



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Twentieth Congress
First Regular Session

HOUSE BILL NO. 5345



Introduced by Representative Ramon Rodrigo L. Gutierrez

EXPLANATORY NOTE

Traffic congestion remains one of the most pressing and persistent problems in the Philippines, particularly in major urban centers such as Metro Manila. The daily gridlock not only hampers economic productivity but also significantly impacts the physical and psychosocial well-being of Filipino citizens. Studies have shown that prolonged exposure to traffic congestion leads to increased stress, reduced mental health, and contributes to the deterioration of overall quality of life. Moreover, the high volume of motor vehicles on the road results in excessive fuel consumption, which in turn escalates carbon emissions — a major contributor to environmental pollution and climate change.

In light of these challenges, the “Philippine Carpool Service Act” seeks to institutionalize and promote carpooling as a strategic and sustainable solution to alleviate traffic congestion. By encouraging the sharing of rides among commuters and motorists, this bill aims to reduce the number of vehicles on the road, thereby decreasing fuel consumption, lowering carbon footprints, and promoting a healthier and more efficient commuting environment. Carpooling not only economizes travel expenses but also fosters social interaction, reduces travel-related stress, and contributes to the overall health and well-being of the riding public.

This bill was originally authored and filed by Representative Ralph G. Recto during the 19th Congress. However, despite its potential benefits, it remained pending with the Committee on Transportation until the adjournment of the 19th Congress. Given that traffic congestion in the country continues to worsen, the urgent need to address this issue remains. Therefore, there is a compelling rationale to refile and prioritize this measure to finally institutionalize a carpooling framework that can benefit millions of Filipinos.

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


RAMON RODRIGO L. GUTIERREZ
1-Rider Partylist Representative



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AN ACT
ESTABLISHING CARPOOL SERVICE IN THE COUNTRY, REGULATING ITS
USE AND OPERATION, AND FOR OTHER PURPOSES

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 **PHILIPPINE CARPOOL SERVICE ACT**.

SECTION 2. Declaration of Policy. - It is hereby declared the policy of the State to promote a just and dynamic social order through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all. Towards this end, the State shall develop mechanism to regulate the use of carpool services not only as a safe, dependable, environmentally-sound and sustainable mode of transportation, but also a means to improve the well-being of Filipino commuters and to decongest traffic in Metro Manila and in other urban areas in the country.

SECTION 3. Definition of Terms. - For purposes of this Act:

- a) *Carpool Service* shall refer to a voluntary arrangement between two (2) to seven (7) persons, including the driver of a particular vehicle, to make one-way or round-trip journey in a single vehicle;
- b) *Carpool Association* shall refer to a duly registered non-stock, non-profit organization created for the provision of carpool services to its members;
- c) *Carpool Driver* shall refer to a duly licensed operator of a motor vehicle that provides carpool service in accordance with the provisions of this Act;
- d) *Carpool Passenger* shall refer to any *bona fide* member of a carpool association who accepts carpool service from a fellow carpool association member in accordance with the provisions of this Act;
- e) *Carpool Trip* shall refer to the vehicle trip that commences at the carriage of the first carpool passenger and terminates upon the arrival of the carpool vehicle to its intended destination;

- f) *Carpool Vehicle* shall refer to a passenger car, utility vehicle or sports utility vehicle registered for private use that provides carpool service in accordance with the provisions of this Act;
- g) *Carpool Fund* shall refer to an amount that may be collected by a carpool driver and/or owner from the carpool passengers to cover the expenses incidental to carpool vehicle operation such as carpool registration cost, fuel, oil and lubricant expenses, parking charges, toll fees, and vehicle upkeep expenses;
- h) *Online Carpool Platform* shall refer to electronic applications that allows carpool drivers and passengers to search for and communicate with other carpool drivers and passengers; and
- i) *Owner* shall refer to the actual and legal owner of a motor vehicle, in whose name such vehicle is duly registered with the Land Transportation Office (LTO).

SECTION 4. *Establishment of Carpool Service.* – Owners of motor vehicles registered for private use are hereby allowed to provide carpool services subject to the following conditions:

- a) The carpool services shall be provided and accepted only among members of a carpool association on a purely voluntary basis;
- b) The carpool owner and/or driver and the carpool passenger shall have a common origin and destination;
- c) The carpool services shall be offered for a maximum of two (2) carpool trips a day regardless of the number of carpool passengers;
- d) The carpool driver or any carpool passenger shall not solicit for passengers on any road, parking area, tollway entrance, public transport terminal, and other similar facilities and establishments;
- e) The carriage of carpool passenger shall only be incidental to the carpool driver's or owner's original purpose for the trip;
- f) The carpool driver shall inform the carpool passengers in advance about the details of the trip, which shall include the date, time, pick up and drop off points, travel route, and gas fund contributions, if any;
- g) The carpool driver shall not offer driving or vehicle rental services or display any material or information to that effect; and
- h) The owner of the vehicle shall register with the LTO as a carpool vehicle in accordance with its rules and regulations.

SECTION 5. *Classification of Carpool Vehicles.* – Any provision of the law to the contrary notwithstanding, carpool vehicles shall be classified as private carriers and shall be subject to the provisions of Title II, Book IV of Republic Act No. 386, otherwise known as the “*Civil Code of the Philippines*.”

SECTION 6. *Motor Vehicle Registration.* – Carpool vehicles shall be registered as motor vehicles for private use. Registration for carpool service and subsequent renewal of carpool registration may be executed along with the renewal of motor vehicle registration in accordance with the rules and regulations of the LTO.

The documentary requirements for carpool service registration shall include the following:

- a) Proof of Filipino citizenship;
- b) Valid LTO Official Receipt and Certificate of Registration of authorized unit/s in the name of the Owner;
- c) Valid driver's license of authorized owner/s and/or carpool driver/s;
- d) Valid Certificate of Employment, Certificate of Business Registration, or Proof of School Registration under the name of the owner/s and/or authorized carpool driver/s;
- e) Valid National Bureau of Investigation (NBI) or Philippine National Police (PNP) Clearance;
- f) Valid proof of billing addressed to the owner and/or driver;
- g) Certificate of motor vehicle insurance coverage;
- h) Proposed travel route from point of origin to the intended destination; and
- i) Other documentary requirements as may be deemed necessary by the Department of Transportation (DOTr) or the LTO.

SECTION 7. *Carpool Association.* – Carpool drivers, owners, and carpool passengers shall organize themselves into carpool associations to manage carpool services and limit its provision to *bona fide* members of its organization. Carpool associations shall be registered with the Securities and Exchange Commission in accordance with its rules and regulations.

SECTION 8. *Membership in Carpool Associations.* – Membership in carpool association shall consist of Regular Members and Associate Members. Filipino citizens of legal age, holder of at least a Non-Professional Driver's License with Code 2 and 4 Restrictions, and who own, possess or operate at least one (1) carpool vehicle shall be eligible for Regular Membership. Filipino citizens and resident aliens of legal age, and who neither hold a driver's license nor own, possess or operate a carpool vehicle shall be eligible for Associate Membership. Regular Members shall be accorded with more representatives in the Board of Trustees and more voting power in accordance with the articles of incorporation and by-laws of the carpool association.

SECTION 9. *Requirements for Membership in Carpool Associations.* – The carpool association shall exercise due diligence in determining the identity of and accepting prospective members. Prospective members shall be accepted into a carpool association by a majority vote of its Board of Trustees in accordance with its articles of incorporation and by-laws: *Provided*, That the Board of Trustees, prior to the acceptance of prospective carpool association members, shall require the submission of documents that include, but are not limited to:

- a) Proof of identity of the prospective member;
- b) Valid Certificate of Employment, Certificate of Business Registration, or Proof of School Registration under the name of the prospective member;
- c) Valid driver' license for prospective carpool driver;

- d) Valid LTO Official Receipt and Certificate of Registration of the prospective carpool vehicle;
- e) Valid NBI or PNP Clearance;
- f) Valid proof of billing addressed to the owner and/or driver; and
- g) Other document deemed necessary by the Board of Trustees to ascertain the identity of prospective carpool association members.

The data and information provided by prospective carpool association members shall be governed by the pertinent provisions of Republic Act No. 10173, otherwise known as the “*Data Privacy Act of 2012*.”

SECTION 10. *Identification of Carpool Association Members.* – The carpool association shall issue non-transferable identification cards to its *bona fide* members. The identification cards shall be required to be shown prior to the provision or acceptance of the carpool services and shall remain in the possession of the respective members throughout the duration of the carpool trip.

SECTION 11. *Conveyance of Carpool Passengers.* – Carpool drivers are hereby allowed to pick up carpool passengers in proximity to their point of origin and to drop off carpool passengers in proximity to the carpool driver’s intended destination: *Provided*, That the carpool driver shall only be allowed to ferry carpool passengers belonging to the same carpool association: *Provided, further*, That the carpool driver shall only be allowed to ferry as many passengers as recommended by the vehicle manufacturer: *Provided, finally*, That under no circumstances shall the number of carpool passengers in a carpool vehicle exceed six (6) persons excluding the carpool driver.

SECTION 12. *Gas Fund Contribution.* – The owner of the vehicle shall not accept or charge any fare from carpool passengers, except for the contribution to the carpool vehicle’s Gas Fund on a non-profit basis: *Provided*, That the maximum amount of Gas Fund contribution of carpool passengers shall not be higher than the estimated cost of taxi service from the point of origin to the point of destination: *Provided, further*, That the DOTr shall, in consultation with the Department of Energy (DOE), determine the maximum rate of Gas Fund contribution that may be collected from carpool passengers, taking into account the maximum number of allowable passengers as provided in Section 11 of this Act, the distance and duration of travel from the point of origin to the point of destination, and a realistic estimate of expenses incidental to carpool vehicle operation: *Provided, finally*, That the DOTr shall adjust the rate of Gas Fund contribution once every three (3) years after the effectivity of this Act using the Consumer Price Index (CPI) for the Operation of Personal Transport Equipment, as published by the Philippine Statistics Authority (PSA).

SECTION 13. *Maintenance of Carpool Vehicles.* – The owners of carpool vehicles shall follow the recommended preventive maintenance schedule of the vehicle manufacturer: *Provided*, That the owners shall maintain a record documenting the maintenance services performed on their vehicles and the dates when such maintenance services were performed as attested to by the vehicle maintenance service provider: *Provided, further*, That a copy of the carpool vehicle maintenance service record shall be required by the LTO in the renewal of the carpool vehicle registration.

SECTION 14. *Insurance of Carpool Vehicles.* – The owners of the carpool vehicles shall be required to contract a comprehensive motor vehicle insurance from a reputable insurance provider to cover the carpool vehicle and its passenger/s against insurable risks: *Provided*, That a copy of the comprehensive motor vehicle insurance for the carpool vehicle shall be required by the LTO in the registration and renewal of the carpool vehicle registration.

SECTION 15. *Violations.* – The following shall constitute as violations of this Act:

- a) Engaging in carpool services without or with expired carpool registration;
- b) Provision of carpool services without carpool association membership;
- c) Provision of carpool services to non-members of carpool association;
- d) Exceeding the maximum daily carpool trips allowed;
- e) Soliciting for passengers on any road, parking area, tollway entrance, public transport terminal, and other similar facilities and establishments;
- f) Exceeding the vehicle's recommended number of passengers or the maximum number of passengers as provided in Section 11 of this Act, whichever is lower;
- g) Offering driving or vehicle rental services or displaying materials and information to that effect;
- h) Engaging in carpool services with invalid or expired motor vehicle insurance;
- i) Collecting more than the maximum Gas Fund contribution from carpool passengers; and
- j) Other acts or omissions inconsistent with the provisions of this Act as may be determined by the DOTr.

The DOTr and the LTO shall, after conducting public consultation, determine the appropriate fines and penalties for the violation of any provisions in this Act.

SECTION 16. *Carpool Passenger Complaints.* – Carpool associations shall establish a mechanism to receive and address complaints arising from the carpool services within their respective associations. The DOTr shall likewise establish a system to receive and address the complaints of carpool passengers against owners, carpool drivers, and carpool associations in accordance with its rules and regulations.

SECTION 17. *Carpool Incentives.* – The DOTr, LTO, Metro Manila Council, local government units, and other government agencies concerned may provide incentives to promote the use of carpool services such as, but not limited to: designation of designated carpool lanes, exemption from Expanded Unified Vehicular Volume Reduction Program and other similar traffic schemes, and discounts on toll fees and vehicle registration fees.

SECTION 18. *Online Carpool Application.* – Carpool associations or other third-party developers may use electronic or online carpool application to provide seamless connection between carpool association members: *Provided*, That owners and carpool drivers can only provide carpool services in accordance with Section 4 of this Act: *Provided further* That the total cost of using carpool

platform and carpool services shall not exceed the maximum Gas Fund contribution as provided in Section 12 of this Act.

SECTION 19. *Exemptions.* – The carpool owner and/or driver shall secure at least a Non-Professional Driver's License from the LTO to operate carpool vehicles: *Provided*, That carpool drivers who are employed as personal or corporate drivers, or who operate motorcycles, buses, trucks or articulated vehicles shall be required to obtain the appropriate driver's license from the LTO.

The carpool vehicle shall be exempted from securing a Certificate of Public Convenience or any public land transportation service franchise or authorization issued by any government agency or instrumentality: *Provided*, That the carpool owner and/or driver shall satisfy all the conditions stipulated under Section 4 of this Act: *Provided, further*, That no provision in this Act shall be construed as allowing the commercial operation of any motor vehicle registered for private use, or repealing, amending or modifying any law, rule or regulation that compels the satisfaction of any and all requirements prior to the operation of public land transportation services.

SECTION 20. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the DOTr shall, in consultation with the LTO and other government agencies concerned, promulgate the necessary rules and regulations to effectively implement the provisions of this Act.

SECTION 21. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional or invalid, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

SECTION 22. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations and other issuances, or any part thereof, inconsistent with this Act are hereby repealed, modified, or amended accordingly.

SECTION 23. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,

