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Republic of the Philippines
DEPARTMENT OF TRANSPORTATION

BAGONG PILIPINAS

DEPARTMENT ORDER NO. 2025-009

SUBJECT : **GUIDELINES ON THE REOPENING OF APPLICATIONS FOR CONSOLIDATION AND ISSUANCE OF PROVISIONAL AUTHORITIES FOR UNCONSOLIDATED INDIVIDUAL OPERATORS**

DATE : MAY 06 2025

WHEREAS, Executive Order Nos. 125-A[1] and 292[2] mandates the Department of Transportation (DOTr) as the primary policy, planning, programming, coordinating, implementing, regulating, and administrative entity of the Executive Branch of the government in the promotion, development, and regulation of dependable and coordinated networks of transportation and communications systems as well as in the fast, safe, efficient, and reliable postal, transportation, and communications services;

WHEREAS, the aforementioned Executive Orders mandate the DOTr to establish and administer comprehensive and integrated programs for transportation and communications, and for this purpose, it may call on any agency, corporation or organization, whether public or private, whose development programs include transportation and communications as integral parts thereof, to participate and assist in the preparation and implementation of such programs;

WHEREAS, on 19 June 2017, the DOTr issued Department Order (DO) No. 2017-011, which became the core policy of the Public Utility Vehicle Modernization Program (PUVMP), prescribing the rules and procedures on the issuance of franchises for public transport routes and services;

WHEREAS, on 15 December 2021, the Land Transportation Franchising and Regulatory Board (LTFRB) issued Memorandum Circular (MC) No. 2021-077 regarding the opening of applications for consolidation on routes without applicants as of 31 March 2021, and later issued MC No. 2022-071, extending the deadline for filing applications for consolidation until 31 March 2023 for routes without filed applications for consolidation;

WHEREAS, on 25 March 2022, the LTFRB issued MC No. 2022-033, stating that individual operators on a particular route who failed to consolidate or join an existing consolidated entity by 01 April 2022 shall be issued *motu propio* Provisional Authority

[1] Amending Executive Order No. 125, Entitled "Reorganizing the Ministry of Transportation and Communications. Defining Its Powers and Functions, and for Other Purposes."
[2] Section 3, Chapter I of the Title XV of the Administrative Code of 1987

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(PA), until such time that the consolidated entity in that route meets the required number of units;

WHEREAS, on 23 March 2023, the LTFRB issued MC No. 2023-017, extending the validity of PAs issued pursuant to MC No. 2022-033 and further extending the deadline for filing applications for consolidation specifically on routes without filed applications until December 2023;

WHEREAS, on 26 October 2023, the LTFRB issued MC No. 2023-047, permitting the filing of applications for consolidation for routes covered by the Local Public Transport Route Plan (LPTRP) and those not yet covered by the LPTRP or Route Rationalization Study until 31 December 2023, subject to the prescribed conditions;

WHEREAS, on 14 and 22 December 2023, the LTFRB issued MC Nos. 2023-051 and 2023-052, setting the policies and guidelines for implementing the PUVMP after 31 December 2023, which included ending the filing of applications for consolidation on 31 December 2023 and prohibiting unconsolidated individual operators from organizing a juridical entity or joining existing Transport Service Entities (TSEs);

WHEREAS, on 29 December 2023, the DOTr issued DO 2023-022, establishing guidelines for the implementation of the Public Transport Modernization Program (PTMP), which superseded the PUVMP guidelines, setting forth the rules and procedures for road-based public transport planning and franchise issuance;

WHEREAS, the PTMP's Industry Consolidation and Development Component aims to consolidate fragmented public transport operations by consolidating individual operators into a single TSE;

WHEREAS, on 24 January 2024, President Ferdinand R. Marcos Jr. approved the recommendation of the Department to grant a three-month extension for the Industry Consolidation Component of the PTMP, extending the deadline to 30 April 2024;

WHEREAS, on 30 January 2024, the LTFRB issued MC No. 2024-001, extending the period for filing consolidation applications until 30 April 2024, and extending the PA for unconsolidated individual operators until the same date;

WHEREAS, on 29 October 2024, the LTFRB issued MC No. 2024-039, allowing existing consolidated TSEs to accept additional members and allowing unconsolidated individual operators to form a TSE in routes with zero consolidation, following numerous motions filed by TSEs and/or individual franchise holders before and after 30 April 2024;

WHEREAS, numerous concerns were raised by individual operators regarding the deadline for application for consolidation under LTFRB MC Nos. 2024-001 and 2024-039, particularly with respect to their potential impact on their livelihood;

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WHEREAS, the newly appointed DOTr Secretary conducted extensive consultations with public transport groups, including transport cooperatives and corporations, individual operators, commuter groups, and civil society organizations (CSOs), as well as the local government units (LGUs), national government agencies (NGAs), and other stakeholders, during which numerous issues on the implementation of the PTMP were raised;

WHEREAS, on 31 March 2025, the new DOTr Secretary issued Special Order No. 2025-152 creating a Special Committee to conduct a comprehensive review and assessment of the PTMP, with the objective of addressing implementation issues and recommending strategic reforms for the Program;

WHEREAS, while the Special Committee is undertaking a complete review of the PTMP and implementation challenges are being addressed, it is necessary to reopen the application for consolidation and provide guidelines for issuance of PA for unconsolidated individual operators to ensure a more equitable and just transition for PUV operators under the PTMP;

WHEREAS, to balance the overall interests and welfare of all stakeholders in the public transport sector, it is equally imperative to safeguard the interests of the consolidated operators who have complied with the policies of the PTMP while ensuring equitable opportunities for unconsolidated individual operators;

NOW, THEREFORE, the Department deems it necessary to issue the following guidelines for the reopening of applications for consolidation and issuance of PAs for unconsolidated individual operators.

Section 1
SCOPE AND COVERAGE

This DO shall cover:

A. Public Utility Jeepney (PUJ) and UV Express (UVE) Operators with previous PA who failed to consolidate and with units duly confirmed with the LTFRB and registered with the Land Transportation Office (LTO) for the year 2023 or 2024.

B. PUJ and UVE Operators with pending Motion to Accept Consolidation or or Application for Consolidation/Amended Application for Consolidation of units duly confirmed with the LTFRB and registered with the LTO for the year 2023 or 2024.

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Section 2
GENERAL PROVISIONS

A. PUJ and UVE Operators covered by this DO shall be allowed to join existing consolidated TSEs in routes with 60% and above consolidation, subject to the conformity of the said TSEs.

B. Covered PUJ and UVE Operators may be allowed to consolidate (form a new TSE or join an existing TSE) in routes with less than 60% consolidation, provided that they were previously granted authority to operate on the said routes.

C. For purposes of this DO, existing consolidated TSEs shall refer to those entities with an issued Certificate of Public Convenience (CPC) or those with pending applications for consolidation. These TSEs may accept additional members as provided in Section 2.A.

D. In cases where existing consolidated TSEs are unable to admit additional members due to circumstances under Section 3.A and Section 3.B, covered PUJ and UVE Operators shall be allowed to operate in existing and rationalized routes without consolidated TSEs, subject to final determination upon the implementation of the transfer plan.

E. Covered PUJ and UVE Operators shall likewise be permitted to operate in new/developmental routes with no selected TSEs, opened through Initial Implementation pursuant to LTFRB MC No. 2018-006 and through approved LPTRPs.

F. In the absence of available routes for transfer of covered PUJ and UVE operators, and pending the approval of LPTRPs and/or Route Rationalization Studies, the LTFRB may, where there is a demonstrated need to augment public transportation services on or based on the proposal of operators, conduct an initial study to determine the need for public transport services in the new/developmental routes. These proposed routes shall be subject to the approval of the DOTr, pursuant to Section 4.1.3.1 of DOTr DO No. 2023-022. Once approved, these routes may be applied for by covered PUJ and UVE Operators.

Section 3
GUIDELINES ON THE OPERATIONS OF UNCONSOLIDATED OPERATORS

A. Routes with 60% and above Consolidated Number of Authorized Units (NAU):

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On routes with existing consolidated TSEs, unconsolidated operators shall be allowed to join an existing consolidated TSE, provided that the Number of Operating Units (NOU) shall not exceed the approved NAU of the route.

1. If there is only one consolidated TSE on the route, the unconsolidated operators may join that sole entity.

2. If multiple consolidated TSEs are operating on the same route, unconsolidated operators may choose which consolidated TSE to join.

B. Routes with less than 60% Consolidated NAU:

1. Existing unconsolidated individual operators shall be allowed to join the existing consolidated TSEs where they were previously authorized to operate.

2. In cases wherein the unconsolidated individual operators are not accepted into a consolidated TSE or upon showing that they can complete the compliant member units which shall not exceed the total NAU in the route, they shall be allowed to form their transport cooperative or corporation, transport cooperative or corporation, provided that they operate only on the routes they were previously granted authority and provided that the routes have less than 60% consolidated NAU.

C. Routes Without Consolidated TSE/s:

1. Existing unconsolidated individual operators shall be allowed to renew their PAs, but only for the routes they were previously authorized to operate and provided that there is no consolidated TSE/s in the route.

2. Individual operators who did not consolidate under Section 3.A and Section 3.B can apply for a new PA in another route, provided that there is no consolidated TSE and that the total NOU shall not exceed the NAU assigned to said routes.

D. New/Developmental Routes with no selected TSE:

Individual operators shall be allowed to operate in available new/developmental routes, opened whether through initial implementation or LPTRP, provided that the routes have undergone two (2) operator selection processes, but not a single TSE has applied and/or been selected in any of the bidding.

E. Low NAU Routes

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1. Pursuant to LTFRB MC No. 2024-039, operators in routes with Low NAU shall still be allowed to operate in their existing routes without the need for filing an application for consolidation, but subject to the eventual approval of the LPTRP or Route Rationalization Studies.

2. A new list of Low NAU routes, superseding the initial list included in the Board Resolution No. 2024-053, shall be issued by LTFRB after the issuance of this DO.

Section 4
GUIDELINES FOR REQUEST FOR NEW/DEVELOPMENTAL ROUTES PENDING THE APPROVED LPTRP OR ROUTE RATIONALIZATION STUDY

A. In cases where all options in Section 3 of this DO have been exhausted, individual operators may propose new/developmental routes, provided that such requests shall be subject to the conditions under Sec. 2 (F) of this DO and in accordance with Sec. 4.1.3.1 of DOTr DO No. 2023-022 and pertinent LTFRB issuances. In particular, the LTFRB shall conduct an initial study to determine the need for public transport services in the proposed routes, subject to the approval of the Department prior to the issuance of any PA.

B. The proposed route must be located in areas where no approved LPTRP or Route Rationalization Study exists, subject to the provisions set by the DOTr DO No. 2023-022 (i.e., Section 4.1.3.3) and subsequent guidelines by the Department. Once an LPTRP or Route Rationalization Study for the area is approved, it shall prevail over any interim routes opened pursuant to this Section.

C. A petition by the individual operators requesting the opening of a new/developmental route must be submitted, with the following minimum requirements:
   1. A minimum of fifteen (15) signatories from among the covered PUJ and UVE Operators, regardless of their LGU origin; and
   2. Endorsements or No Objection Certifications from all LGUs traversed by the proposed route.

D. The LTFRB shall conduct on-site route surveys and evaluations for the proposed routes as part of its standard route planning process pursuant to DOTr DO No. 2023-022.

E. Final approval for the opening of new/developmental routes under this Section shall be vested with the Department.

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Section 5
OPERATIONS AND FLEET MANAGEMENT

To ensure quality of service, the individual operators shall implement a common fleet operations management through the use of an agreed service plan among parties, and the use of a common garage and terminal, if available.

1. Key Performance Indicators (KPIs) for principles adopted in DOTr DO No. 2023-022 shall be set by the LTFRB and shall be integrated into the Terms and Conditions of the PA. It shall include, among others, compliance with the service plan.

2. Operators shall likewise fulfill safety operations requirements, whereby the operators must conduct a periodic inspection of the conditions of the PUVs and the driver prior to dispatch and ensure efficient operations.

3. DOTr, in coordination with LTFRB and OTC, shall provide support and technical assistance in the integration of individual operators in the common fleet operations management.

Section 6
VALIDITY AND EXTENSION OF PROVISIONAL AUTHORITY

The PAs shall be valid for one (1) year and shall be subject to extension and/or renewal in accordance with the subsequent implementing guidelines to be issued by the LTFRB under Section 8 of this DO.

The PAs shall only be issued to the individual operators upon strict compliance with existing and future policies of the Department and LTFRB and the roadworthiness test of the Motor Vehicle Inspection System (MVIS) of the LTO.

To alleviate the financial burden of the individual operators, the LTO, LTFRB, and Office of Transportation Cooperatives (OTC) shall explore deferring the payment of registration, consolidation, and other pertinent fees and penalties related hereto, subject to relevant policies.

Section 7
POLICY REVIEW ON CONSOLIDATION

The Special Committee shall prioritize the review of policies, processes, and issues on consolidation and the equitable and just transition of unconsolidated operators in the PTMP.

Section 8

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REPEALING CLAUSE

All existing issuances inconsistent herewith are hereby amended, superseded, or modified accordingly.

Section 9
IMPLEMENTING GUIDELINES

The LTFRB, OTC, and LTO, in coordination with the DOTr, shall formulate and issue separate guidelines as may be necessary, or amend/consolidate existing rules, regulations, and issuances as may be appropriate, for the adoption and effective implementation of this DO.

Section 10
SEPARABILITY CLAUSE

If any part or provision of this DO is held invalid, the remaining provisions shall remain in full force and effect.

Section 11
EFFECTIVITY CLAUSE

This DO shall take effect immediately following its publication in a newspaper of general circulation and filing of three (3) copies hereof with the UP Law Center pursuant to Presidential MC No. 11 dated 9 October 1992.

VIVENCIO B. DIZON
Secretary

OSEC-2025-01485

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