



Republic of the Philippines

DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

DEPARTMENT ORDER NO. 2016-020

SUBJECT : MORATORIUM ON THE ACCEPTANCE OF APPLICATIONS FOR NEW AUTHORIZATION OF PETCs

Section 21 of Republic Act 8749 (the Philippine Clean Air Act of 1999) mandates the Department of Transportation (DOTr), together with the Department of Trade and Industry (DTI) and the Department of Environment and Natural Resources (DENR), to establish the procedures for the inspection of motor vehicles and the testing of their emissions;

Under the same section, the DOTr is tasked to enforce compliance with the emission standards set by the DENR and is empowered to authorize private emission testing centers (PETCs) accredited by the DTI;

Over the years, however, the number of PETCs accredited and authorized by the DTI and DOTr, respectively, has increased disproportionately *vis-à-vis* the number vehicles undergoing emission tests yearly;

Based on a time and motion study conducted before by the Land Transportation Office, a single-lane PETC can test at least eighty vehicles per day;

Only around 600 PETC lanes are thus needed to accommodate the estimated 8 million registered vehicles all over the country;

However, there are now 1,736 PETCs nationwide, many of them even having multiple lanes, resulting in the industry becoming saturated and virtually unviable;


This has led to cutthroat competition among PETCs, with many resorting to the now prevalent practice of "nonappearance testing," *i.e.*, making it falsely appear that a vehicle was subjected to emission testing when in fact it was not, to entice customers;

ACCORDINGLY, a nationwide moratorium is hereby imposed on the acceptance of applications for new authorization of PETCs, except in areas where, as determined by this Department, in coordination with the Regional Office concerned, the existing PETCs are still insufficient to accommodate the usual number of vehicles undergoing emission testing there.

Existing orders, circulars, memoranda and other prior issuances and administrative regulations that are inconsistent with the provisions of this Order, if any, are hereby amended, modified, superseded or repealed accordingly.

This Order shall take effect five days after its publication in the Official Gazette or a newspaper of general circulation.

07 October 2016


ARTHUR P. TUGADE
Secretary

