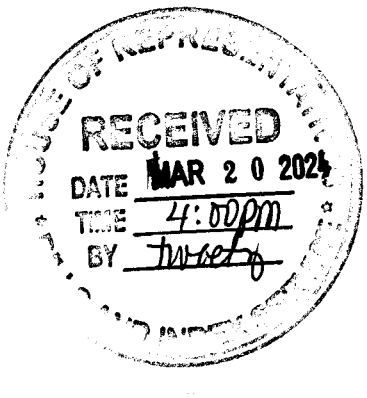


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Second Regular Session

House Bill No. 10205

Introduced by Representative Midy N. Cua
Lone District, Quirino

AN ACT
REGULATING THE OPERATION OF MOTORCYCLES-FOR-HIRE

EXPLANATORY NOTE

The proposed bill seeks to regulate the operation of motorcycles-for-hire. Over the last few years, the country has witnessed the proliferation of motorcycles-for-hire colloquially known as *habal-habal* or *angkas*. This mode of transportation is considered as a convenient and cheap means of transportation. However, the non-regulation of motorcycles-for-hire poses danger and risks to safety and welfare of the riding public.

The proposed bill addressed the danger and risks of non-regulation through the following:

- Mandating registration of motorcycles-for-hire
- Establishing standards and specifications of motorcycles-for-hire
- Providing guidelines for the franchising of motorcycles-for-hire
- Establishing qualifications of motorcycles-for-hire riders
- Providing guidelines for the accreditation of transport network companies (TNC) and online e-commerce platform providers
- Establishing rules for the operation of motorcycles-for-hire
- Prescribing a fare setting mechanism
- Imposing guidelines on the processing of personal information
- Clarifying liabilities for death, injuries, or damage to property

In summary, the proposed bill provides a comprehensive regulatory framework designed to promote safety, fairness, and accountability that will further increase the convenience for the community public availing motorcycle-for-hire services.

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

MIDY N. CUA
Representative
Lone District, Quirino

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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 "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) *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.

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 or goods which shall include parcels and mail. This Act shall not apply to motorcycles directly owned by entities and used exclusively in the line of business for 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 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 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 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 Land Transportation Office (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 Department of Transportation (DOTr), upon the recommendation of the Department of Trade and Industry - Bureau of 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.

SEC. 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 operation 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.

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 an operator upon submission or 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 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.

SEC. 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 a 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.

SEC. 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 Communications Technology (DICT). The DTI, LTFRB 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.

SEC. 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 of 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).

SEC. 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 or 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 the 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 the 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 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 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.

SEC. 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 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.

SEC. 17. *Enforcement.* – To ensure the safe and secure operation of motorcycle-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 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 Metropolitan Manila Development Authority (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 franchise shall be endorsed by the LTO enforcement officers, deputized LGU enforcers and MMDA personnel to the LTFRB for appropriate action.

The foregoing shall not 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 violation 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. 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 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, 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.

SEC. 20. *Transitory Provision.* – To ensure a smooth transition in the implementation 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 promulgation of the rules and regulations to be issued pursuant to Sec. 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, DICT, 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. *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.

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,