per kilometer from between Php 12 and Php 16 to Php 10 and Php 14, depending on the type of vehicle used;³

¹ Yuji Vincent Gonzales, "Uber, Grab warned vs 'unreasonable' surge in rates." 24 December 2016. <http://newsinfo.inquirer.net/856273/uber-grab-warned-vs-unreasonable-surge-in-rates>. Accessed 11 January 2017.

It should be noted though that the P28,000 fare estimate was an error, because the passenger accidentally selected the Mindanao region as a destination and not Mindanao Avenue, Quezon City. See, <http://newsbytes.ph/2016/12/28/ltfrb-flexes-muscle-puts-cap-on-surge-multiplier-of-uber-grab/>

² Jovic Yee, "LTFRB caps Uber, Grab surge prices." 28 December 2016. <http://newsinfo.inquirer.net/857289/ltfrb-caps-uber-grab-surge-prices>. Accessed 11 January 2017.

³ *Id.*

WHEREAS, the surge pricing experienced by consumers is no different from “kontrata”, where cab drivers would demand a fixed and excessively high fare during rush hours and the holiday season;⁴

WHEREAS, other countries, such as Australia and the United States, have also criticized Uber for using surge pricing during emergencies, like when they took advantage of the Sydney hostage crisis and the onslaught of Hurricane Sandy, respectively;⁵

WHEREAS, here and in abroad, commuters have complained that sometimes, the ride they requested would suddenly get cancelled, and when they request for a new ride, surge pricing appears;

WHEREAS, lawmakers in other countries have proposed to ban surge pricing or put a cap on it;

WHEREAS, although the LTFRB has already issued guidelines with regard to surge pricing, the legislature should study the crafting of guideline on limiting surge pricing by TNCs;

WHEREAS, a columnist alleged that “when TNCs charge exorbitant rates or become picky with their passengers, not only do they harm public interest, they’re no different from taxis plying our streets; they’ve become, for all intents and purposes, regular cabs except without the taximeter and body markings”;⁶

WHEREAS, the fact that the fare is already known to the passenger before they book the ride and therefore the passenger is given a choice to refuse or accept, should not be used as an excuse to allow TNCs to impose unregulated surge prices whenever it wants or deems necessary;

WHEREAS, TNCs should not lose sight that their services are mainly for the convenience of the riding public, which is why they were awarded a “certificate of public convenience”

WHEREAS, the legislature should also look into the fact, that although TNCs claim to promote ride-sharing, they have been used by some businessmen as a means to skirt franchising laws and operate a fleet of private vehicles, resulting in traffic congestion in highly urbanized areas;

⁴ Dodo Dulay, “Stricter regulation of Uber and Grab by LTFRB.” 27 December 2016. Accessed 11 January 2017.

⁵ Dara Kerr, “Detest Uber’s surge pricing? Some drivers don’t like it either.” 23 August 2015. <https://www.cnet.com/news/detest-ubers-surge-pricing-some-drivers-dont-like-it-either/>. Accessed 11 January 2017.

⁶ *Id.* At 4.

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Senate of the Philippines, to direct the proper Senate Committee to conduct an inquiry, in aid of legislation, on the reported need to craft guidelines to curb and limit the alleged iniquitous and unreasonable surge pricing of transport network companies.

Adopted,


GRACE POE