



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

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SENATE
P.S. Resolution No. 283

RECEIVED

Introduced by **SENATOR IMEE R. MARCOS**

RESOLUTION
URGING THE APPROPRIATE SENATE COMMITTEE TO INQUIRE, IN AID OF
LEGISLATION, INTO THE ALLEGED ABUSE AND POOR SERVICE OF
GRAB PH AND ITS EFFECTIVE MONOPOLY OF RIDE-HAILING SERVICES

WHEREAS, Article XII, Section 19 of the 1987 Constitution provides that the State shall regulate or prohibit monopolies when the public interest so requires. No combinations in restraint of trade or unfair competition shall be allowed;

WHEREAS, Article XII, Section 1 of the 1987 Constitution provides that the goals of the national economy are a more equitable distribution of opportunities, income and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged.

WHEREAS, Grab Ph (Grab) was granted the authority to operate in the Philippines in 2013 and despite the grant of similar franchise it is effectively the only transport network company currently offering ride-hailing services in the Philippines, after Uber closed down on 16 April 2018;

WHEREAS, that the Philippine Competition Commission (PCC), under its mandate as defined by RA 10667, also known as the Philippine Competition Act, subjected Grab's acquisition of Uber in the Philippines to service quality and pricing standards in clearing the transaction which were part of the voluntary commitments signed by Grab to address the competition concerns raised by the antitrust authority;

WHEREAS, according to PCC officials, as of November 2019, Grab has a share of roughly ninety-nine percent (99%) of the ride-hailing market – effectively making it a monopoly in this transport sector, until a competitor with a twenty percent (20%) share enters the market;

WHEREAS, the Land Transportation Franchising and Regulatory Board's (LTFRB's) Memorandum Circular 2019-036 contains the fare matrix imposed by the LTFRB on Transportation Network Vehicle Services (TNVS). TNVS companies are also allowed to double their per kilometer and per minute charge through "surge pricing", or the ability to adjust prices based on real-time market demands;

WHEREAS, on 18 November 2019, the Philippine Competition Commission (PCC) imposed a total fine of P 23.45 million on Grab for breaching its voluntary pricing commitments to regulate prices and improve service quality during the first to third quarters of the initial undertaking between Grab and the PCC;

WHEREAS, on 19 November 2019, the PCC announced the approval of Grab's undertaking, a condition for its acquisition of Uber's Philippine operations. In the undertaking, which took effect on 01 November 2019 and will apply for a year, Grab is to provide refunds to its customers for breaching the 22.5% ceiling on the average fare increase per month before its acquisition of Uber's Philippine operations;

WHEREAS, commuters using Grab services have consistently complained that fares are becoming more expensive now, after Uber sold its business to Grab, leaving them with no other ride-hailing company to choose from;

WHEREAS, various reports state that Grab prices increasing to exorbitant amounts during the recent pre-Christmas holiday rush, with commuters experiencing more than double their usual fare;

WHEREAS, in addition to high fares during the recent pre-Christmas holiday rush, Grab commuters also experience difficulties in booking a ride, with reports of booking times reaching about an hour, if they get a booking at all;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, to urge the appropriate Senate committee to inquire, in aid of legislation, into the alleged abuse and poor service of Grab Ph and its effective monopoly of ride-hailing services.

Adopted,


IMEE R. MARCOS