# State of Public Transport System in the Philippines

## Atty. Martin B. Delgra, III

Chairman, Land Transportation Franchising Regulatory Board



#### THE PHILIPPINE PUBLIC TRANSPORT SYSTEM

Our public transport system is deemed unsafe, unhealthy, unreliable, and uncomfortable.

- PUBs and PUJs: Serve 67% of demand but uses 28% of road space (JICA, 2014)
- PUJs dominate road-based public transport:
  - 180,000 PUJs nationwide. 90% are 15 years old and above (LTFRB)
  - 17% ambient air pollution in Metro Manila and upto 80% in other cities due to PUJs\*
  - PUJ passengers 10 times more likely to get into accidents than private car riders\*

\*GIZ Jeepney Market Transformation Programme



#### THE PHILIPPINE PUBLIC TRANSPORT SYSTEM

INTERNA STA. CON

THAT'S BEE

ADDINING INC

#### Effects:

- Php 2.4 Billion in economic losses due to traffic congestion (JICA, 2014)
- Car = Filipino Dream (Ambisyon Natin 2040)
- DISTRESS and DISCOMFORT when commuting

![](_page_4_Picture_0.jpeg)

# How was public transportation planned before?

- No government-led planning of the road transit network
- Mostly operator-initiated routes
- Franchises issued based on Route Measured Capacity (RMC)
  - Route-based only, not network-based
  - Doesn't consider road capacity constraint

![](_page_5_Picture_7.jpeg)

# Outcome: Widespread competition among various transport modes, overlapping routes

![](_page_6_Picture_1.jpeg)

![](_page_6_Picture_2.jpeg)

### Outcome: No hierarchy of modes

![](_page_7_Picture_1.jpeg)

![](_page_7_Picture_2.jpeg)

# Outcome: Low-capacity vehicles in high-demand areas, leading to reduced road capacity

![](_page_8_Picture_1.jpeg)

![](_page_8_Picture_2.jpeg)

# Outcome: Prevalence of Low/Over supply of public transport

![](_page_9_Picture_1.jpeg)

![](_page_9_Picture_2.jpeg)

### **Current System**

![](_page_10_Picture_1.jpeg)

#### **On-street competition**

- Accidents
- Chaos in the streets
- Traffic violations

## **RESULTS**:

- Low income
- Exhausted drivers
- Prone to accidents
- Prone to more bad behavior

![](_page_10_Picture_11.jpeg)

![](_page_10_Picture_12.jpeg)

![](_page_11_Picture_0.jpeg)

Photo Source: Manila Bulletin

![](_page_12_Picture_0.jpeg)

## Main Objectives of the PUV Modernization Program

Modernize the current PUV fleet

1038

- Reform and consolidate the industry
- Move towards low emission PUVs
- Route rationalization boosted by Technology
- Improve welfare of commuters and encourage modal shift
- Improve standards of living of drivers, operators, and their families

#### PUV REQUIREMENTS UNDER THE OMNIBUS FRANCHISING GUIDELINES

 Based on existing DTI-BPS Philippine National Standards and Clean Air Act.

2,000 mm	FEATURE		REQUIREMENT
		Environment - friendly	Clean Air Act complaint engine: Euro 4 emission or better. Electric, Solar, Alternative Fuel
IF C		Safety	Side door, Speed limiter
	<b>V</b>	Security	CCTV, GPS, Dashboard Camera
		Comfort/ Convenience	Automatic Fare Collection System, Free Wi-fi
	(A)		ALL A CRINTHICANS

#### **How Routes are Rationalized**

![](_page_15_Picture_1.jpeg)

### Data Analysis to understand supply and demand

![](_page_15_Figure_3.jpeg)

## Ride-Sharing Phenomenon in the Philippines

![](_page_16_Picture_1.jpeg)

## **2015** – First country to formally regulate Transport Network Corporation (TNC) using Transport Network Vehicle Service (e.g. Grab, Uber)

#### Republic of the Philippines DEPARTMENT OF TRANSPORTATION

DEPARTMENT ORDER NO. 2018 - 013

Subject : AUTHORITY OF THE LAND TRANSPORTATION FRANCHSING BOARD (LITER) TO REGULATE THE TRANSPORT NETWORK COMPANIES (INCs) AND TRANSPORTATION NETWORK VEHICLES SERVICE (TNVS)

#### Date : \_\_\_\_\_\_ 2018

WHEREAS, there is a further need to regulate Transport Network Companies (TNCa) and their Transportation Network Vehicle Service (TNVB) to promote and develop a safe, reliable, and efficient land transportation services. The objective of this Order is to centralize the regulation of entities operating as TNCs and TNVS under the authority of the Land Transportation Franchise and Regulatory Board;

WHEREAS, a public within is a business or service engaged in regularly supplying the public with some commodity or service of public consequence. Its principal determinative characteristic is that of service to, or readiness to serve, an indefinite public or portion of the public which has a legal right to demand and receive its services or commodities. On the other hand, common carriers are those engaged in the business of carrying or transporting passengers or goods or both for compensation, offering their services to the public<sup>1</sup>

WHEREAS, due to the established roles of TNCs and TNVS in providing transport services to the public, they should be treated as engaged in the operation of a public utility. TNCs and TNVS are considered as engaged in the business of carrying or transporting passengers for compensation and offering their services to the public. As such, the operation of TNCs and TNVS and TNVS and TNVS and TNVS and TNVS so is imbued with public interest and must submit to the full regulation by the State:

WHEREAS, the Land Transportation Franchise and Regulatory Board is empowered by law to promulgate, administer, enforce, and monitor compliance of policies, laws, and regulations of public land transportation services.<sup>2</sup>

3 Summi Holdyo, Inc. v. Court of Appendix, et al., G.R. No. 12093, September 24, 2003. Income Care Rol. 702, Chealing the Land Transportation Franchise and Regulatory Board Income Care Role and Role

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![](_page_17_Picture_11.jpeg)

BOARD RESOLUTION NO. 19 Series of 2017

WHEREAS, on 14 August 2017, the Board issued an Order suspending the Accreditation of the UBER SYSTEMS INC. and ordered the same to CEASE and DESIST its operation of their online booking application for a period of one [1] month;

WHEREAS, on 15 August 2017, a Motion for Reconsideration was filed by UBER SYSTEMS INC. assailing the Order of the Board dated 14 August 2017 which was DENIED on the same day;

WHIRERAS, in the exigency of public service, and for convenience and benefit of the affected riding public, taking into considerations the plight of UBER's Transportation Network Vehicle Service (TWS), under the guidance of the Senate Committee on Public Services during its close door meeting called by the said Committee has 16 August 2017, hence this resolution;

NOW THEREFORE, the Board resolves to allow UBER'S TAVS, during the period of suspension, taking into consideration those who were accredited by UBER SYSTEMS INC., to be accommodated by either of the two accredited Transportation Network Companies [TNC], namely MY TAXLPH Inc. (GRAB] and UIIOP, subject to the following conditions: TICKET

Proof of accreditation issued by UBER;
Proof of Insurance coverage as TNVS;

For GRAB and UHOP:

- A list of the operated TNVS to be submitted on a daily basis, through email at lifth-chair.mbd@gmail.com and chairman@jiftb.gov.pb in accordance with the specified matrix (annex 4) which forms part of this Resolution, by GRAB and UHOP to LTFRB which will have a separate data base of concerned TNVS under UBER;
- That the affected TNVS shall be covered by the terms and conditions of GRAB and UHOP, as regards their existing policies given to TNVS of said TNCs including its incentives and other similar benefits;

Dept Line 426-2516, 4282534

![](_page_17_Picture_22.jpeg)

# **Ride-Sharing Phenomenon in the Philippines**

![](_page_18_Figure_1.jpeg)

![](_page_18_Picture_2.jpeg)

![](_page_19_Picture_0.jpeg)

![](_page_20_Picture_0.jpeg)

#### YAHOO!

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#### LTFRB Accepting New Applicants for TNVS Franchises

ick Patrick Everett Tadeo Everett Carmudi 27 August 2018, 12:00 PM GMT+8 Tadeo

The Land Transportation Franchising and Regulatory Board (LTFRB) is now accepting applicants for new certificates of public convenience (CPC) for those who are interested in getting into the transport network vehicle service (TNVS) business.

As of 8 AM of August 24 last Friday, the LTFRB has begun accepting the online registration of TNVS applications for new CPCs through the LTFRB website. According to agency, it **will not receive applications** for TNVS franchises **unless the online registration is completed**, including the date for the actual filing of the application.

The LTFRB noted though that there were **fewer** applications for new CPCs for TNVS when it resumed its processing last March, despite its prioritization of applicants that were included in the master list submitted by both Grab and Uber.

![](_page_21_Picture_0.jpeg)

ROAD-BASED PUBLIC TRANSPORT REFORM PROGRAM PUV MODERNIZATION

![](_page_21_Picture_2.jpeg)

A transformational large-scale initiative and the largest noninfra flagship project of President Rodrigo Duterte

It envisions a restructured, modern, well-managed, and environmentally sustainable transport sector where drivers and operators have stable, sufficient, and dignified livelihoods while commuters get to their destinations quickly, safely, and comfortably.

![](_page_21_Picture_5.jpeg)

#### **PARTNERS** PUV MODERNIZATION PROGRAM

![](_page_22_Picture_1.jpeg)

#### LOCAL PARTNERS

![](_page_22_Picture_3.jpeg)