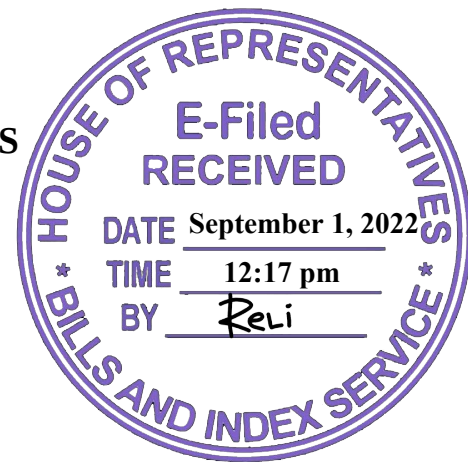


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Nineteenth Congress

First Regular Session

House Bill No. 4327



INTRODUCED BY REPRESENTATIVE JURDIN JESUS M. ROMUALDO

A similar subject bill was filed in the 18th Congress authored by the late Congressman Raul V. Del Mar and that bill was approved on Third Reading by the House of Representatives on February 2, 2022 and transmitted to the Senate on the same date.

This version also seeks to provide a clearer policy for the franchise and operation of Motorcycle-For-Hire in the country and provide the Land Transportation Office and the Land Transportation and Franchising Board a clearer mandate on their jurisdictions on this kind of transport service.

During the pandemic, more commuters, business organizations and individuals have use the various digital and logistic platforms to book their needs such as rides from home to office or to different destinations order perishable goods, move parcels, documents, and have it pick up and delivered to the desired destination as it is easier to go through traffic or use secondary routes.

These kind of services have been patronized heavily during the past two (2) years due to the limited movement of people with the health and safety protocols on Covid-19 and with the urgent need to dispatch faster parcels, mails, and goods. There are some reliable and efficient operators, Transportation Network Companies (TNC's) and Online E-Commerce Platform Providers (OEPP's) that are operating and used by the public.

We need a clearer policy that will promote effective and efficient service and regulation for the operators, riders, TNCs and OEPPs, kind of motorcycle fit for this service, regular training of riders, and provide safety policies for service providers and clients. Applications for franchise to operate, opening of new routes, and continued use specific routes have to be clarified and mapped out to even the playing field, qualifications of riders, operators, TNCs and OEPPs have to be classified as well as standards and specifications of the kind of motorcycles fit for the for-hire business.

Existing regulators such as LTFRB and LTO shall coordinate with DTI – Bureau of Product Standards, TESDA, DOH, DILG, and other stakeholders for the drafting of an implementing guideline for this Act.

The early passage of this bill with the support of the Members of Congress will be greatly appreciated.


JURDIN JESUS M. ROMUALDO

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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:

1 **SECTION 1.** *Short Title.* — This Act shall be known as the "Motorcycles-for-
2 Hire Act."

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

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

3 **SEC. 3. *Definition of Terms.*** — As used in this Act:

4 a) Motorcycle refers to any two (2)-wheeled motor vehicle without
5 appendages;

6 b) Motorcycle-for-hire refers to a motorcycle, duly registered as
7 such under this Act, and used to carry passengers or goods on a for hire basis,
8 offering its services to the public;

9 c) Multi-homing refers to an approach where an operator may
10 accredit a particular motorcycle-for-hire to more than one transport network
11 company or Online E-commerce Platform Provider allowing the same to utilize
12 more than one digital platform in delivering transport services;

13 d) Online E-commerce Platform provider refers to a natural or
14 juridical person whose primary business is to provide the digital platform that
15 connects online buyers and online sellers to facilitate the sale of products, goods
16 or services through the internet;

17 e) Operator refers to the person in whose name the motorcycle-for-
18 hire is registered;

19 f) Rider refers to the driver of the motorcycle-for-hire and
20 registered owner of the motorcycle unit; and

21 g) Transportation Network Company refers to an entity which
22 provides pre-arranged transportation services for compensation using an
23 internet-based technology application or any digital platform technology to
24 connect clients with riders to facilitate a contract of carriage using a motorcycle-
25 for-hire.

26 **SEC. 4. *Scope and Application.*** — This Act shall apply to all aspects of
27 the operation of motorcycles used as a common carrier for the transportation of

1 passengers or lawful goods which shall include parcels and mails. This Act shall
2 not apply to motorcycles directly owned by entities and used exclusively in the
3 line of business for delivery of goods and other services.

4 **SEC. 5. *Motorcycles-For-Hire as Common Carriers.*** — The operation of
5 motorcycles-for-hire is imbued with public interest. As such, the same shall be
6 governed by the applicable provisions of the Civil Code of the Philippines and
7 other pertinent laws, rules and regulations on common carriers, particularly on
8 the required due diligence to be observed in the course of transporting passengers
9 or goods, and on the presumption of culpability in case of breach of a contract,
10 of carriage. A Transportation Network Company (TNC) or an Online E-
11 Commerce platform provider (OEPP) should exercise due diligence and
12 reasonable care in accrediting motorcycle-for-hire operators and drivers that
13 shall operate under their platforms.

14 **SEC. 6. *Registration of Motorcycles-For-Hire,*** — A motorcycle intended
15 to be used as a motorcycle-for-hire must be duly registered with the Land
16 Transportation Office (LTO) in accordance with the requirements set forth in
17 Section 7 of this Act. The LTO shall ensure the roadworthiness of all
18 motorcycles-for-hire before their registration or any renewal thereof.

19 **SEC. 7. *Standards and Specifications of Motorcycles-For-Hire.*** — The
20 Department of Transportation (DOTr), upon the recommendation of the
21 Department of Trade and Industry - Bureau of Philippine Standards (DTIBPS)
22 and LTO, shall prescribe the standards and specifications of motorcycles that
23 may be allowed to operate as motorcycles-for-hire, taking into consideration the
24 safety of the riders, passengers and carriage of lawful goods. No modifications
25 shall be made on any motorcycles-for-hire, except for the installation of the
26 appropriate accessories, such as motorcycle bracket, top box, luggage carrier,
27 saddlebag, step board or foot rest, speed limiter or monitoring devices, in

1 accordance with the standards and specifications prescribed by the DTI-BPS and
2 as approved by the LTO Under existing laws, rules and regulations.

3 **SEC. 8. *Franchising of Motorcycles-For-Hire.*** The franchising of
4 motorcycles-for-hire in metropolitan and urbanized areas with an existing and
5 operating TNC or OEPP shall be vested with the Land Transportation
6 Franchising and Regulatory Board (LTFRB). The LTFRB shall set forth in the
7 franchise granted to operators, the terms and conditions to be observed in the
8 operation of motorcycles-for-hire. Such franchise shall allow the operator to
9 engage in multi-homing operation upon accreditation with other TNCs or
10 OEPPs. The LTFRB, in coordination with the concerned local government unit
11 in a province, city or municipality, shall determine the areas of operation, or
12 routes if applicable, of motorcycles-for-hire in accordance with the route
13 rationalization plan or studies adopted by the DOTr, while the number of
14 motorcycle-for-hire units to be operated by TNCs and OEPPs shall be
15 determined by market forces based on the demand for their services. *Provided,*
16 *That,* in determining the number of motorcycle-for-hire units to be operated by
17 TNCs and OEPPs, the demand for their services shall be given substantial weight
18 and basis by the LTFRB in their franchise issuance.

19
20 The franchise fee and any other related charges for operating a motorcycle-for-
21 hire shall be determined by the LTFRB, in consultation with the DOTr and the
22 stakeholders and shall be subject to periodic updating every five (5) years
23 thereafter.

24
25 In areas outside the metropolitan areas or regional hubs and where there is no
26 existing or operating TNC or OEPP, the application for a franchise shall first be
27 opened by the LTFRB, in coordination with the relevant LGUs, to interested

1 TNCs or OEPPs. Priority applications shall be first offered to existing TNCs or
2 OEPPs in good standing. *Provided, That,* a motorcycle-for-hire may only
3 operate within the territorial jurisdiction of the LGU concerned where they have
4 been granted a franchise to operate and LGUs may recommend the appropriate
5 number of units that may be allowed to operate in their respective jurisdictions
6 based on the appropriate projected demand in the locality.

7
8 To ensure the fast and efficient processing of franchises, the LTFRB and LGUs
9 shall establish a smooth system of coordination consistent with Republic Act
10 No. 11032, otherwise known as the “Ease of Doing Business Act” and shall
11 incorporate these in the rules and regulations to be issued by the LTFRB pursuant
12 to Sec. 21 of this Act.

13
14 **SEC. 9.** *Requirements for the Grant of a Franchise or Issuance of a*
15 *Certificate of Public Convenience (CPC).* — A CPC shall only be issued to an
16 operator upon submission of and compliance with the following requirements:

- 17 a) Proof of Filipino citizenship;
- 18 b) Proof of accreditation by a TNC or OEPP for motorcycles-for-hire
19 under the digital platform or business permit issued by relevant city or
20 municipality for motorcycles-for-hire not operating under a TNC or OEPP;
- 21 c) Certificate of Registration duly issued by the LTO;
- 22 d) Appropriate space to serve as a garage for a franchise applicant
23 intending to operate three (3) or more motorcycles-for-hire;
- 24 e) Insurance coverage for any death or injury that may occur to a rider,
25 passenger or any third party or damage to property by reason or on occasion of
26 its operation; and

1 f) Tax Identification Number or Certificate of Registration as Common
2 Carrier issued by the Bureau of Internal Revenue (BIR), if applicable.

3 **SEC. 10. *Qualifications of Motorcycle-For-Hire Riders.*** — The LTO shall
4 promulgate the necessary guidelines setting forth the requirements for the
5 issuance of a professional driver's license, including the content of theoretical
6 and practical examinations that are appropriate for the operation of a motorcycle-
7 for-hire. Only riders possessing such professional driver's license shall be
8 allowed to operate motorcycles for-hire. The LTO shall conduct a continuing
9 safety training program for licensed riders of motorcycles-for-hire with a
10 curriculum duly certified by the Technical Education and Skills Development
11 Authority (TESDA): Provided, that licensed riders shall attend at least one (1)
12 safety training seminar every year from duly accredited TESDA schools and
13 institutions duly identified by the LTFRB and published for the information of
14 the licensed riders of motorcycles-for-hire.

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

18 Before a TNC or OEPP which utilizes motorcycles-for-hire in its business
19 operations is allowed to operate as such, it must comply with the accreditation
20 requirement of Department of Information and Communications Technology
21 (DICT). The DTI, LTFRB and DICT shall jointly issue the guidelines that shall
22 govern the operations of TNCs and OEPPs using motorcycles-for-hire.

23 **SEC. 12. *Operation of Motorcycle-For-Hire.*** — Motorcycles-for-hire
24 may be allowed to operate using any legitimate digital booking platforms or
25 designated terminals. To maximize its operation, motorcycles-for-hire shall not
26 be bound by a single TNC or OEPP but shall be allowed to adopt a multi-homing
27 approach within a particular area of operation under the given franchise:

1 Provided, that a motorcycle-for-hire accredited under any TNC or OEPP
2 platform may not be allowed to operate as motorcycle-for-hire without using
3 such platform.

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

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

12 **SEC. 13. *Fare Setting.*** The fares, surcharges and other transportation fees
13 that may be charged by Operators, OEPPs or TNCs shall be in accordance with
14 the fare structure and within the parameters determined, prescribed and issued
15 by the LTFRB, in consultation with the motorcycle-for-hire industry and subject
16 to the approval of the DOTr. The fare structure shall take into consideration
17 supply of and demand for motorcycle-for-hire services and shall allow dynamic
18 pricing on account of market variations based on location and time.

19 The LTFRB shall periodically review the fare structure and parameters of
20 determining the applicable fares, subject to the approval of the DOTr.

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

24 **SEC. 14. *Processing of Personal Information.*** - Any collection,
25 processing and storage of personal information and sensitive personal
26 information involved in the registration of motorcycles-for-hire, digital
27 bookings, and other requirements under this Act shall be made in accordance

1 with the provisions of Republic Act No. 10173, otherwise known as the "Data
2 Privacy Act of 2012."

3 **SEC. 15. *Liabilities for Death, Injuries or Damage to Property.*** — The
4 operator shall be held liable as a “common carrier” when death, injury or damage
5 to property occurred in the course of operating a motorcycle-for-hire business.
6 The TNC or OEPP shall only be liable in case of negligence in accrediting
7 motorcycle-for-hire operators and drivers. In all cases, any liability of the TNC
8 or OEPP shall be limited only to the amount of insurance cover of the operator.

9 **SEC. 16. *Accident Quick Response.*** - Each TNC or OEPP shall establish
10 a quick response system to provide immediate assistance and when possible
11 dispatch a quick response team to respond to the incident area. The persons
12 involved in the incident shall be from a confirmed motorcycle-for-hire booking
13 through its digital platform. The quick response function during an emergency
14 or road crash shall be part of the booking application options of the digital
15 platforms as part of their customer care policy. When necessary, the TNC or
16 OEPP shall advance such amount necessary for the immediate admission of
17 those involved in the road incident for their emergency care up to the maximum
18 insured amount and shall be subject to reimbursement by the insurance company.

19 **SEC. 17. *Enforcement.*** — To ensure the safe and secure operation of
20 motorcycle-for-hire, the LTO shall deputize LGUs and other relevant
21 government agencies to assist in the enforcement of traffic rules and regulations,
22 and to monitor Strict compliance with the provisions of this Act, particularly on
23 the observance of carrying capacity and speed limits. The LTO shall establish a
24 centralized database to ensure the accurate recording of violations and road
25 crashes involving motorcycles-for-hire and for the purpose of applying the
26 penalties as well as other sanctions under this Act. It shall publish quarterly and

1 annual reports of such data on its website which shall be made accessible to the
2 public.

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

7 All violations related to the terms and conditions of a franchise shall be
8 endorsed by the LTO enforcement officers, deputized LGU enforcers and
9 MMDA personnel to the LTFRB for appropriate action. The foregoing shall not
10 preclude the TNCs or OEPPs from exercising the power to impose sanctions
11 such as suspension or blacklisting of their riders or operators on account of
12 violation of internal rules made known to the latter, acts detrimental to safety
13 and security and other reasonable or valid grounds.

14 **SEC. 18. Penalties.** — The following prohibited acts shall be penalized
15 as follows:

16 a) Any rider who operates a motorcycle-for-hire in violation of traffic rules
17 and regulations, carrying capacity and licensing requirement shall suffer the
18 maximum penalty imposed under the applicable law, ordinance, rule or
19 regulation for such violation. In addition, the LTO shall impose a penalty of
20 suspension or revocation of driver's license of an erring rider commensurate to
21 the gravity of the offense and frequency of commission. The table of penalties
22 shall be included in the rules and regulations to be issued pursuant to Sec. 21 of
23 this Act.

24 b) An operator who allows a rider who does not possess a valid
25 Professional Driver's License to operate a motorcycle-for-hire shall, in addition
26 to penalties under existing laws and regulations, suffer a penalty of suspension
27 or revocation of franchise, after due notice and hearing.

1 c) The penal provisions of Republic Act No. 7394, otherwise known as the
2 "Consumer Act of the Philippines" and Republic Act No. 10173, otherwise
3 known as the "Data Privacy Act" shall apply for acts or omissions committed
4 in the course of motorcycle-for-hire operation.

5 **SEC. 19. *Travel Demand and Operational Data.*** — To assist the DOTr in
6 transportation planning and management, the TNCs and OEPPs shall not later
7 than thirty (30) calendar days after the end of every year submit to the DOTr
8 their travel demand and operational data.

9 **SEC. 20. *Transitory Provision.*** — To ensure a smooth transition in the
10 implementation of this Act, the LTFRB shall promulgate the rules and regulations
11 pursuant to Section 21 of this Act on the continued validity of existing franchises
12 of currently operating TNCs, OEPPs and operators and provide options to
13 conform to this Act.

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

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

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

1 **SEC. 24. *Effectivity.*** — This Act shall take effect fifteen (15) days after
2 its publication in the Official Gazette or in a newspaper of general circulation.
3 Approved.