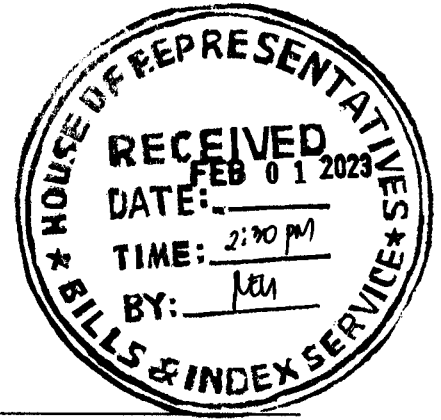


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
19TH CONGRESS
First Regular Session

House Bill No. 7034



Introduced by: REP. JOEL R. CHUA

Explanatory Note

Lack of mobility and traffic congestion remain to be a significant hurdle to economic growth and individual well-being in the Philippines. Due to inadequate public transport options, majority of Filipinos turn to private vehicles. One transport solution that has proven to be reliable, safe, convenient, and affordable is motorcycle taxis. Millions of Filipinos, mostly those in lower socio-economic classes, own at least one motorcycle. The use of motorcycles to provide motorcycle-for-hire services will help the government fill a transportation gap, efficiently transport passengers from point to point, and create job opportunities for bikers so they can earn a living wage for their families by giving them the proper tools, e.g., safety training, for them to become productive members of society.

While private vehicles dominate road share, motorcycles are, in fact, the most widely used vehicle by Filipinos. According to the Land Transportation Office, there are an estimated 18 million motorcycles plying the roads in the Philippines.

The regulation of motorcycles-for-hire as an alternative transport option stands to benefit both the commuting public by addressing mobility issues and the Filipino families who now have an opportunity to unlock a new income stream and uplift their lives. Motorcycles-for-hire, particularly motorcycle taxis, have the added benefit of providing meaningful livelihoods to the relatively unskilled sectors of the workforce. As drivers only need to drive well and safely, many who would otherwise be under or unemployed elsewhere are able to earn a sufficient living wage by offering their transportation services through Motorcycle Taxi Platform Providers. To illustrate, the current minimum wage rate in Metro Manila is approximately PhP500.00 a day; a biker has the capacity to earn up to PhP1,500.00 per day. The potential impact of a motorcycle-for-hire law cannot be overstated.

Due in part to the growing need for more alternative transport options as well as creation of jobs for millions overnight, ridesharing powered by advances in technology, as popularized by platforms such as Uber, has become mainstream all over the world. This bill intends to address the need for the regulation of ridesharing using motorcycles-for-hire.

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



REP. JOEL R. CHUA
3rd District of Manila

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Introduced by: **REP. JOEL R. CHUA**

AN ACT
REGULATING THE OPERATION OF MOTORCYCLES-FOR-HIRE

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 “Motorcycles-for-Hire Act.”

SEC. 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.

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

- a) BIR refers to the Bureau of Internal Revenue
- b) CPC refers to the Certificate of Public Convenience issued to riders in order that they may operate as a motorcycle-for-hire;
- c) DTI refers to the Department of Trade and Industry;
- d) DTI-BPS refers to the Department of Trade and Industry – Bureau of Philippine Standards;
- e) DOTr refers to the Department of Transportation;

- f) LTFRB refers to the Land Transportation Franchising and Regulatory Board;
- g) LTO refers to the Land Transportation Office;
- h) MMDA refers to the Metropolitan Manila Development Authority;
- i) Motorcycle refers to any two (2)-wheeled motor vehicle without appendages;
- j) Motorcycle-for-hire refers to a motorcycle, duly registered as such under this Act, and used to carry passengers on a for hire basis, offering its services to the public;
- k) Motorcycle Taxi Platform Provider or MTPP refers to a natural or juridical person that provides pre-arranged transportation services for compensation through applications or digital platforms that utilize internet-based technology to connect clients with riders to facilitate a contract of carriage using a motorcycle-for-hire;
- l) Multi-homing refers to an approach where a rider may be accredited under more than one MTPP, allowing such rider to utilize more than one application or digital platform in delivering transport services;
- m) Passenger refers to a natural person being transported from point to point by a rider using a motorcycle-for-hire;
- n) Rider refers to the driver of the motorcycle-for-hire;
- o) SEC refers to the Securities and Exchange Commission; and
- p) TESDA refers to the Technical Education and Skills Development Authority.

SEC. 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. This Act shall not apply to motorcycles used exclusively for the delivery of goods and other services.

SEC. 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 Republic Act No. 386, otherwise known as 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 passengers and on the presumption of culpability in case of breach of a contract of carriage. An MTPP should exercise due diligence and reasonable care in accrediting riders under their platforms.

SEC. 6. *Registration of Motorcycles-For-Hire.* – A motorcycle intended to be used as a motorcycle-for-hire must be duly registered with the LTO in

accordance with the requirements set forth in Section 7 of this Act. The LTO shall ensure the roadworthiness of all motorcycles-for-hire before their registration, or any renewal thereof.

SEC. 7. *Standards and Specifications of Motorcycles-For-Hire.* – The DOTr, upon the recommendation of the 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 appropriate accessories, such as step board or footrest, 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.

SEC. 8. *Franchising of Motorcycles-For-Hire.* – The franchising of motorcycles-for-hire in metropolitan areas with an existing and operating MTPP is vested in the LTFRB. The LTFRB shall set forth in the CPC granted to riders the terms and conditions to be observed in the operation of motorcycles-for-hire. Such CPC shall allow the rider to engage in multi-homing operation upon accreditation with other MTPPs. 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 riders that may be granted CPCs, the demand for their services shall be the basis for the LTFRB. 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.

For provinces and chartered cities outside of metropolitan areas, the authority to issue a CPC shall be delegated to the provincial governor and the mayor, respectively. The application for a CPC shall be submitted to the local government unit 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 local government unit concerned: Provided further, That the local government units may recommend the appropriate number of motorcycles-for-hire 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 CPCs, the LTFRB and local government units shall establish a system of processing that shall be

incorporated in the rules and regulations to be issued pursuant to Section 21 of this Act.

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

- a) Proof of Filipino citizenship;
- b) Proof of accreditation by the LTO or the relevant MTPP;
- c) Certificate of Registration duly issued by the LTO for the motorcycle intended to be used as a motorcycle-for-hire by the rider;
- d) Appropriate space to serve as a garage for the motorcycles-for-hire;
- e) Insurance coverage for any death or injury that may occur to a rider, passenger or any third party or for damage to property by reason or on occasion of the operation of the motorcycle-for-hire; and
- f) Taxpayer Identification Number issued by the BIR.

SEC. 10. *Qualifications of Motorcycle-For-Hire Riders.* – A rider must have a driver's license issued by the LTO and must be accredited by the LTO or the relevant MTPP in order to operate a motorcycle-for-hire. The LTO shall promulgate the necessary guidelines setting forth the requirements for the accreditation of riders, including the content of theoretical and practical examinations that are appropriate for the operation of motorcycles-for-hire. Riders must undergo a safety and skills training program with a curriculum duly certified by the TESDA as a requirement for accreditation. Accredited riders must attend at least one safety and skills training seminar every year to maintain their accreditation. Riders that intend to operate as motorcycles-for-hire under MTPPs may apply for accreditation with the relevant MTPP. MTPPs shall implement an accreditation process for bikers that complies with the guidelines promulgated by the LTO.

SEC. 11. *Accreditation Requirements of MTPPs.* – MTPPs must possess and maintain the following minimum requirements for its accreditation:

- a) Proof of Filipino citizenship;
- b) Proof of financial capacity;
- c) DTI or SEC registration;
- d) Taxpayer Identification Number issued by the BIR;
- 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 LTFRB may, as a requirement for renewal of accreditation, consider the previous safety record of the MTPP as certified by the LTO during the effectivity of its accreditation being applied for renewal.

Five years from the effectivity of this Act, the DOTr may, upon the recommendation of the LTFRB, allow accreditation of foreign or foreign-owned MTPPs.

SEC. 12. *Operation of Motorcycle-For-Hire.* – Motorcycles-for-hire may be allowed to operate using MTPPs or designated terminals. To maximize its operation, motorcycles-for-hire shall not be bound by a single MTPP but shall be allowed to adopt a multi-homing approach within a particular area of operation under the given CPC: Provided, That a motorcycle-for-hire accredited by an MTPP may not be allowed to operate as motorcycle-for-hire without using the platform of the MTPP.

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).

SEC. 13. *Fare Setting.* – The fares, surcharges and other transportation fees that may be charged by riders 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, time, and road conditions. The LTFRB shall periodically review the fare structure and parameters of determining the applicable fares, subject to the approval of the DOTr.

In the case of motorcycle-for-hire operating outside the platforms of MTPPs, the fare shall be determined by the LTFRB after public consultation with local government units, riders, and other stakeholders, with the approval of the DOTr.

SEC. 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.”

SEC. 15. *Liabilities for Death, Injuries or Damage to Property.* – The operator and the MTPP 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 MTPP shall not exceed the amount of the insurance coverage of the rider.

SEC. 16. *Accident Quick Response.* – An MTPP 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 platform to the nearest hospital or medical facility. A function that will allow the rider or passenger to alert the quick response team during emergency or road crash shall be part of the booking application options of an MTPP’s platform. When necessary, the MTPP shall advance any amount necessary for the admission of such injured person or persons to a hospital or medical facility up to the maximum amount of the insurance coverage of the rider.

SEC. 17. *Enforcement.* – To ensure the safe and secure operation of motorcycles-for-hire, the LTO shall deputize local government units 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 crashes involving motorcycles-for-hire and for the purpose of applying the penalties as well as 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 MMDA, the MMDA shall continue to exercise its traffic enforcement functions within Metro Manila in furtherance of the objectives of this Act.

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

The foregoing shall not preclude MTPPs from exercising the power to impose sanctions such as suspension or blacklisting of their riders on account of violations of internal rules made known to the latter, acts detrimental to safety and security, and other reasonable or valid grounds.

SEC. 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. In the event that the erring rider is accredited under an MTPP, the MTPP shall also be penalized. The table of penalties shall be included in the rules and regulations to be issued pursuant to Section 21 of this Act.

b) The penal provisions of Republic Act No. 7394, otherwise known as the "Consumer Act of the Philippines" and Republic Act No. 10173, when applicable, shall apply for acts or omissions committed in the course of motorcycle-for-hire operation.

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

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

SEC. 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, BIR, TESDA, Department of Health, Department of the Interior and Local Government, MMDA, and Philippine National Police-Highway Patrol Group, and in consultation with stakeholders, promulgate rules and regulations for the effective implementation of this Act.

SEC. 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.

SEC. 23. *Amendatory and Repealing Clause.* – The specific provisions of Republic Act No. 4136 that are inconsistent with this Act are hereby amended or repealed accordingly. All other 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 likewise hereby repealed, amended or modified accordingly.

SEC. 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,