

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

NINETEENTH CONGRESS
Second Regular Session

House Bill No. **10475**



INTRODUCED BY REPRESENTATIVES
RALPH WENDEL P. TULFO AND JOCELYN P. TULFO

AN ACT REGULATING THE OPERATION OF MOTORCYCLES-FOR-HIRE

EXPLANATORY NOTE

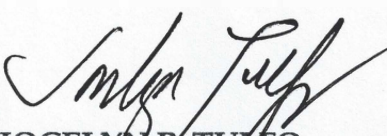
In the Philippines today, motorcycles have become a popular choice for the transport of persons and goods. These vehicles, commonly referred to as “habal-habal” or “motorcycle taxis”, have become an integral part in the transportation ecosystem of the country, providing an affordable and time-saving alternative to traditional public transport.

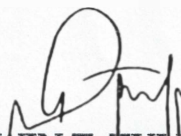
However, the steady rise of motorcycles-for-hire has raised significant concerns regarding safety, regulation, and the overall impact on the transport system. Thus, it is imperative that a standardized regulatory framework be put in place to address issues such as unqualified drivers, non-compliance with traffic laws, and inadequate safety measures, which pose risks not only to passengers but also drivers.

This proposed legislative measure seeks to establish comprehensive regulations for the operation of “motorcycles-for-hire” by institutionalizing their registration, standards and specifications, franchising, rider qualification, accreditation of transportation network companies or online e-commerce platform providers, operations, fare setting, and liabilities for death, injuries, or damage to property, among others.

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


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1 **AN ACT REGULATING THE OPERATION OF MOTORCYCLES-FOR-HIRE**
2

3 *Be it enacted by the Senate and the House of Representatives of the Philippines in Congress*
4 *assembled:*
5

6 **SECTION 1. *Short Title.*** – This Act shall be known as the “Motorcycle-for-Hire Act”.
7

8 **SEC. 2. *Declaration of Policy.*** – The State recognizes the importance of
9 transportation in economic development. The recent innovations in technology has
10 opened an opportunity for alternative modes of public conveyance, such as
11 motorcycles-for-hire, to thrive as a reliable and accessible mode of transportation.
12 However, despite its promise of convenience and fast service, it must be regulated to
13 ensure that the interest of the general public is protected. Thus, the State shall allow the
14 regulated operation of motorcycles-for-hire to provide the public with an alternative
15 mode of public transportation that is sufficient, safe, secure, and economical.
16

17 Towards this end, the State shall establish mechanisms and guidelines in regulating
18 all the operational aspects of motorcycles-for-hire.
19

20 **SEC. 3. *Definition of Terms.*** – As used in this Act:
21

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

- 1 (b) *Motorcycle-for-hire* refers to a motorcycle, duly registered as such under this Act,
2 and used to carry passengers or goods on a for-hire basis, offering its services to
3 the public;
- 4 (c) *Multi-homing* refers to an approach where an operator may accredit a particular
5 motorcycle-for-hire to more than one transport network company or Online E-
6 commerce Platform Provider allowing the same to utilize more than one digital
7 platform in delivering transport services;
- 8 (d) *Online E-commerce platform provider* refers to a natural or juridical person whose
9 primary business is to provide the digital platform that connects online buyers
10 and sellers to facilitate the sale of products, goods, or services through the
11 internet;
- 12 (e) *Operator* refers to the person in whose name the motorcycle-for-hire is registered;
- 13 (f) *Rider* refers to the driver of the motorcycle-for-hire; and
- 14 (g) *Transportation network company* refers to an entity which provides pre-arranged
15 transportation services for compensation using an internet-based technology
16 application or digital platform technology to connect clients with riders to
17 facilitate a contract of carriage using a motorcycle-for-hire.

18

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

24

25 **SEC. 5. *Motorcycles-for-Hire as Common Carriers.*** – The operation of motorcycles-
26 for-hire is imbued with public interest. As such, the same shall be governed by the
27 applicable provisions of the Civil Code of the Philippines and other pertinent laws,
28 rules, and regulations on common carriers, particularly on the required degree of
29 diligence to be observed in the course of transporting passengers or goods, and on the
30 presumption of culpability in case of breach of a contract of carriage. A transportation

1 network company (TNC) or an Online E-commerce Platform Provider (OEPP) should
2 exercise due diligence and reasonable care in accrediting motorcycle-for-hire operators
3 and drivers that shall operate under their platforms.
4

5 **SEC. 6. *Registration of Motorcycles-for-Hire.*** – A motorcycle intended to be used as
6 a motorcycle-for-hire must be duly registered with the Land Transportation Office
7 (LTO) in accordance with the requirement of all motorcycles-for-hire before their
8 registration, or any renewal thereof.
9

10 **SEC. 7. *Standards and Specifications of Motorcycles-for-Hire.*** – The Department of
11 Transportation (DOTr), upon the recommendation of the Department of Trade and
12 Industry – Bureau of the Philippine Standards (DTI-BPS) and LTO, shall prescribe the
13 standards and specifications of motorcycles that may be allowed to operate as
14 motorcycles-for-hire, taking into consideration the safety of the riders and passengers.
15

16 No modifications shall be made on any motorcycles-for-hire, except for the
17 installation of the appropriate accessories, such as motorcycle bracket, top box, luggage
18 carrier, saddlebag, step board or foot rest, speed limiter or monitoring devices, in
19 accordance with the standards and specifications prescribed by the DTI-BPS and as
20 approved by the LTO under existing laws, rules, and regulations.
21

22 **SEC. 8. *Franchising of Motorcycles-for-Hire.*** – The franchising of motorcycles-for-
23 hire in metropolitan and urbanized areas with an existing and operating TNC or OEPP
24 is vested in the Land Transportation Franchising and Regulatory Board (LTFRB). The
25 LTFRB shall set forth in the franchise granted to operators the terms and conditions to
26 be observed in the operation of motorcycles-for-hire. Such franchise shall allow the
27 operator to engage in multi-homing upon accreditation with other TNCs or OEPPs.
28

29 The LTFRB, in coordination with the concerned local government unit (LGU) in a
30 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 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 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;

- 1 (d) Appropriate space to serve as a garage for a franchise applicant intending to
2 operate three (3) or more motorcycles-for-hire;
- 3 (e) Insurance coverage for any death or injury that may occur to a rider, passenger,
4 or any third party or damage to property by reason or on occasion of its operation;
5 and
- 6 (f) Tax Identification Number (TIN) or Certificate of Registration as Common
7 Carrier issued by the Bureau of Internal Revenue (BIR), if applicable.

8
9 **SEC. 10. *Qualifications of Motorcycle-for-Hire Riders.*** – The LTO shall promulgate
10 the necessary guidelines setting forth the requirements for the issuance of a professional
11 driver’s license, including the content of theoretical and practical examinations that are
12 appropriate for the operation of the motorcycle-for-hire. Only riders possessing such
13 professional driver’s license shall be allowed to operate motorcycles-for-hire. The LTO
14 shall conduct a continuing safety training program for licensed riders of motorcycles-
15 for-hire with a curriculum duly certified by the Technical Education and Skills
16 Development Authority (TESDA): *Provided, That* licensed riders shall attend at least one
17 (1) safety training seminar every year.

18
19 **SEC. 11. *Accreditation Requirements of TNCs and OEPPs.*** – A TNC or OEPP must
20 be duly registered with the Securities and Exchange Commission (SEC).

21
22 Before a TNC or OEPP which utilizes motorcycles-for-hire in its business operations
23 is allowed to operate as such, it must comply with the accreditation requirement of
24 Department of Information and Communications Technology (DICT).

25
26 The DTI, LTFRB, and DICT shall jointly issue the guidelines that shall govern the
27 operations of TNCs and OEPPs using motorcycles-for-hire.

28
29 The TNCs and OEPPs must possess and maintain the following minimum
30 requirements for its accreditation:

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

11

12 **SEC. 12. Operations of Motorcycle-for-Hire.** – Motorcycles-for-hire may be allowed

13 to operate using digital booking platforms or designated terminals. To maximize its

14 operations, motorcycles-for-hire shall not be bound by a single TNC or OEPP but shall

15 be allowed to adopt a multi-homing approach within a particular area of operation

16 under the given franchise: *Provided*, That a motorcycle-for-hire accredited under any

17 TNC or OEPP platform may not be allowed to operate as motorcycle-for-hire without

18 using such platform.

19

20 The capacity, nature, and character of goods that may be transported, as well as the

21 dimensions of the motorcycle bracket or luggage carrier or motorcycles-for-hire, shall

22 be determined by the LTFRB in accordance with the standards and specifications

23 provided under Section 7 of this Act.

24

25 Motorcycles-for-hire shall operate at speeds allowable under Republic Act No. 4136,

26 otherwise known as the “Land Transportation and Traffic Code”, local ordinances, and

27 other applicable laws: *Provided*, That in no case shall a motorcycle-for-hire operate

28 beyond sixty (60) kilometers per hour (60kph).

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

14
15 In case of motorcycle-for-hire operating outside the digital platforms, the fare shall
16 be determined by the LTFRB after a public consultation with LGUs and the operators
17 and other stockholders, with the approval of the DOTr.

18
19 **SEC. 14. *Processing of Personal Information.*** – Any collection, processing, and
20 storage of personal information and sensitive personal information involved in the
21 registration of motorcycles-for-hire, digital bookings, and other requirements under
22 this Act shall be made in accordance with the provisions of Republic Act No. 10173,
23 otherwise known as the “Data Privacy Act of 2012”.

24
25 **SEC. 15. *Liabilities for Death, Injuries, or Damage to Property.*** – The operator and
26 the TNC or OEPP providing the digital platform at the time when the death, injury, or
27 damage to property occurred in the course of operating a motorcycle-for-hire shall be
28 jointly and solidarily liable, with rights of subrogation against any party at fault:
29 *Provided, That the liability of the TNC or OEPP shall not exceed the amount of the*
30 *insurance coverage of the operator.*

1
2 **SEC. 16. Accident Quick Response.** – Each TNC or OEPP shall establish a quick
3 response team to provide immediate medical care or bring any person injured by the
4 operation of the motorcycle-for-hire booked through its digital platform to the nearest
5 hospital or medical facility. A function that will allow the rider or the passenger to alert
6 the quick response team during emergency or road crash shall be part of the booking
7 application options of the digital platforms. When necessary, the TNC or OEPP shall
8 advance any amount necessary for the admission of such injured person/s to a hospital
9 or medical facility up to the maximum insured amount.

10
11 **SEC. 17. Enforcement.** – To ensure the safe and secure operation of motorcycles-for-
12 hire, the LTO shall deputize LGUs and other relevant government agencies to assist in
13 the enforcement of traffic rules and regulations, and to monitor strict compliance with
14 the provisions of this Act, particularly on the observance of carrying capacity and speed
15 limits. The LTO shall establish a centralized database to ensure the accurate recording
16 of violations and road crashed involving motorcycles-for-hire and for the purpose of
17 applying the penalties as well as the other sanctions under this Act. It shall publish
18 quarterly and annual reports of such data on its website, which shall be made accessible
19 to the public.

20
21 Consistent with its mandate under Republic Act No. 7924, which created the
22 Metropolitan Manila Development Authority (MMDA), the MMDA shall continue to
23 exercise traffic enforcement functions within Metro Manila in furtherance of the
24 objectives of this Act.

25
26 All violations related to the terms and conditions of a franchise shall be endorsed by
27 the LTO enforcement officers, deputized LGU enforcers, and MMDA personnel to the
28 LTFRB for appropriate action.

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

5
6 **SEC. 18. *Penalties.*** – The following prohibited acts shall be penalized as follows:

7
8 (a) Any rider who operates a motorcycle-for-hire in violation of traffic rules and
9 regulations, carrying capacity, and licensing requirement shall suffer the
10 maximum penalty imposed under the applicable law, ordinance, rules, or
11 regulation for such violation. In addition, the LTO shall impose a penalty of
12 suspension or revocation of driver's license of an erring rider commensurate to
13 the gravity of the offense and frequency of commission. The table of penalties
14 shall be included in the rules and regulations to be issued pursuant to Section 21
15 of this Act.

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

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

24
25 **SEC. 19. *Travel Demand and Operational Data.*** – To assist the DOTr in
26 transportation planning and management, the TNCs and OEPPs shall, not later than
27 thirty (30) calendar days after the end of every year submitted to the DOTr their travel
28 demand and operational data.

1 **SEC. 20. *Transitory Provision.*** – To ensure a smooth transition in the
2 implementation of this Act, the authority and accreditation granted to existing TNCs,
3 OEPPs, and operators shall continue to be effective until their expiration or six (6)
4 months from the regulation of the rules and regulations to be issued pursuant to Section
5 21 of this Act, whichever comes later.

6
7 **SEC. 21. *Implementing Rules and Regulations.*** – Within ninety (90) days from the
8 effectivity of this Act, the DOTr shall, in coordination with the LTFRB, LTO, DTI, BPS,
9 DICT, BIR, TESDA, Department of Health, Department of Interior and Local
10 Government, MMDA, and Philippine National Police – Highway Patrol Group, and in
11 consultation with stakeholders, promulgate rules and regulations for the effective
12 implementation of this Act.

13
14 **SEC. 22. *Separability Clause.*** – If for any reason any provision of this Act is declared
15 invalid or unconstitutional, the remaining provisions not otherwise affected shall
16 remain valid and subsisting.

17
18 **SEC. 23. *Repealing Clause.*** – All provisions of laws, decrees, executive orders,
19 presidential issuances, and other administrative rules and regulations, or parts thereof,
20 which are incompatible or inconsistent with the provisions of this Act are hereby
21 repealed, amended, or modified accordingly.

22
23 **SEC. 24. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication
24 in the Official Gazette or in a newspaper of general circulation.

25
26 *Approved,*