Republic of the Philippines
DEPARTMENT OF TRANSPORTATION
LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD
East Avenue, Quezon City

MEMORANDUM CIRCULAR
NUMBER - 2025-014

SUBJECT : **AMENDATORY AND SUPPLEMENTAL GUIDELINES TO MEMORANDUM CIRCULAR (MC) NO. 2025-002 (RE: Fund Allocation for Onboarded Traditional and Modern PUV Units and the Agency's Action to Recover Excess Payments)**

WHEREAS, pursuant to Republic Act (R.A) No. 11975, otherwise known as the General Appropriations Act (GAA) of 2024, the amount of One Billion Three Hundred Million Pesos (PhP1,300,000,000.00) was appropriated for the implementation of the Public Utility Vehicle Service Contracting (PUVSC) Program, to be executed in coordination with identified and qualified Local Government Units (LGUs);

WHEREAS, the Land Transportation Franchising and Regulatory Board (LTFRB), designated as the implementing agency of the PUVSC Program, issued Memorandum Circular (MC) No. 2025-002, setting forth the guidelines and parameters for the Phase 5 implementation of the PUVSC;

WHEREAS, on 15 April 2025, a coordination meeting was held between the Department of Transportation (DOTr) and the LTFRB to evaluate how the allocated funds shall be distributed and utilized, which was subsequently followed on 22 April 2025 by a Board Meeting, resulting in a recommendation of sharing scheme—sixty five percent (65%) allocated for modern units, and thirty-five percent (35%) allocated for traditional units;

WHEREAS, Item X of the MC No. 2025-002 requires Transport Service Entities (TSEs) with unpaid balances from the previous PUVSC implementation to submit an Affidavit of Undertaking, committing to pay the balance within three (3) days of receiving payouts for Phase 5 under GAA 2024;

WHEREAS, to ensure a more direct and effective recovery of excess payments under the program, the Agency has proposed and recommended the issuance of an Authority to Deduct document, which shall serve as a formal authorization for the immediate deduction of any identified excess payment amounts from the payout of the concerned operator;

NOW, THEREFORE, for and in consideration of the foregoing, the Board hereby **RESOLVES**:

a. **to SUPPLEMENT** Memorandum Circular No. 2025-002 by incorporating the supplemental provision to Item IX, which reads:

"IX. ALLOCATION OF FUNDS AND CONTRACT RATE

a. Allocation of Funds

Sixty-five percent (65%) of the total PUVSC Program budget under the General Appropriations Act (GAA) of 2024 shall be allocated to modern units, while the remaining thirty-five percent (35%) shall be allocated to traditional units."

b. Rate

The Net Service Contract rate shall be:

1. *PUJ (Traditional and FILCAB) and TUVE = Php 20.00 per kilometer run; and*

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Administrative Officer III
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2. *Modern PUJ and UV Express Service = Php 26.00 per kilometer run."*

b. **to AMEND** Item X, paragraph 5, of the Memorandum Circular No. 2025-002, which reads:

"X. PAYMENT SCHEME

x x x

Furthermore, Transport Service Entities (TSEs) which participated during the previous implementation of the Service Contracting Program (SCP) and have currently unpaid previous balance or obligation as a result of excess payment thereof shall execute an Affidavit of Undertaking that it will pay the balance within three (3) days upon receipt of payouts for this Phase 5 under GAA 2024 implementation of the PUVSC."

to which now reads:

"X. PAYMENT SCHEME

x x x

In cases of Transport Service Entities (TSEs) having current unpaid previous balance or obligation as a result of excess payment during the previous implementations, the LTFRB shall issue a formal document authorizing the immediate deduction of excess payments from the Phase 5 payout of all identified overpaid operators. This document, issued before onboarding, must be signed by all concerned parties, duly notarized, and ensures proper notification and acknowledgement."

This Memorandum Circular shall take effect immediately following its publication in at least one (1) newspaper of general circulation. Let three (3) copies thereof be filed with the Office of the National Administrative Registrar (ONAR), University of the Philippines Law Center.

SO ORDERED.

APPROVED AND SIGNED by the undersigned Chairperson and Board Members, this 5th day of May 2025 at Quezon City, Metro Manila, Philippines.

ATTY. TEOFILO E. GUADIZ III, CESO V
Chairperson

ENGR. ISAGANI M. VICTORIO, DPA
Board Member

ATTY. JOSHUA V. VIRAY
Board Member

Attested by:

RADM. LOUMER P. BERNABE PN, (RET.)
Executive Director

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