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**COST CHARACTERISTICS OF BUS AND JEEPNEY TRANSPORT
SYSTEMS IN METRO MANILA**

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Abstract:

A full understanding of the cost structure of public transportation systems is important for proper management and regulation. In this research, the cost structures of bus and jeepney transport systems in Metro Manila were studied and cost functions for bus and jeepney modes were developed in order to identify policy recommendations related to the cost aspect of public transport regulation and management.

The main findings of this research were that: a) economies of scale exist in bus operations; b) there was no conclusive result on economies of scale obtained for jeepney operations. However, the cost structure analysis indicated that there may be no economies of scale in jeepney operations; c) bus-kilometer and average speed significantly affect cost of operations; and d) fuel consumption is a major component of total operating cost.

Based on the findings of this research, the following recommendations were made: a) encourage the growth of large bus companies; b) improve the turn around time of public utility vehicles because it affects fuel consumption; c) from a cost standpoint, there is no need to regulate the size of jeepney route associations; and d) the government should require bus and jeepney operators to periodically submit basic financial reports in order to have a better basis for formulating regulatory policies.