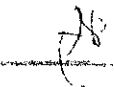


THIRTEENTH CONGRESS OF )  
THE REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

5 JUN -8 2005

SENATE

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P.S. Res. No. 280

INTRODUCED BY HONORABLE MAR ROXAS

A RESOLUTION

URGING THE COMMITTEE ON PUBLIC SERVICES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE PROCEDURE AND FORMULA USED BY THE LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD (LTFRB) IN GRANTING INCREASE OF FARE RATES.

WHEREAS, the Constitution, Article II, Section 9 declares that "the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."

WHEREAS, the promotion of just and dynamic social order necessitates a fair balancing of the conflicting interests and needs of the different sectors of the society, taking into consideration all relevant factors.


WHEREAS, on May 9, 2005 the Land Transportation Franchising and Regulatory Board (LTFRB) approved a ₱2 fare increase for public utility jeepneys (PUJs) and non-aircon buses in Metro Manila and ₱1 increase for PUJs in other parts of the country citing the several reasons for the decision, such as "successive increases of prices of fuel specially diesel that gone up by as much as forty six percent (46%); spare parts, brake fluid, grease, gear oil, and tires and other operational expenses; the wage increase and the grant of ECOLA amounting to P50.00, and the increase of government fees."

WHEREAS, the factors considered by the LTFRB in approving the fare increases consider only the operational expenses of the transport operators and do not include those which affect the commuters such as the consumer price index or their paying capacity.

WHEREAS, according to the estimates of certain consumer groups, the increase in fare should only be P1.00 and not P2.00. This significant difference in computation necessitates a public scrutiny and validation of the formulae, assumptions and procedures used by the LTFRB in arriving at its decision.

WHEREAS, it appears that there is still no final and definitive formula upon which the LTFRB bases its grant of fare increases, which should otherwise be the case if LTFRB were to exercise a function as socially significant as fare hike approval.

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Senate urge the Committee on Public Services to conduct an inquiry, in aid of legislation, into the procedure and formula used by the LTFRB in granting applications for fare increase.

  
MAR ROXAS  
Senator 