



Foundation for Economic Freedom

FEF PRESS STATEMENT ON THE WAVE OF TRANSPORT SERVICES

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We, the Foundation for Economic Freedom, believe that the new wave of transport services, such as Uber, Grab, Easy Taxi, Wunder carpool, Angkas (for motorbikes) and similar ride-sharing services which are called Transport Network Vehicle Services (TNVS) are doing the riding public a beneficial service that the regular public utility vehicles have been unable to provide. The benefits come from on-demand service, ability to provide feedback and choice despite the lack of visible markings, and safety and peace of mind due to the thorough screening and training provided by the ride-sharing services and to the feedback and reviews of the riding public.

Therefore, we believe that it's untimely and inappropriate for the Land Transportation Franchising and Regulatory Board (LTFRB) to curtail the service by establishing a cap to the number of permits it is issuing to the drivers of these ride-sharing services. Limiting the number of vehicles allowed to do ride-sharing is not only anti-competitive, but it also forces the riding public to use their own cars on the road to add to the traffic congestion and also compels them to bear with the abuses perpetuated by regulated private utility vehicles, such as taxis.

We also believe that these ride-sharing services have shown the way on how public transportation should be managed: through the use of technology and the market. The market gives the riding public the power of choice. Technology gives the riding public information and matches demand.

Recent discussions on minimum working hours for drivers and other comments demonizing surge pricing should be reconsidered through the lens of how market forces can serve the public good. Surge prices encourage drivers (and their cars) to come available when they are needed most; they also encourage riders to plan their trips to avoid the busy, more expensive periods. Surge pricing therefore creates behavior that self-corrects fares to lower levels. In contrast, minimum working hours only fill the street with additional cars when less needed, adding to traffic congestion, wasting fuel, and over supply.

There's a clear need to update and modernize the Public Service Act to account for this wave of technology-enabled transport services with the objective of serving and protecting the public.

In view of the foregoing, LTFRB should suspend its proposal to curtail these TNVS, conduct hearings and studies on how the Public Service Act may be updated to cover this new wave of technology-enabled transport services, and incorporate the principles of technology and the market to improve public transport services in cities around the country. In addition, Congress should review EO 202, which created the LTFRB, to clarify the mandate and regulatory powers of the agency in light of new technology and the need of the public for safe, affordable, and convenient public transport services.

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