

**EXECUTIVE ORDER NO. 1011 March 20, 1985**

**ESTABLISHING THE LAND TRANSPORTATION COMMISSION IN THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS, AND FOR OTHER PURPOSES**

WHEREAS, efficient and reliable transportation services constitute a vital supportive system to national development;

WHEREAS, the rationalization of the administrative framework for the exercise of quasi-judicial and enforcement functions in the regulation of transportation services, will enhance the effectiveness of such services and redound to the welfare of the public;

WHEREAS, one way of rationalizing governmental regulations in the field of transportation, is to merge the two existing agencies tasked with the implementation of land transportation laws, namely the Board of Transportation and the Bureau of Land Transportation, into one agency in order to avoid wasteful duplication of functions and thereby upgrade public utility services;

WHEREAS, under Presidential Decree No. 1416, as amended, the President of the Philippines is empowered and authorized to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and by law, particularly Presidential Decree No. 1416, as amended, do hereby order:

Sec. 1. Creation of the Land Transportation Commission. There is hereby created a new agency attached to the Ministry of Transportation and Communications, to be known as the Land Transportation Commission, hereinafter referred to as the Commission, to rationalize, develop, and continually improve land transportation services and facilities and implement effectively the various transportation laws, and rules and regulations to achieve the desired objectives and uplift the economic well-being of the people.

Sec. 2. Composition of the Commission. The Commission shall be composed of a Chairman and four Commissioners who shall all be appointed by the President of the Philippines for a term of six (6) years; Provided, however, That of the members first appointed, the Chairman shall serve for a term of six (6) years, two Commissioners for four (4) years, and the remaining two Commissioners for two (2) years.

The Chairman shall have the qualifications, salary, rank and privileges of an Associate Justice of the Intermediate Appellate Court. Two of the Commissioners shall have the qualifications, salary, rank and privileges of a Judge of a Regional Trial Court. The two other Commissioners need not be lawyers, but must be graduates of a reputable college or institution with a degree in, among others, economics, finance or management, and shall have the salary and age qualifications of a Judge of a Regional Trial Court.

The Chairman and the Commissioners shall be of proven competence and expertise in land transportation or its related fields. The Chairman shall, at the same time, be the chief executive office of the Commission, and shall be in charge of the administrative functions thereof, possessing all the powers and authority necessary or incidental thereto. The four Commissioners may, in addition to performing their duties as members of the Commission, be assigned to perform other functions by the Chairman relative to the administrative and substantive operations of the

Commission. The Chairman may designate one of the Commissioners to take charge of the enforcement functions of the Commission.

The Commission shall have an Executive Director who shall be appointed by the President of the Philippines, upon recommendation of the Commission and the Minister of Transportation and Communications. He shall assist the Commission and the Chairman in his capacity as chief executive officer, in the day-to-day management of the affairs and operations of the Commission.

In the exercise by the Commission of its quasi-judicial functions, decision shall be made by the Commission sitting en banc. Every decision, order or resolution of the Commission must bear the approval and signature of at least three (3) members of the Commission. In the exercise of its other functions, the Commission shall serve as the governing board and, as such, shall pass upon and act on recommendations and other matters relative to the administrative and substantive operations of the Commission. All personnel appointments not requiring Presidential approval, shall be made by the Commission subject to the approval of the Minister of Transportation and Communications.

Sec. 3. Administrative Supervision and Control Over the Commission. The Ministry of Transportation and Communications shall exercise administrative supervision and control over the Commission.

Sec. 4. Jurisdiction. The exercise by the Commission of its quasi-judicial and other functions provided for herein, as appropriate, shall apply only to motorized or engine-driven vehicles and their ancillary components, except as provided in Section 11 hereof.

Non-motorized vehicles, such as animal-drawn carriages and carts, and pedal-driven bicycles, shall not be within the jurisdiction of the Commission, except when such vehicles are ancillary to and dependent upon motorized vehicles, as in the case of truck trailers.

The Commission may empower, in whole or in part, at its discretion, appropriate agencies, including local governments, to regulate the operation of specialized motorized vehicles which as a general rule do not operate on public roads, such as agricultural tractors, road graders and other similar equipment, as well as those operating exclusively within private subdivisions or private housing projects.

Sec. 5. Powers and Functions of the Commission. The Commission shall have, among others, the following powers and functions:

(a) Quasi-judicial powers and functions which require notice and hearing

(1) To identify, establish, prescribe, and regulate routes of service, economically viable capacities, and zones or areas of operation of public land transportation services provided by motorized vehicles; Provided, That the establishment of routes and areas of operation shall be in accordance with the public land transportation development plans and programs approved by the Ministry of Transportation and Communications;

(2) To issue, amend, revise, suspend or cancel Certificate of Public Convenience or permits authorizing the operation of public land transportation services provided by motorized vehicles, and to prescribe the appropriate terms and conditions therefor;

(3) To determine, prescribe and approve, and periodically review and adjust, reasonable fares, rates and other related charges relative to the operation of public land transportation services provided by motorized vehicles;

(4) To issue preliminary or permanent injunction, whether prohibitory or mandatory in all cases in which it has jurisdiction, and in which cases the pertinent provisions of the Rules of Court shall apply;

(5) To punish for contempt of the Commission, both direct and indirect, in accordance with the pertinent provisions of, and the penalties prescribed by the Rules of Court;

(6) To issue subpoena and subpoena duces tecum and to summon witnesses to appear in any proceedings of the Commission, to administer oaths and affirmations, and, in appropriate cases, to order the search and seizure of all vehicles and documents, as may be necessary for the proper disposition of the cases before it; and

(7) To impose fines and/or penalties for violation of this Order, or any other laws, rules and regulations being implemented by the Commission, or its orders, decisions and/or rulings.

(b) Administrative powers and functions

(1) To register all motorized vehicles and issue licenses to drivers of motorized vehicles, and fix, impose and to drivers of motorized vehicles, and fix, impose and collect, and periodically review and adjust, fees and charges therefor;

(2) To fix, impose and collect, and periodically review and adjust, reasonable fees and other related charges for services rendered, as well as administrative fines for violation for pertinent laws, orders, rules and regulations, decisions and rulings;

(3) To implement and enforce laws and policies on land transportation, as well as the rulings and decisions of the Commission in the exercise of its quasi-judicial powers and functions;

(4) To promulgate, administer and enforce standards of measurements and/or design, and rules and regulations requiring operators of any public land transportation service to equip, install and provide in their utilities and in their stations such devices, equipment, facilities and operating procedures and techniques as may promote safety, protection, comfort and convenience to persons and property in their charge as well as the safety of persons and property within their areas of operations; and

(5) To formulate, promulgate, implement and enforce rules and regulations on land transportation, including the operation of both public land transportation services and private vehicles.

(c) Other powers and functions

(1) To prepare and submit to the Minister of Transportation and Communications a national public land transportation development plan, taking appropriate steps such as undertaking traffic and economic studies, gathering and analyzing the necessary data and statistics, estimating present and future requirements for land transportation facilities, and developing resource procurement and use schedules to meet these requirements; Provided, That such development plan shall be updated periodically as the need therefor arises;

(2) To coordinate and cooperate with other government agencies and other entities concerned with any aspect involving public land transportation services with the end in view of effecting continuing improvement of such services;

(3) To participate, in collaboration with the Ministry of Education, Culture and Sports and other appropriate agencies, in the licensing and supervision of motorized vehicle driving schools; and

(4) To perform such other functions and duties as may be provided by law, or as may be necessary, proper or incidental to the purposes and objectives of this Order, or as may be assigned from time to time by the Minister of Transportation and Communications.

(d) In this exercise of its powers and functions, the Commission shall prescribe, formulate, promulgate and implement such other appropriate procedures, rules and regulations necessary to carry out the desired objectives of this Order.

Sec. 6. Submission of Public Land Transportation Development Plans and Programs. In connection with its power to grant franchise, the Commission shall prepare and submit to the Ministry of Transportation and Communications, for approval, appropriate public land transportation development plans and programs with at least region-wide coverage and implications, indicating the broad guidelines for the determination of public land transportation routes, their economically feasible capacities, and zones or areas of operations. Development plans and programs shall be the basis for the operation of the appropriate public land transportation services. Such land transportation development plans and programs may initially be prepared and submitted in parts; Provided, That each submission shall at least be of regional coverage;

Sec. 7. Regional Offices. The Commission may establish such regional offices as may be necessary which shall be under the supervision and control of the Chairman. Each of these regional offices shall be headed by a Regional Director who shall be assisted by one or more Assistant Regional Directors.

Whenever practicable, and in order to enhance efficiency and economy in operations, the Commission proper, as a body, may authorize the regional offices of the Commission to conduct hearings with respect to the exercise of its quasi-judicial functions, including the authority to adjudicate certain matters as may be determined by the Commission, and subject to such guidelines as it may prescribe.

Sec. 8. Appeals. Decisions of the regional offices made pursuant to the authority delegated to them shall be appealable to the Commission. Decisions of the Commission shall be appealable to the Intermediate Appellate Court by petition for review.

Sec. 9. Enforcement Functions of the Commission. The Commissioner designated by the Chairman pursuant to Section 2 hereof to oversee the enforcement functions of the Commission may solicit the direct assistance of other agencies and units of the government and deputize, for a fixed and limited period, the heads or personnel of such agencies and units to perform enforcement functions for the Commission. Decisions of the government agencies and units exercising the enforcement functions by delegated authority of the Commission shall be subject to review by the Commission.

Sec. 10. Authority Over the Metro Manila Transit Corporation. The Metro Manila Transit Corporation, an attached agency of the Ministry of Transportation and Communications, shall be subject to the authority of the Commission only with respect to the determination of the routes and rates of the Corporation and any measure for safety and protection of passengers in compliance with the Public Service Law and other related laws governing public transportation of passengers.

Sec. 11. Transfer of Regulatory Powers to Local Governments. Except with respect to the city or municipal governments under the jurisdiction of the Metropolitan Manila Commission, the exercise of

regulatory powers and functions relative to motorized tricycles used for public transportation is hereby transferred to the city and municipal governments, except that the function of registering motorized tricycles and the licensing of drivers thereof shall be retained by the Commission, and the granting of franchises and the setting of rates shall be upon the recommendation of the city and municipal governments.

Sec. 12. Authority Over Public Transportation Systems Operating on Railways. The Commission shall assume authority and jurisdiction over public transportation services or systems that operate on railways, such as railroads and light rail transit systems, whether operated by the Government or by private operators; Provided, That with respect to systems operated by the Government, the Commission shall assume authority and jurisdiction only to over the determination of the routes and rates, and any measure for safety and protection of passengers.

Sec. 13. Abolition of the Board of Transportation and the Bureau of Land Transportation. The Board of Transportation and the Bureau of Land Transportation are hereby abolished, and their powers, functions and responsibilities transferred to the Commission, including applicable appropriations, records, properties, equipment, rights, choses the action, obligations and liabilities; Provided, That an inventory and valuation of the properties, equipment, rights, choses in action, obligations and liabilities of the abolished agencies shall be made by the Commission on Audit and the accountable officers of the abolished agencies shall remain accountable therefor until issued a certificate of clearance by the Commission on Audit; Provided, further, That the quasi-judicial functions of the Board of Transportation pertaining to water transportation shall be transferred to the Maritime Industry Authority.

Officers and employees of the abolished agencies who are qualified and retained by the Commission shall be issued the appropriate appointment. Any such personnel who is not reappointed or who refuses appointment shall be deemed to have been separated from the service and shall be accordingly paid the money value of his accumulated vacation and sick leaves; and such gratuity or retirement benefits as may be due him under existing laws. Any personnel who does not qualify under existing retirement laws, shall be paid one month's salary for every year of service, a remaining fraction of at least six months being considered as one whole year, payable in lump sum from the savings and salary lapses in the abolished agencies and/or the Ministry of Transportation and Communications.

Sec. 14. Hold-Over Functions. All present incumbents of positions in the abolished agencies shall continue to exercise their usual functions, duties and responsibilities unless otherwise directed, pending, the issuance of the appropriate implementing order.

Sec. 15. Staffing Pattern Personnel. The Commission shall determine its reorganization structure, including the staffing pattern, and shall appoint the necessary personnel. The Commission shall have the power to suspend or dismiss for cause any employee and/or approve or disapprove the transfer, detail or promotional appointment of employees.

Sec. 16. Implementing Rules and Regulations. The Minister of Transportation and Communications shall promulgate the rules and regulations necessary to implement further.

Sec. 17. Repealing Clause. All laws, decrees, orders, proclamations, rules and regulations, or parts thereof, which are inconsistent with any of the provisions of this Executive Order are hereby repealed or modified accordingly; Provided, however, That nothing in this section shall be construed as having modified or repealed any of the provisions of Presidential Decree No. 1605.

Sec. 18. Separability Clause. Any provision of this Executive Order which may be declared unconstitutional or invalid shall not have the effect of nullifying the other provisions hereof; Provided, That such remaining provisions can still stand and be given effect in their entirety to accomplish the purposes and objectives of this Executive Order.

Sec. 19. Effectivity. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 20th day of March, in the year of Our Lord, nineteen hundred and eighty-five.