

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
EIGHTEENTH CONGRESS

House Resolution No. 623



Introduced by the Honorable Precioso Hipolito Castelo

**A RESOLUTION
DIRECTING THE COMMITTEE ON TRANSPORTATION TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED ILLEGAL CHARGES
BEING IMPOSED BY GRAB TO ITS CUSTOMERS**

WHEREAS, ever since the departure of Uber from the South East Asian region, it is undeniable that Grab is the largest ride-hailing company now, effectively giving it a dominant position in the market;

WHEREAS, Republic Act No. 10667 or the "Philippine Competition Act" defines "dominant position" as a "position of economic strength that an entity or entities hold which makes it capable of controlling the relevant market independently from any or a combination of the following: competitors, customers, suppliers, or consumers";

WHEREAS, while the Philippine Competition Commission (PCC) has allowed the merger of Grab and Uber in its Decision No. 26-M-12/2018, it is with the condition that Grab shall comply with its commitments to regulate prices and improve service quality, as expressed in an "Undertaking" with the PCC which was in force for a period of one (1) year, covering the period of 10 August 2018 to 10 August 2019;

WHEREAS, in Decision No. 33-M-012/2019, PCC held that it is necessary to extend and amend the "Undertaking", "considering the continued lack of competitive restraints on Grab during the period of the Undertaking and the subsistence of identified competition concerns arising from the Transaction such as (1) Grab's prevailing market dominance, (2) Grab's ability to unilaterally increase prices profitably, (3) existence of significant barriers to entry, and (4) inadequacy of Grab's service quality to the detriment of the riding public";

WHEREAS, pursuant to Decision No. 33-M-012/2019, the "Undertaking" was effectively extended ("Extended Undertaking") starting 1 November 2019;

WHEREAS, despite the commitment of Grab to comply with its obligations expressed in the "Undertaking" and the "Extended Undertaking", it cannot be denied that Grab continues to defy and violate its commitments to regulate prices and improve service quality;

WHEREAS, PCC Chairman Arsenio M. Balicasan recently announced that PCC imposed a penalty of P23.45 million on Grab for breaching its price commitments;


WHEREAS, according to PCC Chairman Balicasan, said fine is an accumulation of all the violations of Grab during the effectivity of the "Undertaking";

WHEREAS, Grab was ordered to refund its passengers through their accounts in GrabPay – the app’s online wallet – within a period of 60 days from receipt of the order, which was released on 14 November 2019;

WHEREAS, it is hereby proposed that an investigation be conducted on whether or not the penalty mechanism in the “Undertaking” and the “Extended Undertaking” is sufficient and adequate as a tool to deter Grab in charging excessive and unconscionable fares;

NOW, THEREFORE, BE IT RESOLVED by the House of Representatives to direct the Committee on Transportation conduct an inquiry, in aid of legislation, on the alleged illegal charges being imposed by Grab to its customers.

ADOPTED,



PRECIOUS HIPOLITO CASTELO
/irs