

SENATE
P.S.R. No. 446

RECEIVED BY: 

Introduced by Senator Francis N. Pangilinan

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE STATE OF THE TRANSPORTATION NETWORK VEHICLE SERVICE (TNVS) INDUSTRY AND REVIEW AND/OR AMEND RELEVANT POLICIES

WHEREAS, unreliable and inefficient public transportation, and the absence of an integrated mass transit network have become serious issues in urban areas, especially Metro Manila which is home to a daytime population of 15 million. According to a study by the Japan International Cooperation Agency, travel by public transport in Metro Manila alone accounts for 69 percent of the total number of trips taken every day; buses and jeepneys account for 71 percent of these trips.¹ Commuters spend a considerable amount of their time every day hailing a ride, fighting for space in crowded buses, waiting in line to ride a jeepney, and being stuck in non-moving traffic. This has resulted to decreased productivity and loss of time spent with their families, among others.

WHEREAS, with the advent of technology, alternative mobility options and ways to avoid traffic have become conveniently accessible through smartphone-enabled applications. Instant transportation-booking apps benefitted consumers with shorter waiting time, fare options, safer and higher quality of service, and generally shorter travel time. Among the leading providers of this new type of transportation service are Uber² and Grab³.

WHEREAS, on 08 May 2015, the Department of Transportation (formerly the Department of Transportation and Communications), issued Department Order No. 2015-011⁴ which legalized the operation of this new type of transportation service or the Transportation Network Vehicle Service (TNVS).⁵

WHEREAS, pursuant to said Department Order, the Land Transportation Franchising Regulatory Board (LTFRB) promulgated Memorandum Circular No. 2015-017 on 28 May 2015, which contained the "Implementing Guidelines on the Acceptance of Applications for a Certificate of Public Convenience to Operate a Transportation Network Vehicle Service (TNVS)."

¹ Rappler. "Creating sustainable transport systems: PH's progress so far." Published on 28 March 2016. Available at <http://www.rappler.com/science-nature/environment/127075-philippines-sustainable-transportation-strategy>. Last accessed on 21 July 2017.
² An American technology company with operations in 633 cities worldwide
³ A technology company founded in Malaysia operating in 30 cities across six (6) countries in Southeast Asia
⁴ LTFRB Department Order No. 2015-011 entitled "Further Amending Department Order No. 97-1097 to Promote Mobility."
⁵ Transportation Network Vehicle Service (TNVS) is defined as "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."

WHEREAS, on 21 July 2016, the LTFRB issued Memorandum Circular No. 2016-008 suspending the acceptance of TNVS applications pending a review of policies covering the system such as accountability and pricing mechanisms. Pending applications have ballooned to more than 30,000.

WHEREAS, due to the alleged violations by TNCs and TNVS providers of certain regulations, the most serious of which is allowing their drivers to operate without permits, the LTFRB ordered Uber and Grab on 11 July 2017 to: (a) rid their ranks of “colorum” drivers; (b) pay P5,000,000.00 each; and (c) submit an updated list of their accredited peer operators.

WHEREAS, upon the effectivity of said Order on 26 July 2017, only those TNVS with Provisional Authority (PA) or Certificate of Public Convenience (CPC) will be allowed to operate, otherwise they will be fined P120,000 and their vehicles will be impounded for three (3) months should they continue to operate.

WHEREAS, based on the data provided by Uber and Grab, a total of 56,000 units of both TNCs are operating in the Philippines but only 15,440 of them have the necessary documents to continue operating as TNVS by 26 July 2017. This means that only 27.57 percent of the TNVS will be able to continue operating, while 72.47 percent will be declared as “colorum” or operating without the necessary permit, and thus considered illegal. Those who have invested their hard-earned money run the risk of being apprehended or worse, deprived of their source of income.

WHEREAS, in response to public clamor and online petitions against the disruption of services of TNVS, the Senate Committee on Public Services led by Senator Grace Poe and Senator Juan Victor “JV” Ejercito met with the LTFRB, Uber, and Grab on 19 July 2017. During which, it was agreed that Uber and Grab will file a Motion for Reconsideration which in effect would legally suspend the execution of LTFRB’s 11 July 2017 order. The following day, both TNCs filed the Motion before the LTFRB. Pending the resolution of said motion, TNVS are allowed to operate.

WHEREAS, there is an urgent need to immediately resolve all issues involving the TNVS industry to provide safer and more convenient commuting options to the public, address the increasing demand for mobility brought about by rapid urbanization, motivate other public utility vehicle operators to upgrade and modernize, and foster greater economic opportunities.

NOW THEREFORE, 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 state of the transportation network vehicle service (TNVS) industry and review and/or amend relevant policies.

Adopted,


FRANCIS N. PANGILINAN
Senator