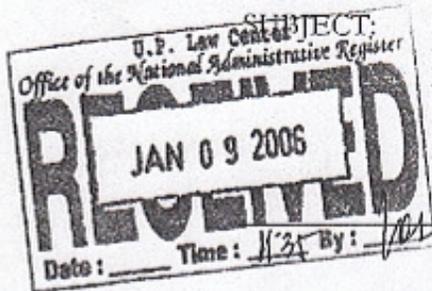




Republic of the Philippines
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

DEPARTMENT ORDER NO. 2005-37
11 November 2005



SUBJECT: RULES AND REGULATIONS GOVERNING THE ISSUANCE OF DOTC/LTO AUTHORIZATION OF MOTOR VEHICLE PRIVATE EMISSION TESTING CENTERS (PETCs) IT PROVIDERS AND MONITORING OF PETCs and PETC IT PROVIDERS

06-020

WHEREAS, pursuant to Section 21 (B) of Republic Act No. 8749, otherwise known as the "Philippine Clean Air Act of 1999", DOTC is mandated to implement the emission standards for motor vehicles as provided in the Philippine Clean Air Act of 1999, authorize private emission testing centers (PETC) duly accredited by DTI, and formulate with DTI, a national motor vehicle inspection and maintenance program that will promote efficient and safe operation of all motor vehicles;

WHEREAS, pursuant to the said Act, DOTC and DTI issued on July 11, 2001, their Joint Administrative Order No. 1, Series of 2001, providing for the Guidelines for Accreditation and Authorization of Motor Vehicle Emission Testing Centers;

WHEREAS, DOTC issued on November 24, 2003, Department Order No. 2004-01, providing for the Rules and Regulations Concerning the Issuance of DOTC/LTO Authorization of Motor Vehicle Private Emission Testing Centers;

WHEREAS, PETCs were required under DOTC DO No. 2004-01 to sign Information Technology (IT) Provider Contract Agreement and through PETC Information Technology (IT) Providers, to upload emission test results, online and real-time, to the DOTC/LTO IT System, to assure the integrity of the emission test results;

WHEREAS, DOTC earlier issued Memorandum Circular No. 2003-1, on June 11, 2003, adopting the LTO Proposal to Improve the Efficiency and Effectiveness of the PETC Information Management System;

WHEREAS, to date, not all of the LTO considered proposals have been effected to improve the efficiency and effectiveness of the PETC Information Management System (the "PETC System"), including its integration or interconnection with the DOTC/LTO IT System, and neither have proper qualifications and regulations been adopted with respect to PETC IT Providers, thereby giving rise to various deficiencies;

WHEREAS, in order to address the foregoing deficiencies, which are contributory to the continued proliferation of fraudulently issued Certificates of Emission Compliance ("CEC") or non-compliance by PETCs with the existing pertinent rules and regulations, DOTC issued on October 11, 2005, Department Order No. 2005-34, prescribing the amendments to Section 7.5 (IT Requirement) of Department Order No. 2004-01; and,

CERTIFIED COPY: 2005-37

THE COLUMBIAN TOWLER
BRGY. WACK WACK, ORTIGAS AVENUE
1555 MANDALUYONG CITY, PHILIPPINES

LEONORINO E. SAMPIRNO
RECORDS OFFICER
DOTC

TEL NOS. : (632) 725-0459 • 727-1710
TELEFAX : (632) 726-6255 • 723-8235
TRUNKLINE: 727-7960 TO 79 LOC. 232, 233, 234

05-5604

WHEREAS, there is an urgent need to optimize the performance of the PETC System in conjunction with the DOTC/LTO IT System by regulating, maximizing and monitoring the role of PETCs and PETC IT Providers towards that end.

NOW, THEREFORE, above premises considered, the following rules and regulations governing the issuance of DOTC/LTO authorization of PETC IT Providers are hereby prescribed and promulgated for the compliance, information and guidance of all concerned.

1.0 SCOPE

- 1.1 This Department Order (the "DO") promulgates the rules and regulations for the implementation of the:
 - 1.1.1 Republic Act No. 8749, otherwise known as the "The Philippine Clean Air Act of 1999";
 - 1.1.2 DTI-DOTC Joint Administrative Order No. 1, Series of 2001, providing for the Guidelines for the Accreditation and Authorization of Motor Vehicle Emission Testing Centers (the "Joint AO");
 - 1.1.3 DOTC Department Order No. 2004-01 (as amended), dated November 24, 2003, providing for the Rules and Regulations Concerning the Issuance of DOTC/LTO Authorization of Motor Vehicle Private Emission Testing Centers; and,
 - 1.1.4 DOTC Memorandum Circular No. 2003-1 dated June 11, 2003, adopting the LTO Proposal to Improve the Efficiency and Effectiveness of the PETC Information Management System (the "MC No. 2003-1").
- 1.2 These rules and regulations describe the objectives, structure, guidelines and procedures designed to ensure the efficient and effective implementation of the DOTC/LTO nationwide Authorization Program of the PETCs in general, and the PETC IT Providers in particular.

2.0 DEFINITION OF TERMS

Except as otherwise expressly provided in this DO, the capitalized acronyms, words and phrases used in this DO shall have the same meaning ascribed to them in the Joint AO, DOTC DO No. 2004-01 and amending DOTC DO No. 2005-34, and the MC-2003-1.

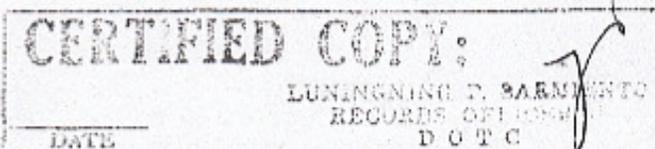


3.0 IT REQUIREMENTS

- 3.1 All PETCs shall be required to upload the emission test results, online and real-time to the PETC IT Providers. The PETC IT Providers, as aggregators of these various emission test results, are correspondingly required to upload the same data of emission test results to the DOTC/LTO IT System also on an online and real-time basis. The emission test results may therefore be validated upon registration of the motor vehicle in any LTO District Office nationwide.
- 3.2 Interfacing of equipment and the PETC computer or workstation shall be strictly enforced. There will be no human intervention in capturing test results. Likewise, the client program will not have an edit capability to alter or edit test results.
- 3.3 The PETC System shall not have direct access to the DOTC/LTO IT System's database. This is to protect the integrity of the DOTC/LTO IT System's database.
- 3.4 An interface service shall enable integration of the PETC IT Providers with the DOTC/LTO IT System, the services and maintenance of which shall be the sole responsibility of the PETC IT Providers, and shall entail no cost to LTO.
- 3.5 The PETC IT Providers and the DOTC/LTO IT System shall provide audit trails and reports of all the emissions test transactions to DOTC/LTO.
- 3.6 No PETC and PETC IT Provider, as the case may be, shall be granted any authorization by the Authorization Committee unless the PETC IT Provider has complied, and continues to comply, with the qualifications and requirements stated herein.

4.0 QUALIFICATIONS OF A PETC IT PROVIDER APPLICANT

- 4.1 Any natural person who is at least eighteen (18) years of age or any juridical person who is not disqualified by any existing law or regulation to engage in vehicle emission testing activity is qualified to apply for authorization, provided, that all the other requirements stated in this DO are complied with.
- 4.2 No DOTC/LTO personnel, his or her spouse, or relative by consanguinity or affinity within the third (3rd) civil degree shall have ownership of, or a financial interest in, a PETC IT Provider applicant.



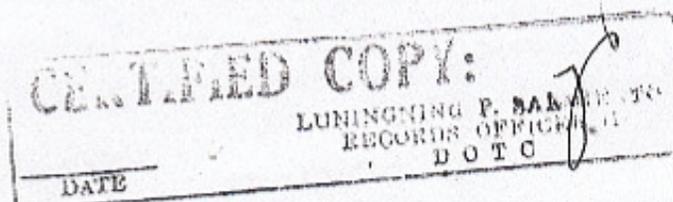
- 5.15 Such other documents or requirements that the DOTC/LTO may require from time to time to protect the interests of the government and the public.

6.0 SOFTWARE AND HARDWARE REQUIREMENTS

6.1 PETC IT PROVIDER LEVEL

6.1.1 All PETC IT Providers must submit to LTO the following:

- a. Client Application Users Manual;
 - b. System set-up and network layout;
 - c. System Documentation -
 - i. Complete description of executable file of the client program;
 - ii. System security policy;
 - iii. Declaration and list of main application, sub-programs or other files associated with the submitted Client Application; and,
 - iv. Screen shots of folder location, file (s) location and size for each and every system file;
 - d. List of PETC clients with the following descriptions for each -
 - i. System set-up and network layout;
 - ii. Number of workstations utilized;
 - iii. Date of initial installation;
 - iv. Last system update done; and,
 - e. Certificate of installation of Client Application per PETC.
- 6.1.2 Screen shots of any third (3rd) party emission test software being used by the Client Program [application location, file (s) and size (s), folder (s)] per PETC.
- 6.1.3 No access code shall be given to PETCs when Internet or DSL connection fails.
- 6.1.4 An Incident Report shall be furnished to the DOTC/LTO IT System within twenty-four (24) hours from the date of the occurrence, in the event that the PETC IT Provider fails to upload data in real time.



5.0 DOCUMENTARY REQUIREMENTS

- 5.1 A duly accomplished application form under oath (See Exhibit "A").
- 5.2 A certified true copy of the following:
 - 5.2.1 For sole proprietorship, DTI Certificate of Business Name Registration;
 - 5.2.2 For corporations or partnership, the Securities and Exchange Commission's Certificate of Registration of the Articles of Incorporation or Partnership, and Board or Partners' Resolution,¹ issued by the Board Secretary or Managing Partner, specifying the name of the authorized representative who must be an officer of the corporation or partnership.
- 5.3 Permit to operate business issued by the proper local government unit;
- 5.4 BIR Registration and TIN;
- 5.5 SSS Membership Certificate;
- 5.6 Audited Financial Statement for the last two (2) years or the pre-operating Financial Statement, whichever is applicable, showing that the owner-applicant shall be in such financial condition as to reasonably expect it to operate for at least one (1) year;
- 5.7 Location map and layout of the principal office address or operations of the PETC IT Provider, including dimensions;
- 5.8 Organizational structure showing the relationship between the PETC IT Provider and other operations of the applicant, when applicable, and the structure of the PETC IT Provider showing its personnel and their respective functions;
- 5.9 List of personnel involved with the operation of the PETC IT Provider, including their job descriptions, responsibilities and qualifications;
- 5.10 List of all equipment, including manuals and reference materials;
- 5.11 Agreement or Contract Between PETC or PETC IT Provider;
- 5.12 Agreement or contract granting the PETC IT Provider interconnectivity with the DOTC/LTO IT System;
- 5.13 Picture of establishment;
- 5.14 Handling procedure on complaints; and,

CERTIFIED COPY:
LUNINGNING P. S. BERMUNDO
RECORDS OFFICER
DOTC

DATE _____

6.1.5 Uploaders of the PETC IT Provider shall have an automatic synchronization of time and date with the PETC System and the DOTC/LTO-IT System.

6.1.6 In the event that a Client Application be reconfigured so as to make adjustment to the third (3rd) party software being used by the PETC, a screen shot must be submitted to the LTO for eventual re-evaluation, with the corresponding test equipment.

6.1.7 All PETC IT Providers Client Application Program (the "Client Program") shall adhere to the following specifications:

- a. The Client Program shall automatically detect the presence or absence of interfaced test machines. No Client Program shall be operating without a test machine being interfaced.
- b. The Client Program shall automatically capture test machine reading. Time allowed is not more than five (5) seconds. If this time allocation is exceeded, the test result should be dumped or purged to be unusable, or declared invalid and therefore subject for vehicle re-test.
- c. No test result shall be delayed or be resident in the location of the third (3rd) party software for more than two (2) minutes. The Client Program should have an automatic deletion or purging of these unused results if found residing for more than the specified time.
- d. No Client Program shall accept entries corrupted or generated using different applications other than the format generated by the third (3rd) party software.
- e. The Client Program shall be able to filter same value data of test result that had been earlier uploaded. No previous test result shall be refreshed or re-uploaded.
- f. The Client Program shall make an automatic time and date synchronization procedure with the PETC IT Provider main server upon user log-in.
- g. The Client Program shall have an automatic time lock of thirty (30) minutes for failed vehicle before it can be re-tested in the same center.
- h. No Client Program shall be able to print CEC without any test machine being interfaced.

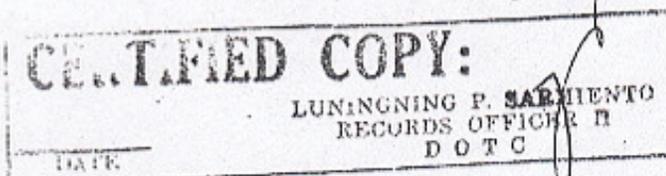
CERTIFIED COPY:

LUNINGNING P. SARMIENTO
RECORDS OFFICER
DOTC

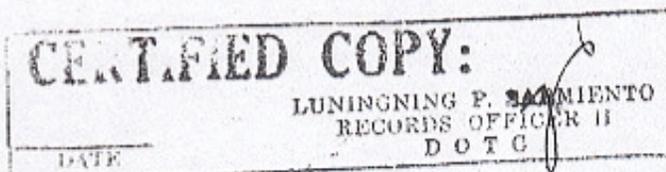
DATE

- i. Upon installation of the Client Program, the PETC IT Provider shall ensure that no other Client Program shall be resident on any workstation of a PETC in conflict with any other Client Program;
- j. No Client Program must have a reprint module capable of allowing modifications of any information other than CEC number, and shall follow the same expiration date as the original CEC printout.
- k. No re-print request shall be authorized if the present date is later than two (2) months from the date and time the vehicle was tested.
- l. Client Program should not accept record with blank entries on supposedly mandatory fields.
- m. Client Program must have the PETC IT Provider's corporate, partnership or business name with logo or any coded identification that will uniquely identify the PETC IT Provider Client Program;
- n. Client Program shall comply with the ruling upload first before printing of CEC.
- o. Mobile operations may only be authorized to have a batch upload access with a PC/Lap-top computer if the Client Program being used during said operation has the capability to carry the same Client Program installed at the main branch of the PETC and the PETC IT provider shall certify that it shall carry the same component capability of being able to be interfaced with the test equipment. All mobile operations must be supported by a DOT Accreditation to conduct mobile or fleet emission testing operations;
- p. Report generated from the Client Program shall bear necessary information for monitoring, the format of which shall conform with the DOTC/LTO IT System provided format.
- q. All Client Programs must follow set data requirements for upload into the DOTC/LTO IT System.

6.1.8 PETC IT Providers must notify in writing LTO of any PETC client that continues to operate despite orders of suspension or closure of operation.



- 6.1.9 All uploads shall adhere to the twenty-four (24) hours grace period. Time computation for delayed/batched upload shall not be more than twenty-four (24) hours from the date/time the vehicle was tested.
- 6.1.10 No demo data shall be uploaded to the DOTC/LTO IT System.
- 6.1.11 No PETC IT Provider shall edit (post-date) the date and time of emission test upon upload to the DOTC/LTO IT System's interface database to make it appear that the test was made within the day and uploaded on real time as required.
- 6.1.12 The PETC IT Provider's hardware specifications should be able to cater to at least one thousand five hundred (1,500) PETC Emission Tests a day.
- 6.2 PETC LEVEL.
- 6.2.1 The LTO shall be notified of all system changes made related to a PETCs operation.
- 6.2.2 If any system or IT-related major problem found in the system occurs during operation of the PETC and the PETC fails to send notice to both its PETC IT Provider and LTO, the PETC shall be considered liable for a violation of the conditions of its authorization.
- 6.2.3 A notification must be forwarded to LTO of any revision done by the PETC IT Provider on their corresponding Client Program within twenty-four (24) hours thereof.
- 6.2.4 Any LTO approved back-up Client Program can be used only if its currently registered PETC IT Provider cannot perform its function, and upon prior notification of and approval by the LTO. Otherwise, the ruling of one (1) PETC IT Provider per PETC shall apply.
- 6.2.5 PETCs should have the following present in their system:
- a. All emission test and uploads including picture (upon implementation of web-cam or digicam requirement of the PETC program) shall be maintained for one (1) year after emission test was conducted and shall be retrievable anytime as requested;
 - b. The approved Client Program of their listed PETC IT Provider with contract of subscription; and,



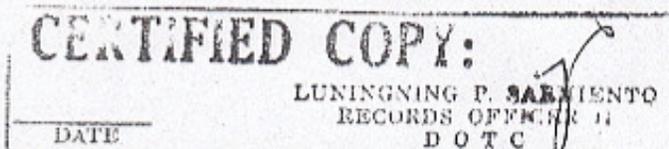
- c. A certificate of interfacing submitted and on file, which states that the system was inspected on-site and approved during authorization and/or reauthorization process.
- 6.2.6 A PETC shall ensure the accuracy of data uploaded, specially the required fields of the DOTC/LTO IT System.
 - 6.2.7 PETC shall upload all vehicle emission test results, namely HC, CO, CO2, O2, and date and time tested.
 - 6.2.8 Real time uploading to the DOTC/LTO IT System shall be strictly imposed.
 - 6.2.9 If a PETC decides to transfer to another PETC IT Provider or add another PETC IT Provider as back-up before its scheduled re-authorization, the PETC is required to undergo re-authorization with its new and/or back-up PETC IT Provider and submit the following documents:
 - a. Letter of request to transfer;
 - b. Contract of subscription and certificate of interfacing from the new PETC IT Provider; and,
 - c. An inspection certification or acknowledgement by LTO that the PETC with the new PETC IT Provider is complying with this D.O.

7.0 HANDLING OF COMPLAINTS

The PETC IT Provider shall have the policy and procedure for the resolution of complaints received from PETCs or other parties. Records shall be maintained of all complaints and of the investigations and corrective actions undertaken by the PETC IT Provider.

8.0 FEES AND CHARGES

- 8.1 For purposes of computing the authorization fees, the classification of enterprises provided in the Joint AO are hereby adopted and made applicable to PETC IT Providers.
- 8.2 Collection of fees and charges for authorization shall be the responsibility of the LTO-C.O.



9.0 AUTHORIZATION AND MONITORING PROCESS

- 9.1 The Authorization Process provided under Section 9 of DO No. 2004-01 dated November 24, 2003 (as amended), are hereby adopted and when appropriate, are made applicable for all applications for authorization by PETC IT Provider applicants, *mutatis mutandi*; provided, that all applications for authorization shall be reviewed and evaluated by the LTO-C.O. Authorization Committee, which shall have the same composition as stated in Section 5.3.1 of DO No. 2004-01, for final approval of the authorization by the LTO Assistant Secretary.
- 9.2 DOTC, through the Office of the Secretary's duly designated Undersecretary and the Secretary's Investigation, Security and Law Enforcement Staff, shall monitor the over-all effective implementation of the PETCs and PETCs IT Providers Programs and compliance of the same by all authorized PETCs and PETC IT Providers pursuant to DOTC's mandate to implement the emission standards for motor vehicles under the Philippine Clean Air Act of 1999.

10.0 PENALTIES

- 10.1 After due notice, DOTC/LTO shall impose, when warranted, any of the following applicable administrative penalties:
- A fine of not less than Thirty Thousand Pesos (PhP 30,000.00); or,
 - Cancellation of the Certificate of Authorization of the PETC IT Provider; or,
 - Both, as may be determined by DOTC/LTO.
- 10.2 A pending administrative case shall not bar the filing of appropriate civil or criminal case(s) against the PETC IT Provider.

11.0 REPEALING CLAUSE

Any related orders, issuances or parts thereof, which are inconsistent with the provisions of this DO, are hereby repealed or amended accordingly.

12.0 EFFECTIVITY

This DO shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation in the Philippines.

LEANDRO R. MENDOZA
Secretary



DOTC-OSEC OUTGOING

05-02142/AUE

CERTIFIED COPY:

LUNINGNING P. SARMIENTO
RECORDS OFFICER II
DOTC

PETCIT PROVIDER Application Form

Application No. _____
Date _____

Name of Applicant:	
Principal Office Address:	Tel/Fax No.
TYPE OF ORGANIZATION	
<input type="checkbox"/> Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> Sole Proprietorship	
Authorization No. (For Renewals)	Date of Registration
CATEGORY (Please check appropriate box)	
<input type="checkbox"/> Small (Authorized Capital/Assets of Php 1 Million to Php 15 Million)	
<input type="checkbox"/> Medium (Authorized Capital/Assets of Php 16 Million to 100 Million)	
<input type="checkbox"/> Large (Authorized Capital/Assets of over Php 100 Million)	
LIST OF PRIVATE EMISSION TESTING CENTERS/CLIENTS CONNECTED	
PETC Name	Authorization Number

Printed Name and Signature of Authorized Representative: _____ Designation: _____

Subscribed and sworn to me before this _____, affiant exhibiting to me his/her Community Tax Certificate No. _____, issued at _____, on _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series _____.

CERTIFIED COPY:

LUNINGNING P. ABMIENTO
RECORDS OFFICER II
DOTC

DATE _____