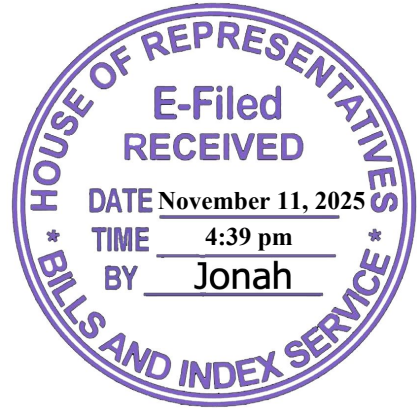




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

20th CONGRESS
1st Regular Session

HOUSE BILL NO. 5859



Introduced by Representative SITTIE SHAHARA “BAI DIMPLE” I. MASTURA

AN ACT
REGULATING THE OPERATION OF MOTORCYCLES-FOR-HIRE AND PROVIDING PENALTIES FOR VIOLATION THEREOF

EXPLANATORY NOTE

In the Name of God, the Beneficent, the Merciful

This measure was approved on Third and Final Reading by the House of Representatives on July 30, 2024, and though the same was transmitted and received by the Senate of the Philippines on the same day, our Senate counterparts failed to pursue its passage into law before the adjournment of the 19th Congress.

The use of single motorcycles as a vehicle of public conveyance is no longer unique to a particular locality or concentration of population, a phenomenon that is evident every day in both urban and rural settings and until such time that current traffic conditions and existing public transportation systems improve to a level that the general population are relieved of this added burden, the use of single motorcycles-for-hire will not only continue but heighten further.

The creeping increases of fuel pump prices also contributed largely to the disadvantage of the commuting public because as we are now made aware of, many operators and drivers of public conveyances such as buses, jeepneys and taxis are seriously considering to decrease if not totally stop business operations, if they have not stopped yet, to cut down on losses they incur and likely to incur every day.

This bill therefore seeks to provide the regulatory framework necessary to include motorcycles-for-hire as another type of motor vehicle authorized as a public conveyance to ensure the safety of the riding public, such regulations to include insurance coverage required routinely from common carriers.

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

SITTIE SHAHARA “BAI DIMPLE” I. MASTURA

Representative

Maguindanao del Norte with Cotabato City, Lone District



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

SECTION 1. *Title.* – This Act shall be known as the “Motorcycles-for -Hire Act”.

SEC. 2. *Declaration of Principles.* – The State recognizes the importance of public transportation in economic development. The recent innovations in technology have opened an opportunity for other 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 additional mode of public transportation, which is sufficient, safe, secure and economical.

To 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) *Digital platform* refers to information and communications technology-enabled mechanism that connects and integrate producers and users in online environments where goods and services are requested, developed, and sold, and data is generated and exchanged;
- (b) *Motorcycle* refers to any two (2)-wheeled motor vehicle without appendages;
- (c) *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. A motorcycle-for-hire shall be considered a public utility vehicle and its operation a public utility;

- (d) *Motorcycle taxi platform provider (MTPP)* refers to an entity which provides pre-arranged transportation services for compensation using a digital platform to connect clients with riders to facilitate a contract of carriage of persons using a motorcycle-for-hire;
- (e) *Multi-homing* refers to an approach where an operator may accredit a particular motorcycle-for-hire to more than one digital platform providers in delivering transport services;
- (f) *Online E-commerce platform provider (OEPP)* refers to an entity which provides pre-arranged transportation services for compensation using a digital platform to connect clients with transport services to facilitate a contract of carriage of goods, including carriage of goods over goods sold on said digital platform;
- (g) *Operator* refers to the person in whose name the motorcycle-for-hire is registered;
- (h) *Parcel* means a package or rectangular box, the dimension and weight of which is as specified in the implementing rules and regulations of this Act, containing goods or some form of transportable property intended for delivery to an addressee prominently displayed on at least one (1) of its sides; and
- (i) *Rider* refers to the driver of the 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. For this purpose, goods 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.

MTPPs and OEPPs should exercise extraordinary diligence in the accreditation and supervision of motorcycle-for-hire operators and riders operating 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 (DTI), Department of Environment and Natural Resources, LTO and Land Transportation Franchising and Regulatory Board (LTFRB), shall prescribe in the implementing rules and regulations the standards and specifications of motorcycles that may be allowed to operate as motorcycles-for-hire, taking into consideration the safety of the passengers and riders and the protection of goods.

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, crash guards, speed limiter or monitoring devices, in accordance with the standards approved by the DTI, if applicable, and shall be used as reference by the LTO for registration purposes. In case the DTI has no approved standards, the LTO, upon consultation and agreement with all stakeholders, shall prescribe the same, taking into consideration road worthiness and road safety, until such time the DTI has issued appropriate standards.

Within five (5) years upon the enactment of this Act, the DTI shall ensure the availability of standards of all products and parts covered by this Act and its implementing rules and regulations, and its future amendments or revisions.

SEC. 8. *Authority to Grant Franchise to Operate Motorcycles-For-Hire.* – The franchising or grant of authority to operate motorcycles-for-hire shall be as follows:

- (a) **Motorcycles-for-Hire Under MTPPs.** – In areas with an existing and operating MTPPs, the authority and regulation of the operation of motorcycles-for-hire is vested in the LTFRB through a franchise or certificate of public convenience (CPC). The LTFRB shall set forth in the franchise the terms and conditions to be observed in the operation of motorcycles-for-hire. In determining the number of franchises to be issued, the LTFRB shall take into consideration the Local Public Transport Route Plan (LPTRP) or studies approved by the DOTr and their impact on the other modes of public transportation. The franchise fee shall be determined by the LTFRB after public consultation and shall only be implemented upon the approval of the DOTr.
- (b) **Motorcycles-for-Hire in Areas Without an Operating MTPP or OEPP.** – The authority and regulation of operation of motorcycles-for-hire in areas without an operating MTPP or OEPP is vested in the LTFRB. The number of routes or motorcycles-for-hire that may be allowed to operate shall be determined in accordance with the LPTRP as recommended by the local government unit (LGU) concerned.

The LTFRB shall provide a uniform guidelines as to the standards of operation of motorcycles-for-hire in consultation with the LGUs and stakeholders.

- (c) Motorcycles-for-Hire Operating Under an OEPP. – Motorcycles-for-Hire operating under an OEPP shall be regulated by the LTFRB in accordance with its mandate to issue CPC, subject to compliance with the requirements provided under the applicable provisions of this Act.

SEC. 9. *Requirements for the Grant of a Franchise or Certificate of Public Convenience.* – A CPC shall only be issued to an operator upon submission or determination of the presence of the following requirements:

- (a) Proof of Filipino citizenship;
- (b) Financial capacity the standard of which to be determined by the LTFRB;
- (c) Certificate of Registration duly issued by the LTO;
- (d) Insurance coverage for the death of or injuries suffered by the rider, passenger or any third party or damage to property by reason or on occasion of its operation; and
- (e) Tax Identification Number or Certificate of Registration as Common Carrier issued by the Bureau of Internal Revenue (BIR), if applicable.

No operator shall operate more than one (1) franchise nor operate more than one (1) motorcycle-for-hire in a franchise.

SEC. 10. *Qualifications of Motorcycles-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 or the conduct of theoretical and practical examinations, appropriate for the operation of a motorcycle-for-hire. Only riders possessing professional driver's license shall be allowed to operate motorcycles-for-hire. The MTPPs and OEPPs shall provide and conduct a continuing safety training seminar for riders operating under their respective platforms: *Provided*, That for motorcycles-for-hire riders operating outside the digital platform providers, the conduct of continuing safety training seminar shall be conducted by the LTO.

SEC. 11. *Accreditation Requirements of MTPPs.* – A MTPP or OEPP must be duly registered with the Securities and Exchange Commission (SEC).

A MTPP or OEPP, as far as the operation of motorcycles-for-hire is concerned, before being allowed to operate as such, must comply with the accreditation requirement of the LTFRB. The DTI, LTFRB and Department of Information and Communications Technology (DICT) shall jointly issue the guidelines that shall govern the operations of MTPPs and OEPPs.

MTPPs and OEPPs must possess and maintain the following minimum requirements for its accreditation:

- (a) Financial capacity the standard of which to be determined in the joint guidelines;
- (b) SEC registration;
- (c) BIR Tax Identification Number;
- (d) An established Road Crash Quick Response System; and
- (e) Capability to evaluate and determine the competence of riders through an established training center, duly certified by the LTO and Technical Education and Skills Development Authority (TESDA). 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.

SEC. 12. Operation of Motorcycles-For-Hire. – Motorcycles-for-hire may be allowed to operate using the digital platforms, or on designated areas of operation. To maximize their operation, motorcycles-for-hire shall not be bound by a single MTPP or OEPP but shall be allowed to adopt a multi-homing approach within a particular area of operation under the given franchise, license or accreditation: *Provided*, That multi-homing operation shall be limited to two (2) digital platforms but in no case shall a motorcycle-for-hire be allowed multi-homing operation alternately between two (2) MTPPs or two (2) OEPPs: *Provided, further*, That a motorcycle-for-hire accredited under any MTPP or OEPP platform may not be allowed to operate as motorcycle-for-hire without using such platform.

Except for private use, any operation of motorcycle-for-hire in areas with operating MTPP or OEPP outside the digital platform shall be considered *colorum* and, therefore, illegal.

For purposes of multi-homing operation of motorcycles-for-hire, the platform providers may not refuse an application for accreditation solely on the ground that an operator or rider is accredited to another platform provider.

A motorcycle-for-hire may be allowed to carry, alternately, both passengers or goods.

The maximum number of hours that a rider may operate a motorcyclefor-hire shall be specified in the implementing rules and regulations of this Act.

Motorcycles-for-hire shall operate at speeds allowable under Republic Act (RA) No. 4136, otherwise known as the “Land Transportation and Traffic Code,” as amended, 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 and MTPPs under which they operate for motorcycles-for-hire services

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 stakeholders. The fare structure shall take into consideration supply and demand components 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 MTPPs upon the operators or riders for a particular transaction. The LTFRB shall periodically review the fare structure and parameters of determining the applicable fares. The booking system of MTPPs shall feature a mechanism that enables clients to compare the transportation cost charged by each of the available digital platforms.

In the case of motorcycles-for-hire operating outside the digital platforms, the fare shall be determined by the LTFRB, after a public consultation with LGUs, the operators and other stakeholders.

SEC. 14. *Processing of Personal Data.* – Any processing, collection, use and/or storage of personal information and sensitive personal information involved in the registration/accreditation of motorcycles-for-hire, digital bookings, and other requirements under this Act shall be made in accordance with the provisions of RA No. 10173, otherwise known as the “Data Privacy Act of 2012.”

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

MTPPs and OEPPs shall be responsible for the insurance coverage of all its accredited riders. The MTPP or OEPP shall likewise be responsible for the procurement of Personal Passenger Accident Insurance for the protection of the passengers and/or goods, and, Third Party Liability insurance to cover for damages caused to any third party in the course of operation of motorcycles-for-hire.

SEC. 16. *Road Crash Quick Response System.* – Each MTPP 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 app options of the digital platforms. When necessary, the MTPP or OEPP shall advance any amount necessary for the admission of such injured person or persons to the hospital or medical facility up to the 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 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 accessible to the public.

Consistent with its mandate under RA No. 7924, entitled “An Act Creating The Metropolitan Manila Development Authority, Defining Its Powers And Function, Providing Funds Therefor And Other Purposes,” the Metropolitan Manila Development Authority (MMDA) shall continue to exercise its traffic enforcement functions within Metro Manila in furtherance of this Act.

All violations related to the terms and conditions of the franchise shall be endorsed by the LTO enforcement officers, deputized LGU enforcers and MMDA personnel to the LTRB for appropriate action.

The foregoing shall not preclude the MTPPs 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.* –

- (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 the 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 implementing rules and regulations 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 RA No. 7394, otherwise known as the “Consumer Act of the Philippines,” RA No. 11967 or the “Internet Transactions Act of 2023,” and RA 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 MTPPs 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.* – In order to provide a smooth transition in the full implementation of this Act, the authority and accreditation granted to existing MTPPs, OEPPs and operators shall continue to be effective until their expiration or six (6) months from the promulgation of the implementing rules and regulations 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, 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 the necessary rules and regulations to carry out the 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,