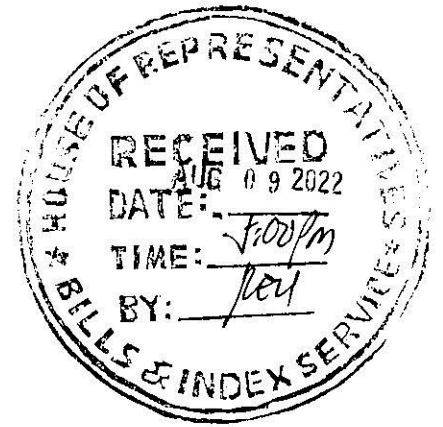




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**NINETEENTH CONGRESS**  
**First Regular Session**

House Bill No. 3412



---

Introduced by **1-RIDER Party-list Representatives Hon. Ramon Rodrigo**  
**“Rodge” L. Gutierrez and Hon. Bonifacio Laqui Bosita**

---


### EXPLANATORY NOTE

The maintenance of peace and order, the protection of life, liberty, and property, and the promotion of the general welfare are essential for the enjoyment by all the people of the blessings of democracy.

This measure seeks to allow motorcycles to function as common carriers. The status quo currently prohibits the use of such vehicles for this purpose, limiting common carriers to four wheeled vehicles only. With the growing number of motorcycles and the flexibility they provide, this representation believes that the filing of this bill would allow for better regulation and greatly contributes to the country's economic recovery. Furthermore, the fast-paced development of App-Driven Transport Network Companies highlights the need for this measure, as it is high time for regulation to come into play.

In view of the foregoing, the approval of this bill is earnestly sought.

  
**RAMON RODRIGO L. GUTIERREZ**  
Representative, 1-RIDER Party-list

  
**BONIFACIO LAQUI BOSITA**  
Representative, 1-RIDER Party-list



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**NINETEENTH CONGRESS**  
**First Regular Session**

**House Bill No. 3412**

---

Introduced by **1-RIDER Party-list Representatives Hon. Ramon Rodrigo**  
**"Rodge" L. Gutierrez and Hon. Bonifacio Laqui Bosita**

---

**"AN ACT REGULATING THE OPERATION OF MOTORCYCLES-  
FOR-HIRE"**

*Be it enacted by the Senate and House of Representatives of the  
Philippines in Congress assembled:*

**SECTION 1. Short Title.** – This Act shall be known as the  
"Motorcycle-for-Hire Act."

**SECTION 2. Declaration of Policy.** – The State recognizes the  
importance of transportation in economic development. The recent  
innovations in technology has opened an opportunity for alternative modes  
of public conveyance, such as motorcycles-for-hire, to thrive as a reliable  
and accessible mode of transportation. However, despite its promise of  
convenience and fast service, it must be regulated to ensure that the  
interest of the general public is protected. Thus, the State shall allow the  
regulated operation of motorcycles-for-hire to provide the public with an  
alternative mode of public transportation that is sufficient, safe, secure and  
economical.

Towards this end, the State shall establish mechanisms and  
guidelines in regulating all the operational aspects of motorcycles-for-hire.

**SECTION 3. Definition of Terms.** – As used in this Act:

- a) "Motorcycle" refers to any two (2)- wheeled motor vehicle without  
appendages;
- b) "Motorcycle-for-hire" refers to a motorcycle, duly registered as  
such under this Act, and used to carry passengers or goods on a for  
hire basis, offering its services to the public;
- c) "Multi-homing" refers to an approach where an operator may  
accredit a particular motorcycle-for-hire to more than one  
transport network company or Online E-commerce Platform  
Provider allowing the same to utilize more than one digital  
platform in delivering transport services;

- d) "Online E-commerce platform provider" refers to a natural or juridical person whose primary business is to provide the digital platform that connects online buyers and online sellers to facilitate the sale of products, goods or services through the internet;
- e) "Operator" refers to the person in whose name the motorcycle-for-hire is registered;
- f) "Rider" refers to the driver of the motorcycle-for-hire; and
- g) "Transportation network company" refers to an entity which provides pre-arranged transportation services for compensation using an internet-based technology application or digital platform technology to connect clients with riders to facilitate a contract of carriage using a motorcycle-for-hire.

**SECTION 4. *Scope and Application.*** – This Act shall apply to all aspects of the operation of motorcycles used as a common carrier for the transportation of passengers or goods which shall include parcels and mail. This Act shall not apply to motorcycles directly owned by the entities and used exclusively in the line of business for delivery of goods and other services.

**SECTION 5. *Motorcycles-For-Hire as Common Carriers.*** – The operation of motorcycles-for-hire is imbued with public interest. As such, the same shall be governed by the applicable provisions of the Civil Code of the Philippines and other pertinent laws, rules and regulations on common carriers, particularly on the required degree of diligence to be observed in the course of transporting passenger or goods, and on the presumption of culpability in case of breach of a contract of carriage. A transportation network company (TNC) or an Online E-Commerce platform provider (OEPP) should exercise due diligence and reasonable care in accrediting motorcycle-for-hire operators and drivers that shall operate under their platforms.

**SECTION 6. *Registration of Motorcycles-For-Hire.*** – A motorcycle intended to be used as a motorcycle-for-hire must be duly registered with the Land Transportation Office (LTO) in accordance with the requirement of all motorcycles-for-hire before their registration, or any renewal thereof.

**SECTION 7. *Standards and Specification of Motorcycles-For-Hire.*** – The Department of Transportation (DOTr), upon the recommendation of the Department of Trade and Industry – Bureau of the Philippine Standards (DTI-BPS) and LTO, shall prescribe the standards and specifications of motorcycles that may be allowed to operate as motorcycles-for-hire, taking into consideration the safety of the riders and passengers.

No modifications shall be made on any motorcycles-for-hire, except for the installation of the appropriate accessories, such as motorcycle bracket, top box, luggage carrier, saddlebag, step board or foot rest, speed limiter or monitoring devices, in accordance with the standards and specifications prescribed by the DTI-BPS and as approved by the LTO under existing laws, rules and regulations.

**SECTION 8. *Franchising of Motorcycles-For-Hire.*** – The franchising of motorcycles-for-hire in metropolitan and urbanized areas with an existing and operating TNC or OEPP is vested in the Land Transportation Franchising and Regulatory Board (LTFRB). The LTFRB shall set forth in the franchise granted to operators, the terms and conditions to be observed in the operation of motorcycles-for-hire. Such franchise shall allow the operator to engage in multi-homing upon accreditation with other TNCs or OEPPs.

The LTFRB, in coordination with the concerned local government unit in a province, city or municipality, shall determine the number of units and areas of operation, or routes if applicable, of motorcycles-for-hire in accordance with the route rationalization plan or studies adopted by the DOTr: *Provided*, That in determining the number of motorcycle-for-hire units to be operated by TNCs and OEPPs, the demand for their services shall be the basis for the LTFRB in the issuance of franchise.

The franchise fee and any other related charges for operating a motorcycle-for-hire shall be determined by the LTFRB, subject to the approval of the DOTr.

In areas outside the metropolitan areas or regional hubs and where there is no existing or operating TNC or OEPP, the application for a franchise shall be coursed through the LGU under which jurisdiction the motorcycle-for-hire intends to operate: *Provided*, That a motorcycle-for-hire may only operate within the territorial jurisdiction of the LGU concerned: *Provided further*, That the LGUs may recommend the appropriate number of units that may be allowed to operate in their respective jurisdictions based on the demand in the locality.

To ensure the fast and efficient processing of franchises, the LTFRB and LGUs shall establish a system of coordination that shall be incorporated in the rules and regulations to be issued pursuant to Sec. 21 of this Act.

**SECTION 9. *Requirements for the Grant of a Franchise or Issuance of a Certificate of Public Convenience (CPC).*** – A CPC shall only be issued to an operator upon submission of and compliance with the following requirements:

- A. Proof of Filipino citizenship;
- B. Proof of accreditation by a TNC or OEPP for motorcycles-for-hire under the digital platform or business permit issued by the relevant city or municipality for motorcycles-for-hire not operating under a TNC or OEPP;
- C. Certificate of Registration duly issued by the LTO;
- D. Appropriate space to serve as a garage for a franchise applicant intending to operate three (3) or more motorcycles-for-hire;

- E. Insurance coverage for any death or injury that may occur to a rider, passenger or any third party or damage to property by reason or on occasion of its operation; and
- F. Tax Identification Number or Certificate of Registration as Common Carrier issued by the Bureau of Internal Revenue (BIR), if applicable.

**SECTION 10. *Qualifications of Motorcycle-For-Hire Riders.*** – The LTO shall promulgate the necessary guidelines setting forth the requirements for the issuance of a professional driver's license, including the content of theoretical and practical examinations that are appropriate for the operation of the motorcycle-for-hire. Only riders possessing such professional driver's license shall be allowed to operate motorcycles-for-hire. The LTO shall conduct a continuing safety training program for licensed riders of motorcycles-for-hire with a curriculum duly certified by the Technical Education and Skills Development Authority (TESDA): Provided, that licensed riders shall attend at least one (1) safety training seminar every year.

**SECTION 11. *Accreditation Requirements of TNCs and OEPPs.*** – A TNC or OEPP must be duly registered with the Securities and Exchange Commission (SEC).

Before a TNC or OEPP which utilizes motorcycles-for-hire in its business operations is allowed to operate as such, it must comply with the accreditation requirement of Department of Information and Communication Technology (DICT).

The DTI, LTRFB and DICT shall jointly issue the guidelines that shall govern the operations of TNCs and OEPPs using motorcycles-for-hire.

The TNCs and OEPPs must possess and maintain the following minimum requirements for its accreditation:

- a) Proof of Filipino citizenship;
- b) Proof of financial capacity;
- c) SEC registration;
- d) BIR Tax Identification Number;
- e) An Accident Quick Response System;
- f) A training center, duly certified by the LTO and TESDA, to evaluate and determine the competence of riders. The DICT may, as a requirement for renewal of accreditation, consider the previous safety record of the TNC or OEPP as certified by the LTO during the effectivity of its accreditation being applied for renewal.

**SECTION 12. *Operation of Motorcycle-For-Hire.*** – Motorcycles-for-hire may be allowed to operate using digital booking platforms or designated terminals. To maximize its operation, motorcycles-for-hire shall not be bound by a single TNC or OEPP but shall be allowed to adopt a multi-homing approach within a particular area of operation under the given franchise: *Provided*, that a motorcycle-for-hire accredited under any TNC or OEPP platform may not be allowed to operate as motorcycle-for-hire without using such platform.

The capacity, nature and character of goods that may be transported, as well as the dimensions of the motorcycle bracket or luggage carrier or motorcycles-for-hire, shall be determined by the LTFRB in accordance with the standards and specifications provided under Section 7 of this Act.

Motorcycles-for-hire shall operate at speeds allowable under Republic Act No. 4136, otherwise known as the "Land Transportation and Traffic Code", local ordinances and other applicable laws: Provided, that in no case shall a motorcycle-for-hire operate beyond sixty kilometers per hour (60kph).

**SECTION 13. *Fare Setting.*** – The fares, surcharges and other transportation fees that may be charged by operators, OEPPs, or TNCs shall be in accordance with the fare structure and within the parameters determined, prescribed and issued by the LTFRB, in consultation with the motorcycle-for-hire industry and subject to the approval of the DOTr. The fare structure shall take into consideration supply of and demand for motorcycle-for-hire services and shall allow dynamic pricing on account of market variations based on location and time. The fare structure shall also include the maximum percentage that can be charged by the TNCs and OEPPs upon the operators or riders on the shipping or delivery fee. The LTFRB shall periodically review the fare structure and parameters of determining the applicable fares, subject to the approval of DOTr. The booking system of TNCs and OEPPs shall feature a mechanism that enables clients to compare the transportation cost charged by each of the available digital platforms.

In case of motorcycle-for-hire operating outside the digital platforms, the fare shall be determined by the LTFRB after a public consultation with LGUs and the operators and other stockholders, with the approval of the DOTr.

**SECTION 14. *Processing of Personal Information.*** – Any collection, processing and storage of personal information and sensitive personal information involved in the registration of motorcycles-for-hire, digital bookings, and other requirements under this Act shall be made in accordance with the provisions of Republic Act No. 10173, otherwise known as the "Data Privacy Act of 2012."

**SECTION 15. *Liabilities for Death, Injuries or Damage to Property.*** – The operator and the TNC or OEPP providing the digital platform at the time when the death, injury or damage to property occurred in the course of operating a motorcycle-for-hire shall be jointly and solidarily liable, with rights of subrogation against any party at fault: Provided, That the liability of the TNC or OEPP shall not exceed the amount of the insurance coverage of the operator.

**SECTION 16. *Accident Quick Response*** - Each TNC or OEPP shall establish a quick response team to provide immediate medical care or bring any person injured by the operation of the motorcycle-for-hire booked through its digital platform to the nearest hospital or medical facility. A function that will allow the rider or the passenger to alert the quick response team during emergency or road crash shall be part of the booking application options of the digital platforms. When necessary, the TNC or

OEPP shall advance any amount necessary for the admission of such injured person or persons to a hospital or medical facility up to the maximum insured amount.

**SECTION 17. Enforcement** - To ensure the safe and secure operation of motorcycles-for-hire, the LTO shall deputize LGUs and other relevant government agencies to assist in the enforcement of traffic rules and regulations, and to monitor strict compliance with the provisions of this Act, particularly on the observance of carrying capacity and speed limits. The LTO shall establish a centralized database to ensure the accurate recording of violations and road crashed involving motorcycles-for-hire and for the purpose of applying the penalties as well as the other sanctions under this Act. It shall publish quarterly and annual reports of such data on its website, which shall be made accessible to the public.

Consistent with its mandate under Republic Act No. 7924, which created the Metropolitan Manila Development Authority (MMDA), the MMDA shall continue to exercise traffic enforcement functions within Metro Manila in furtherance of the objectives of this Act.

All violations related to the terms and conditions of a franchise shall be endorsed by the LTO enforcement officers, deputized LGU enforcers, and MMDA personnel to the LTFRB for appropriate action.

The foregoing shall preclude the TNCs or OEPPs from exercising the power to impose sanctions such as suspension or blacklisting of their riders or operators on account of internal rules made known to the latter, acts detrimental to safety and security and other reasonable or valid grounds.

**SECTION 18. Penalties** - The following prohibited acts shall be penalized as follows:

- a) Any rider who operates a motorcycle-for-hire in violation of traffic rules and regulations, carrying capacity and licensing requirement shall suffer the maximum penalty imposed under the applicable law, ordinance, rule or regulation for such violation. In addition, the LTO shall impose a penalty of suspension or revocation of driver's license of an erring rider commensurate to the gravity of the offense and frequency of commission. The table of penalties shall be included in the rules and regulations to be issued pursuant to Sec 21 of this Act.
- b) An operator who allows a rider who does not possess a valid Professional Driver's License to operate a motorcycle-for-hire shall, in addition to penalties under existing laws and regulations, suffer a penalty of suspension or revocation of franchise, after due notice and hearing.
- c) The penal provisions of Republic Act No. 7394, otherwise known as the "Consumer Act of the Philippines" and the Republic Act No. 10173, when applicable, shall apply for acts or omissions committed in the course of motorcycle-for-hire operation.

**SECTION 19. Travel Demand and Operational Data** - To assist the DOTr in transportation planning and management, the TNCs and OEPPs

shall, not later than thirty (30) calendar days after the end of every year, submit to the DOTr their travel demand and operational data.

**SECTION 20. *Transitory Provision.*** – To ensure a smooth transition in the implementation of this Act, the authority of this Act, the authority and accreditation granted to existing TNCs, OEPPs and operators shall continue to be effective until their expiration or six (6) months from the regulation of the rules and regulations to be issued pursuant to Section 21 of this Act, whichever comes later.

**SECTION 21. *Implementing Rules and Regulations.*** – Within ninety (90) days from the effectivity of this Act, the DOTr shall, in coordination with the LTFRB, LTO, DTI, BPS, DICT, BIR, TESDA, Department of Health, Department of Interior and Local Government, MMDA and Philippines National Police-Highway Patrol Group, and in consultation with stakeholders, promulgate rules and regulations for the effective implementation of this Act.

**SECTION 22. *Separability Clause.***– If for any reason any provision of this Act is declared invalid or unconstitutional, the remaining provisions not otherwise affected shall remain valid and subsisting.

**SECTION 23. *Repealing Clause.***– All provisions of laws, decrees, executive orders, presidential issuances and other administrative rules and regulation, or parts thereof, which are incompatible or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

**SECTION 24. *Effectivity.***– This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,

A handwritten signature in black ink, consisting of stylized initials and a surname, positioned below the word 'Approved,'.