



Republic of the Philippines

DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

DEPARTMENT ORDER NO. 2016-017

**SUBJECT: TRANSFER TO THE DOTR OF THE FUNCTIONS OF THE LTO
CENTRAL OFFICE UNDER DEPARTMENT ORDER 2012-10**

WHEREAS, 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;

WHEREAS, 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 (PETC) accredited by the DTI;

WHEREAS, Section 35 of DTI-DOTr Joint Administrative Order (JAO) 1, Series of 2001 (Guidelines for Accreditation and Authorization of Vehicle Emission Testing Centers) provides that the DTI and the DOTr/Land Transportation Office (LTO) shall jointly monitor and inspect all accredited and authorized PETCs;

WHEREAS, furthermore, DENR-DTI-DOTr JAO 1, Series of 2003 (Guidelines and Procedures for the Monitoring of Accredited and Authorized PETCs and LTO Emission Testing Activities), as amended by JAO 1, Series of 2007, requires the conduct of emission testing and the issuance of a Certificate of Emission Compliance (CEC) prior to the renewal of the registration of a motor vehicle;

WHEREAS, pursuant to the above policies, in September 2012, then DOTr Secretary Mar A. Roxas issued Department Order (DO) 2012-10, providing for the rules and regulations on, among others, the authorization and monitoring of PETCs;

WHEREAS, DO 2012-10 (hereinafter the "DO") made the LTO the agency primarily responsible for the authorization and actual monitoring of PETCs;

WHEREAS, since the issuance of the DO, there have been many reported instances of "nonappearance tests," i.e., CECs being issued to vehicle

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owners without emission tests having been actually performed on their vehicles;

WHEREAS, the rampancy of these "non-appearance tests" makes it necessary to strengthen and improve the present PETC authorization and monitoring program of the DOTr;

NOW, THEREFORE, it is hereby ordered as follows:

1. All the functions of the LTO Central Office (CO) under the DO, especially, but not limited to, those provided in its Subparagraph 4.1 shall be transferred to the DOTr, and all the duties and responsibilities of the Assistant Secretary for LTO under the DO shall now be performed by the Undersecretary for Legal Affairs and Procurement.
2. The functions of the PETC Authorization Committee and the Inspection/Monitoring Team, which were created pursuant to Subparagraph 4.3, shall be absorbed by the Franchising Review Staff (FRS) and the Investigation, Security and Law Enforcement Staff (ISLES), respectively. These functions shall remain as they are, except that all the recommendations and reports the PETC Authorization Committee (now the FRS) is required or permitted by the DO to submit to the Assistant Secretary for LTO shall be submitted instead to the Undersecretary for Legal Affairs and Procurement.
3. The composition and functions of the Regional Authorization Committees (RAC) shall remain as they are, except that all the recommendations and reports they are required or permitted by the DO to make shall be submitted to the Undersecretary for Legal Affairs and Procurement.
4. All certifications, approvals, decisions and actions required or permitted by the DO to be made by the LTO or the Assistant Secretary shall be made instead by the DOTr, through the Undersecretary for Legal Affairs and Procurement.
5. All transactions of the PETC IT Service Provider with the LTO under Paragraph 6 of the DO shall be made with the DOTr. Further, actual possession and control of the Image Repository Database Server mentioned in Subparagraph 6.1.7 shall be transferred to ISLES.
6. The one-year period for which the PETC IT Service Provider is, under Subparagraph 6.1.6 of the DO, required to maintain a record of its

database is hereby extended to four years. This extension shall have retroactive application, such that all data collected and stored in the database in the last four years prior to the effectivity of this Order shall be covered by the requirement.

7. Notwithstanding the provisions of Paragraph 17 of the DO, ISLES shall have the power to suspend preliminarily, with immediate effectivity, the authorization of a PETC found to have falsified a test result or entered any false information about a vehicle it has tested, pending the conduct of the proceedings provided in the said Paragraph. Aside from the PETC concerned, copies of the suspension order shall be served likewise to the PETC IT Service Provider, which shall be subjected to the same penalties provided in the second sentence of Subparagraph 17.5, should it disregard the said order by continuing to accept or process any data transmitted by such PETC.

8. In cases of falsification of test results, the fine of thirty thousand pesos (P30,000.00) provided in Subparagraph 20.1 (a) shall be imposed on an erring PETC for each count or instance of infraction.

9. 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.

10. This Order shall take effect fifteen (15) days after its publication in the Official Gazette or a newspaper of general circulation.

5 September 2016


ARTHUR P. TUGADE
Secretary


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