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SENATE

RECEIVED BY: 

P. S. RES. NO. 431

Introduced by Senator JOEL VILLANUEVA

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO
INQUIRE AND REVIEW, IN AID OF LEGISLATION, THE
PROCESS FOLLOWED BY THE LAND TRANSPORTATION
FRANCHISING AND REGULATORY BOARD (LTFRB) IN
GRANTING FRANCHISES TO TRANSPORT NETWORK
VEHICLE SERVICES (TNVS)

WHEREAS, on July 21, 2016, the Land Transportation Franchising and Regulatory Board (LTFRB) issued Memorandum Circular No. 2016-008 suspending all applications for provisional authority or temporary permits to operate for Transport Network Vehicle Service to pave the way for a review of the existing regulatory framework applicable to Transport Network Vehicle Services (TNVS) providers;¹

WHEREAS, Grab reported that out of roughly 28,000 drivers, only about 4,000 Grab drivers have been granted a provisional authority or certificate of public convenience.² An estimated 72% of the TNVS are, thus, considered as "colorum";³

WHEREAS, the LTFRB has also earlier imposed a Php5 Million fine each for Uber and Grab for allowing some of their drivers to operate without permits;

WHEREAS, due to the proliferation of "colorum" TNVS providers, the LTFRB has recently announced that, starting July 26, it will start apprehending Grab and Uber drivers who operate without a certificate of public convenience or provisional authority;⁴

¹ <http://www.rappler.com/nation/174953-grab-uber-drivers-ltfrb-lift-ban>

² <http://cnnphilippines.com/news/2017/07/17/ltfrb-orders-grab-uber-to-submit-list-of-accredited-operators.html>

³ <http://www.gmanetwork.com/news/money/motoring/618478/ltfrb-urges-uber-grab-to-help-drivers-financially/story/>

⁴ <http://news.mb.com.ph/2017/07/18/only-tncs-with-provisional-authority-or-cpc-may-legally-operate-ltfrb/>

WHEREAS, to further address this issue, the LTFRB is also in the process of creating a Technical Working Group to discuss issues such as accreditation and pending applications, and accountability and dynamic pricing scheme;⁵

WHEREAS, more than 100,000 commuters have signed up in an online petition expressing their anger over LTFRB's plan, citing the benefits of TNVS;⁶

WHEREAS, Transport Network Vehicle Services has presented a way of utilizing underutilized resources, also presents potential tax revenue for the government;

WHEREAS, the current set-up of the Transport Network Vehicle Services with their drivers as independent contractors present a gap in accountability in terms of drivers' and consumers' welfare;

WHEREAS, the livelihood of TNVS providers and taxi drivers, the welfare of the riding public and public interest in general necessitate the expeditious resolution of this issue, starting with a review of the process followed by LTFRB in granting franchises and its rules regulating the business of TNVS companies including, but not limited, to the accreditation of additional drivers;

RESOLVE BY THE SENATE, to direct the appropriate Senate Committee to inquire and review, the process followed by LTFRB in franchise to operate TNVS to ensure the safety of commuters and address the issue of public transportation in our country.

Adopted,


SENATOR JOEL VILLANUEVA

⁵ <http://news.mb.com.ph/2017/07/18/only-tncs-with-provisional-authority-or-cpc-may-legally-operate-ltfrb/>

⁶ <http://www.rappler.com/nation/175975-former-ltfrb-chairman-ginez-listen-uber-grab-users>