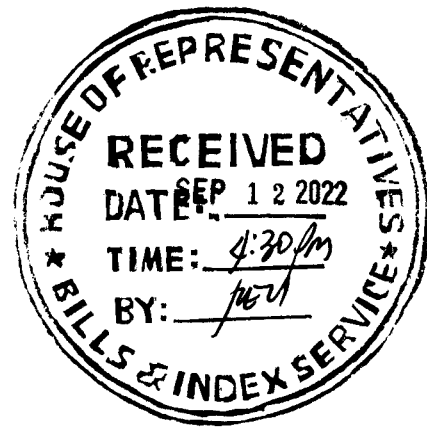


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 4694



Introduced by Representative DAN S. FERNANDEZ

EXPLANATORY NOTE

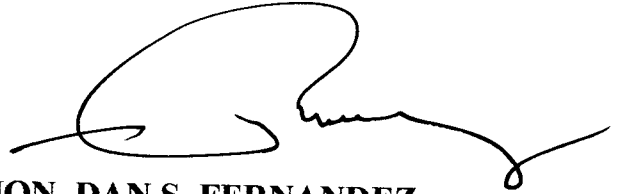
Tricycles have become a common mode of transportation in the country especially in places where larger vehicles are unavailable. Whether in rural or urban areas, many commuters prefer the use of tricycles because of their availability, high accessibility, affordability, comfort and convenience. In view also of the demand for small transport services, tricycles have proliferated due to the relatively small capital to start the business. According to the Philippine Statistics Authority (PSA), in 2012 there were 658,675 tricycle units and this accounted for 67.9 percent of the total vehicle for hire population.

The problem of "colorum" (unregistered) tricycles has been with us for many years, even decades now, so much so that way back in 1985, then President Ferdinand Marcos issued and/or signed Letter of Instruction No. 1482 directing the legalization of colorum motorized tricycles. This is a sad reality considering that Filipino workers engaged in this type of industry labor under harsh, unprotected and low-quality job conditions. Like the rest of the informal economy, colorum tricycles contribute to the national economy, especially in times of crises when they serve as catch basin for those displaced in the formal transport sector.

This bill aims to address this concern which is really a social justice issue. By opening up the pathway for the legalization of colorum tricycles and providing them with alternative means of livelihood, this measure seeks to improve the lot of the operators and drivers of these colorum units. Inasmuch as the pandemic conditions have literally hurtled us into the digital future, this bill enables the owners or operators of colorum tricycle units to operate on-demand transportation (much like TNVS Grab and Uber) and delivery (similar to Lalamove, Grab and Food

Panda deliveries) services using internet-based applications. This is deemed to be a creative solution using technological innovations in order to address urgent social concerns.

For the foregoing reasons, the immediate approval is earnestly recommended.

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a final flourish.

HON. DAN S. FERNANDEZ
Lone District of Santa Rosa

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

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 4694

Introduced by Representative DAN S. FERNANDEZ

AN ACT
MANDATING THE LEGALIZATION OF “COLORUM”
TRICYCLES, AUTHORIZING THEIR OWNERS OR
OPERATORS TO ENGAGE IN ONLINE-ENABLED
TRANSPORTATION AND/OR DELIVERY SERVICES WITH
THEIR UNITS AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* – This Act shall be known as the
“Tricycle Act of 2022”.

SEC. 2. *Declaration of Policies.* – It is the policy of the State:

(a) To recognize the role of tricycles as an important mode of public transport in both rural and urban areas by authorizing the legalization of “colorum” units to hasten their integration into the formal economy;

(b) To promote the interests of the operators and drivers of colorum tricycle units by providing them with an alternative means of livelihood, namely, the option to operate on-demand transportation and delivery services using internet-based application; and

(c) To develop the local economy through maximization of the potentials and contributions of the entire tricycle sector.

SEC. 3. *Scope.* - The legalization program shall cover all illegally operated or “colorum” tricycles operating as of June 30, 2022, and shall be effective for a period of six (6) months starting July 1, 2022.

SEC. 4. *Definition of Terms.* - Whenever any of the following words or phrases is used in this Act, they shall be understood to mean as follows:

(a). *Colorum* – is a private vehicle operated for public utility purposes without the benefit of a valid and existing special permit, provisional authority or franchise.

(b) *Motorized Tricycle Operators Permit (MTOP)* – the permit that authorizes the holder to operate a tricycle for public transport;

(c). *Tricycle* – is a motor vehicle propelled other than by muscular power, composed of a motorcycle fitted with a single-wheel sidecar, or a motorcycle with a two-wheel rear cab, the former having a total of three wheels and the latter having a total of four wheels, otherwise known as the motorela.

(d). *Tricycle Operators and Drivers’ Association (or “TODA”)* – the organization of tricycle operators and drivers in a given local government unit.

SEC. 5. *Authority to Operate On-Demand Transportation And Delivery Services Using Internet-Based Application.* – Upon compliance with the legal requirements under this Act, all colorum tricycles are hereby authorized to operate, without a fixed route but within a limited zone, pre-arranged transportation or delivery services for compensation using an internet-based technology application or digital platform technology to connect tricycle drivers and customers.

For this purpose, owners or operators of colorum tricycle units whose operations are legalized under this Act may form or organize their own Tricycle Operators and Drivers' Association (TODA) which shall serve as the hub for the implementation of internet-based technology application or digital platform technology to connect tricycle drivers and customers.

Operators of tricycles-for-hire shall employ only drivers duly licensed by the Land Transportation Office (LTO).

SEC. 6. *Fares and Charges.* – Subject to approval by the appropriate regulatory agencies, online-enabled transportation and delivery services shall be allowed, upon petition, to impose reasonable fares and charges with sufficient mark-up to cover the cost of insurance, taxes, other fees and charges, and, insofar as delivery service units are concerned, the cost of delivery and handling. Under no circumstances, however, shall these service units be allowed to engage in surge pricing.

SEC. 7. *Routes, Zones and Limits of Operation.* - All colorum tricycles legalized under this Act are hereby authorized to operate, without a fixed route but within a limited zone. The local government units (LGUs) having jurisdiction over the city or municipality where the tricycle is registered shall determine the limits of the zone of operation of the said units which must be within the boundaries of the city or municipality. In cases where the routes taken by tricycle units would traverse more than one city or municipality, the operators of the tricycle unit shall secure a Motorized Tricycle Operators Permit (MTOP) from each of the cities or municipalities having jurisdiction over the areas covered by the zone. Transfer to another zone may be permitted upon application.

Generally, tricycles are authorized to operate on any road within the city or municipality. However, they are prohibited to operate along national highways or on any road which allows a maximum speed greater than forty (40) kilometers per hour, especially on well-paved, high speed roads, unless special tricycles/bicycles lanes on the shoulder are provided, except to cross.

SEC. 8. *Duties and Responsibilities.* - The following offices are to undertake the following functions:

1. Sangguniang Panlungsod/Bayan through the Mayor shall:

- a. Conduct an inventory of all existing and actually operating tricycle units in the city/municipality.
- b. Receive, process and evaluate all applications filed under this program, collect the filing fee in the amount of One Thousand Pesos (Php1000.00) per unit.
- c. Issue the corresponding MTOP upon presentation by the applicant of complete and satisfactory documentary requirements.
- d. Monitor the progress of the program and cause the apprehension of units operated without appropriate MTOP in coordination with the Philippine National Police.

2. Philippine National Police (PNP) shall –

- a. Coordinate and support all the activities of all city/municipal governments to ensure the attainment of the purpose of this Act.
- b. Conduct the actual physical inspection of the tricycle with concentration on the body configuration and fitness to operate as a public utility vehicle.
- c. Prepare and sign Motor Vehicle Inspection Report (MVIR) for inclusion in the application form for legalization.

3. Department of the Interior and Local Government shall –

- a. Instruct and enjoin all Sangguniang Panlungsod/Bayan through the Mayor to undertake the legalization Program as provided in this Act.

b. Provide the required support and resources to ensure the total and successful implementation and realization of the objectives of this Program.

4. Department of Transportation shall –

a. Provide necessary assistance in terms of policy realignment and required resources to implement the Program.

SEC. 9. *Who May Apply.* - All owners of colorum tricycles may apply under the legalization program, provided they possess the following qualifications:

1. The applicant is a Filipino citizen;
2. The applicant owns the tricycle.

SEC. 10. *Venue of Application.* - All applications filed under this program shall be submitted to the concerned Sangguniang Panlungsod/Bayan where the unit is presently operated, or where the applicant/owner is a resident.

SEC. 11. *Documentation.* - Any person applying under the legalization program shall submit the following documents to the Sangguniang Panlungsod/Bayan through the Mayor.

1. Documents attesting to the applicant's citizenship
2. Certification of the Barangay Captain:
 - a. that applicant is a bona fide resident of the Barangay within the City /Municipality; or
 - b. that the unit applied for is actually operating in the City/Municipality.
3. Motor Vehicle Inspection Report; (MVIR).

SEC, 12. *Application / Registration Fee.* – The registration fee for the application for the issuance of an MTOP shall not exceed One Thousand Pesos (Php 1,000.00) and it shall be valid for a period of three (3) years from the date of issuance. The said fee shall cover the cost of the issuance of the license to operate, the filing fee, franchise fee, inspection fee, adjustment fee, amendment, regulatory, and all other fees. No other fees shall be exacted from the tricycle operators other than the registration fee mentioned herein.

SEC, 13. *Amnesty.* - All unpaid fees and penalties accruing against the tricycles are hereby condoned except the current registration fee shall be paid and collected in full regardless of the remaining portion of the registration year and miscellaneous fees.

SEC, 14. *Compliance with National Government Policies Governing Online-Enabled Transportation and Delivery Services.* – In the regulation of tricycle units which have been legalized under this Act, the local government units must ensure the faithful compliance of the rules and regulations issued by the respective national government agencies in charge of regulating businesses or enterprises engaged in online-enabled transportation and delivery services.

SEC. 15. *Appropriations.* – An initial appropriation of ONE HUNDRED MILLION (Php 100,000,000.00) is hereby appropriated for this Act. Thereafter, the amount necessary for the effective implementation thereof shall be included in the General Appropriations Act.

SEC. 16. *Implementing Rules and Regulations.* – Within six (6) months following the effectivity of this Act, the necessary rules and

regulations for the effective implementation thereof shall issue as follows:

(a) For tricycle owners who intend to operate online-enabled transportation service with their units – IRR to be issued by the Land Transportation Franchising and Regulatory Board (LTFRB)

(b) For tricycle owners who intend to operate online-enabled delivery service with their units – IRR to be jointly issued by the Department of Agriculture (DA), the Department of Health (DOH), the Bangko Sentral ng Pilipinas (BSP) and the Department of Trade and Industry (DTI), with respect to the following:

[1] For fresh, primary- and secondary processed agricultural and fishery products – DA;

[2] For food, drugs, cosmetics, devices and hazardous substances – DOH;

[3] For financial products and services offered by financial institutions under BSP supervision - BSP; and

[4] For other consumer products not specified above – DTI.

SEC. 17. *Repealing Clause.* – All laws, rules and regulations which are contrary to or inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 18. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,