



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION

1 DEPARTMENT ORDER NO. 2020 - 006

SUBJECT: AN ORDER AMENDING DEPARTMENT ORDER NO. 2018-016 TO INCREASE THE EQUITY SUBSIDY

DATE: 05 JUNE 2020

I. BACKGROUND

The Department introduced the payment of Equity Subsidy for existing PUV Operators with valid franchises and PUV operators applying for new or developmental routes under terms and conditions prescribed under Department Order 2018-016, in particular Provision V. 2. (i), to address the lack of financial facilities for drivers and/or operators who intend to participate in the Program. However, due to prevailing economic factors, the price of modernized vehicles has gone up from PhP 1.6 million to current market prices averaging at PhP 2.4 million. Thus, the PhP 80,000 subsidy can no longer cover the equity requirement as originally intended.

II. INCREASE IN EQUITY SUBSIDY

In view of the foregoing considerations, the following provision of Department Order 2018 - 16 is hereby amended, as follows:

Provision V., 2., (i.)

Existing PUV operators with valid franchises and PUV operators applying for new or developmental routes, including those with applications from 31 July 2018, are eligible for a fixed amount of One Hundred and Sixty Thousand Pesos (PhP 160,000) per unit as equity subsidy; Provided, however, that the availment of the stated equity subsidy shall cause the cancellation of the existing franchise and the issuance of a new or consolidated franchise, upon compliance with Department Order No. 2017-011 or the OFG, LTFRB MC Nos. 2018-006, 2018-008, and 2018-013, and other pertinent laws, rules and regulations, as may be determined by the LTFRB.

III. MEMORANDUM CIRCULAR

The LTFRB is mandated to promulgate the relevant implementing Memorandum Circular within thirty (30) days from the issuance of this Department Order.

IV. REPEALING CLAUSE

All other issuances inconsistent herewith are deemed modified or superseded.

V. EFFECTIVITY

This D.O. shall take effect immediately following its publication in the UP Law Center.

ARTHUR P. TUGADE

Secretary



DOT-OSEC OUTGOING 20-00692

