


SENATE
S.B. NO. 409

'19 JUL 11 P4:36

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Introduced by SENATOR IMEE R. MARCOS

AN ACT RECOGNIZING MOTORCYCLES AS PUBLIC UTILITY VEHICLES, AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 4136, OTHERWISE KNOWN AS THE "LAND TRANSPORTATION AND TRAFFIC CODE" AND REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE", AS AMENDED, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Metro Manila is one of the most traffic-congested cities in the world. To understand the economic impact of this, the Japan International Cooperation Agency¹ estimated that traffic congestion in Metro Manila will cost the government an estimated five billion pesos loss per day from two billion and four hundred thousand pesos in 2014.

The issue of traffic goes far beyond its impact on the country's capital and is, in fact, a national issue. For instance, Cebu has already become as bad as Manila in terms of traffic congestion and Davao is also on its way. Several other highly urbanized cities outside Metro Manila are well on their way to frequent traffic jams and heavy road congestion.

Despite government's lack of action, the rest of the country has recognized the role of motorcycles as an alternative mode of transportation. Given its low cost, the ownership of motorcycles across the country has been increasing. According to the Land Transportation Office's 2016 Annual Report, motorcycles are close to 50% of all registered vehicles in the country. Thus, it is but natural for motorists to consider motorcycles-for-hire.

The reality is that motorcycles, despite their inherent limitations and potential hazards, are used widely used for their affordability and their maneuverability. This is particularly true in developing cities like Bangkok, Jakarta, and Hanoi with yet-developed public transport systems, but even so in developed cities like Paris, California, and Melbourne. Across many transport systems around the world, motorcycles fill a critical

¹ URL Available: <https://cnnphilippines.com/news/2018/09/19/JICA-study-traffic-5-billion.html>.

public transport systems, but even so in developed cities like Paris, California, and Melbourne. Across many transport systems around the world, motorcycles fill a critical gap no other mode can fulfill: as a feeder service, as an end-to-end transport, and in some cases, as the only service capable of traversing roads.

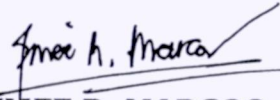
Motorcycles-for-hire used as public utility have the added benefit of employing a large number of the unskilled workforce. For example, among the 15, 000 *Angkas* drivers, around 4,000 were previously unemployed prior to becoming motorcycle drivers, and majority of them did not graduate from college and had difficulty finding and getting a job in the city. Since educational attainment is not a qualification for *Angkas* drivers, this particular Transport Network Vehicle Service (TNVS) gives a chance and opportunity for a decent and above-average means of income and livelihood for an urban poor class who otherwise will have to compete in a highly competitive formal market. There is also great potential for local motorcycle owners, transport cooperatives, and other groups (MODAs cf. TODAs) to organize their own local transport networks for profit and employment in unserved or underserved areas.

With the dawn of the digital age, the LTFRB, by virtue of a Department Order, now regulates TNVS for four-wheel vehicles. Yet, this does not cover the regulation of motorcycles being used as public utility vehicles. Even more so, Republic Act No. 4136 does not contemplate motorcycles as public utility vehicles. Neither is there a mention of motorcycles used as public utility vehicles in the Local Government Code.

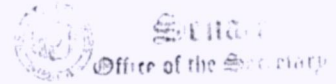
However, under Section 7(q) of the above-mentioned law, the Commissioner of Land Transportation may, in his discretion, allow the registration of motor vehicles even though it does not conform to the described regular classification provided therein. In effect, this gives the Department of Transportation (DOTr) the authority to classify a "special" kind of public utility vehicle and allow for its registration without the need for a separate legislation on this matter. By necessary implication, the DOTr through the Land Transportation Franchising Regulatory Board (LTFRB), may also regulate such vehicles.

Thus, this bill intends to amend the Land Transportation and Traffic Code and the Local Government Code to recognize motorcycles-for-hire as public utility vehicles and thus to regulate them.

Under the premises above-mentioned, the passage of this bill is earnestly encouraged.



IMEE R. MARCOS
Senator

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



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AN ACT RECOGNIZING MOTORCYCLES AS PUBLIC UTILITY VEHICLES, AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 4136, OTHERWISE KNOWN AS THE "LAND TRANSPORTATION AND TRAFFIC CODE" AND REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE", AS AMENDED, AND FOR OTHER PURPOSES

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

1 Section 1. *Short Title.* -This Act shall be known as the "*Motorcycles-for-*
2 *Hire Act.*"

3 Section 2. *Declaration of Policy.* -It shall be the policy of the State to
4 provide basic transport services to the people, and safeguarding their safety
5 and promoting their general welfare. Toward this end, the use of motorcycles-
6 for-hire as an alternative mode of public transportation is hereby recognized
7 and regulated in order to provide mobility in unserved and underserved rural
8 areas, as well as traffic congested urban centers.

9 Section 3. Section 3 of Republic Act No. 4136 is hereby amended by
10 adding new words which shall be defined as follows:

11 **+"(N) MOTORCYCLE-FOR-HIRE - ANY TWO-WHEELED MOTOR**
12 **VEHICLE USED AS A MEANS OF PUBLIC TRANSPORTATION AND**
13 **CARGO REGISTERED WITH THE LAND TRANSPORTATION OFFICE;**
14 **PROVIDED THAT FOR TRANSPORTING PASSENGERS, THE**
15 **MOTORCYCLE SHALL HAVE A MINIMUM ENGINE DISPLACEMENT OF**
16 **125 CUBIC CENTIMETERS AND A BACKBONE TYPE BUILT."**

1 **MOTORCYCLES-FOR-HIRE MAY BE OPERATED INDEPENDENTLY BY**
2 **THE OWNER OF THE MOTORCYCLE, OR MADE AVAILABLE THROUGH**
3 **A NETWORK OR DIGITAL TRANSPORT VEHICLE SERVICE (TNVS).**

4 Section 4. Section 7 (d) of Republic Act No. 4136 or the Land
5 transportation and Traffic Code is hereby amended to read as follows:

6 *"Sec. 7. Registration Classification.* - Every motor vehicle shall be registered
7 under one of the following described classifications:

8 (a) xxx

9 (b) xxx

10 (c) xxx

11 (d)

12 Public utility automobiles; (e) public utility trucks; (f) taxis and auto-calesas;
13 (g) garage automobiles; (h) garage trucks; (i) hire trucks; [and] (j) trucks
14 owned by contractors and customs brokers and customs agents [.]; **AND (K)**

15 **MOTORCYCLES-FOR-HIRE.** Application for registration under these
16 classifications shall be accompanied by a certificate of public convenience or a
17 special permit issued by the [Public Service Commission] **LAND**
18 **TRANSPORTATION FRANCHISING AND REGULATORY BOARD**
19 **(LTFRB)**, and motor vehicles registered under these classifications shall be
20 subject to the Public Service Law, rules and regulations, as well as the
21 provisions of this Act.

22 **FURTHER PROVIDED THAT MOTORCYCLES-FOR-HIRE OPERATING**
23 **STRICTLY WITHIN THE TERRITORIAL JURISDICTION OF A LOCAL**
24 **GOVERNMENT UNIT, WHETHER THESE MOTORCYCLES BELONG TO A**
25 **TRANSPORT NETWORK, OR ARE MEMBERS OF LOCAL COOPERATIVE**
26 **OR CORPORATION, OR ARE INDIVIDUAL OWNERS/OPERATORS OF**
27 **THE MOTORCYCLE, THEY SHALL BE SUBJECT TO THE PROVISIONS**
28 **OF SECTION 447 (3) (VI) AND SECTION 458 (3) (VI) OF REPUBLIC**
29 **ACT** **NO.7160.**

30 XXX."

31 Sec. 5. Section 447 (3) (VI) of Republic Act No. 7160 is hereby amended to read
32 as follows:

33 xxx

34 (vi) subject to the guidelines prescribed by the **LTFRB**, regulate the
35 operation of tricycles **AND MOTORCYCLES-FOR-HIRE AS PUBLIC**
36 **TRANSPORT OPERATING STRICTLY WITHIN THE TERRITORIAL**

1 **JURISDICTION OF A LOCAL GOVERNMENT UNIT, WHETHER THESE**
2 **MOTORCYCLES BELONG TO A TRANSPORT NETWORK, OR ARE**
3 **MEMBERS OF LOCAL COOPERATIVE OR CORPORATION, OR ARE**
4 **INDIVIDUAL OWNERS/OPERATORS OF THE MOTORCYCLE,** and grant
5 franchises for the operation thereof within the territorial jurisdiction of the
6 municipality;

7 xxx

8 Sec. 6. Section 458 (3) (VI) of Republic Act No. 7160 is hereby amended to read as
9 follows:

10 (vi) subject to the guidelines prescribed by the **LTFRB**, regulate the
11 operation of tricycles **AND MOTORCYCLES AS PUBLIC TRANSPORT**
12 **OPERATING STRICTLY WITHIN THE TERRITORIAL JURISDICTION**
13 **OF A LOCAL GOVERNMENT UNIT, WHETHER THESE MOTORCYCLES**
14 **BELONG TO A TRANSPORT NETWORK, OR ARE MEMBERS OF LOCAL**
15 **COOPERATIVE OR CORPORATION, OR ARE INDIVIDUAL**
16 **OWNERS/OPERATORS OF THE MOTORCYCLE,** and grant franchises for
17 the operation thereof within the territorial jurisdiction of the city;

18 xxx

19 Section 7.- *Roadworthiness of Motorcycles-for-hire.* - The Land
20 Transportation Office (LTO) shall guarantee the roadworthiness of
21 motorcycles-for-hire by requiring emission testing and other safeguards before
22 registration and each renewal. No modification shall be made thereafter on
23 motorcycles-for-hire, except the possible installation following LTO's guidelines
24 of a luggage carrier, saddlebag, step board or foot peg, and an appropriate
25 speed limiter and monitoring device.

26 Section 8.- *Driver's Safety.* In accordance with Section 23-A of the Land
27 Transportation and Traffic Code, as amended by Republic Act No. 10930, the
28 LTO shall impose the necessary requisites for issuance of licenses to the driver-
29 applicants, including training theoretical and practical testing and health
30 examinations. Further, safety helmets should be provided as required by law.

31 Section 9.- *Insurance.* In addition to driver's and motor vehicle insurance,
32 the LTO shall require the insurance and coverage of passengers and cargo.

33 Section 10.- *Local Government's Duties.* The concerned local government
34 unit is urged, before it could issue a franchise under this Act, to issue guidelines
35 for the operation of motorcycles in their territorial jurisdiction. These guidelines
36 may include, with the approval of the Department of Public Works and

1 Highways (DPWH) the designation of motorcycle lanes in highways, assigned
2 motorcycle parking, terminals, and such other facilities as may constitute a
3 motorcycle-for-hire transport system.

4 Sec. 11. *Repealing Clause.* - All other laws, acts, presidential decrees,
5 executive orders, issuances, presidential proclamations, rules and regulations
6 or parts thereof, which are contrary to and inconsistent with any provision of
7 this Act, are hereby repealed, amended, or modified accordingly.

8 Sec. 12. *Separability Clause.* - If any portion or provision of this Act is
9 declared unconstitutional, the remainder of this Act or any provision not
10 affected thereby shall remain in force and effect.

11 Sec. 13. *Effectivity.* - This Act shall take effect fifteen (15) days after its
12 publication in the Official Gazette or in a newspaper of general circulation.

Approved,