Uber defies Philippine suspension order

August 15 2017

Ride-hailing giant Uber on Tuesday defied a Philippine government order to shut down, branding the suspension a "blatant violation" of its rights but risking its drivers being apprehended.

Philippine authorities announced on Monday that they would suspend Uber for one month for failing to have the proper permits to license its drivers, and threatened to fine and impound the vehicles of those who defied the ruling.

Uber initially obeyed the order and shut down its app on Tuesday morning, triggering anger from commuters who lashed out at the government for taking away what had become a trusted alternative to notoriously bad public transport.

But on Tuesday afternoon Uber relaunched the app, telling commuters via Twitter that it was mounting a legal appeal and would continue operations until the dispute was settled.

In its motion for reconsideration to the transport authority, it said the suspension was a "blatant violation of USI's (Uber's) right to due process".

The government warned the suspension remained in force and said Uber drivers who defied it would be fined 120,000 pesos ($2,350) and have their vehicles impounded for three months.

"What is being done here is irregular conduct, irregular acts by Uber,"

Aileen Lizada, spokeswoman of the transport authority told AFP.

"It may not be a popular decision (but) we will continue to do what is legal and right," she added.

Uber officially launched in Manila in 2014 and the service was later rolled out to a few provincial cities.

The Land Transportation Franchising and Regulatory Board (LTFRB) requires Uber to get permits for its drivers and vehicles, in the same way taxi companies must.

But Uber insists the drivers are independent contractors and thus do not have to get the same type of permits.

Lizada said that during a recent hearing, Uber officials had admitted having 68,000 drivers in the Philippines and handling 150,000 rides a day.

'Cruel and absurd'

The dispute is Uber's latest hurdle in Asia, where it also faced a two-month hiatus in Taiwan this year. It has operated illegally in Thailand since 2014, though law enforcement has been patchy, with roughly 1.5 million people downloading the app.

The firm is currently lobbying for a tweak to the decades-old Thai motor law to allow ride-sharing apps.

The Philippine suspension enraged many local commuters who prefer ride hailing companies to traditional taxi services, whereby drivers often demand higher fares than what is on their metres, decline to pick up customers and have shoddy vehicles.

"To the LTFRB, quit being scumbags and open your eyes to what people need," Twitter user @sodachar said in reference to the transport authority.

Politicians also weighed in.

"The decision of the LTFRB to suspend Uber is both cruel and absurd," said Senator Grace Poe, who heads the upper chamber's transport committee.

Bur Uber driver Rodwin Agripa, 51, said he and many of his colleagues were staying off the road for now.

"There are so many passengers out there but it looks like there aren't too many Uber drivers who are going out. I think they are scared. It would be really hard for us if we get caught," Agripa told AFP.

The government order left many Manila commuters queueing for rides on overcrowded buses and trains, an ordeal that often takes several hours a day.

President Rodrigo Duterte's spokesman on Tuesday defended the transport authority's decision.

"We affirm the positive and beneficial service offered by the transport network companies. However as per LTFRB, Uber Systems unduly challenged its rules and instructions," Ernesto Abella said told reporters.

© 2017 AFP