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SENATE
P.S. Res. No. **1288**

RECEIVED BY: 

INTRODUCED BY SENATOR ALAN PETER "COMPAÑERO" S. CAYETANO

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE INEFFICIENT REGULATIONS, UNDUE BURDEN, INCONVENIENCES AND HARASSMENT THAT THE LAND TRANSPORTATION OFFICE (LTO) HAS IMPOSED ON THE FILIPINO PEOPLE, SUCH AS THE IMPLEMENTATION OF THE "NO REGISTRATION, NO TRAVEL" POLICY AND THE REPORTED UNAVAILABILITY OF VEHICLE LICENSE PLATES AND DRIVER'S LICENSE CARDS, WITH THE END IN VIEW OF INSTIGATING REAL CHANGES IN THE WAY THE LTO IS DISCHARGING ITS FUNCTIONS AND ENSURING THAT THE FILIPINO PEOPLE GET THE QUALITY GOVERNMENT SERVICES THAT THEY DESERVE

WHEREAS, it is a policy of the State to ensure the establishment, promotion, development, operation, maintenance and regulation of viable, efficient, fast, safe and dependable transportation and communications systems as effective instruments for national recovery and economic progress. In this regard, the Administrative Code of 1987 designates the Department of Transportation and Communications (DOTC) as the primary policy, planning, programming, coordinating, implementing, regulating and administrative entity of the Executive Branch in the pursuit of these goals. Meanwhile, the DOTC's Land Transportation Office (LTO) is tasked with the implementation and enforcement of all land transportation policies, programs and projects, including the registration of motor vehicles and the issuance of driver's licenses, as well as the enforcement of all land transportation laws, rules and regulations;

WHEREAS, the DOTC has a total budget of P59.5 billion in 2015, up by 21.4% from 2014. Yet, despite the increasing budget for DOTC, transportation-related problems still continue to plague the daily lives of millions of Filipinos. Traffic congestion in metropolitan areas have reached serious proportions and have caused productivity losses of up to P2.4 billion a day. Every day, hundreds of thousands of commuters using the Metro Rail Transit (MRT) and Light Rail Transit (LRT) systems endure long queues and waiting lines, as well as frequent technical glitches that cause delays and even physical injuries for the more unfortunate. Our airports are not only congested, but also dilapidated, with the Ninoy Aquino International Airport Terminal I even previously dubbed as the worst in the world. These are just a few of the everyday challenges that the Filipino people face with regard to transportation;

WHEREAS, these transportation problems have adversely affected the lives of citizens and businesses who have been diligently working and dutifully paying their taxes to the government in order to contribute to the national economy. For example,

the automotive industry alone is responsible for approximately 3.6% of the country's Gross Domestic Product, has over P120 billion in accumulated investments in the Philippines and is paying approximately P30 billion in taxes and duties annually. Despite these contributions, the automotive industry is one of the most badly hit by the inefficiencies of the government and its agencies;

WHEREAS, government agencies were established to serve and assist citizens rather than to impose burdens and make life more difficult for them. It is clear, therefore, that government agencies should not impose regulations which are unjust and unnecessary, nor those which create or impose bureaucratic red tape, to the detriment of the Filipino people;

WHEREAS, pursuant to Republic Act No. 4136 (Land and Transportation and Traffic Code), DOTC Joint Administrative Order No. 2014-01 (Revised Schedule of Fines and Penalties for Violations of Laws, Rules and Regulations Governing Land Transportation), and other applicable rules and regulations, the LTO recently issued:

- (i) LTO Memorandum Circular No. AVT-2015-1927 dated March 20, 2015, on the "No Registration, No Travel Policy"; and
- (ii) LTO Memorandum Circular No. AVT-2015-1925 dated March 19, 2015, removing the 150-days validity period of temporary driver's license;

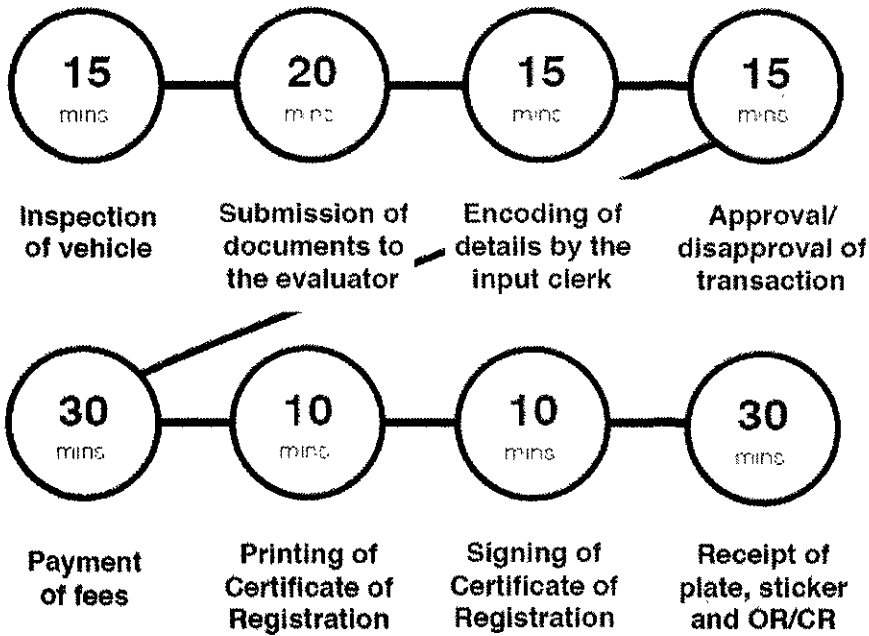
WHEREAS, LTO Memorandum Circular No. AVT-2015-1927 (No Registration, No Travel Policy) provides that, starting April 1, 2015, fines and other penalties shall be imposed against those using, driving or operating four-wheeled motor vehicles that are not duly-registered with the LTO. Any vehicle without license plates shall be stopped, and if the driver is able to present only the vehicle's Certificate of Registration (CR) and Official Receipt (OR), a fine of P5,000.00 shall be imposed for failure to attach the plates;

WHEREAS, the Circular also provides that if the driver is unable to present the CR/OR, he must present the (i) Certificate of Stock Reported; (ii) Sales Invoice dated within seven (7) days prior to the apprehension; and (iii) Certificate of Insurance Cover dated on or after the date of the Sales Invoice. In the absence of any of these documents, the vehicle owner shall be fined the amount of P10,000.00 for using an unregistered vehicle, and the driver shall be fined the amount of P1,000.00 and cited for reckless driving. Further, if at the time of the apprehension, the date of the Sales Invoice exceeds thirty-seven (37) days from the date of purchase, the vehicle shall also be impounded;

WHEREAS, car dealers and vehicle owners reacting to the Circular have raised the concern that the entire process for the registration of a new motor vehicle cannot be completed within seven (7) days. Even if the required clearances and other documents are promptly secured from the Philippine National Police, Registry of Deeds, and other relevant agencies, and immediately submitted to the LTO, the vehicle plates are not released on time due to the current problem of unavailable plates. The LTO is reportedly still addressing the problem, and is currently working to release all the plates from the previous years' backlogs;

WHEREAS, in its Citizen's Charter, which allegedly reflects LTO's adoption of simplified procedures and higher standards of public service to promote transparency and accountability in the access of all LTO services for the clientele's optimum satisfaction, the LTO gravely misrepresented that the entire process for vehicle registration only takes 145 minutes, as follows:

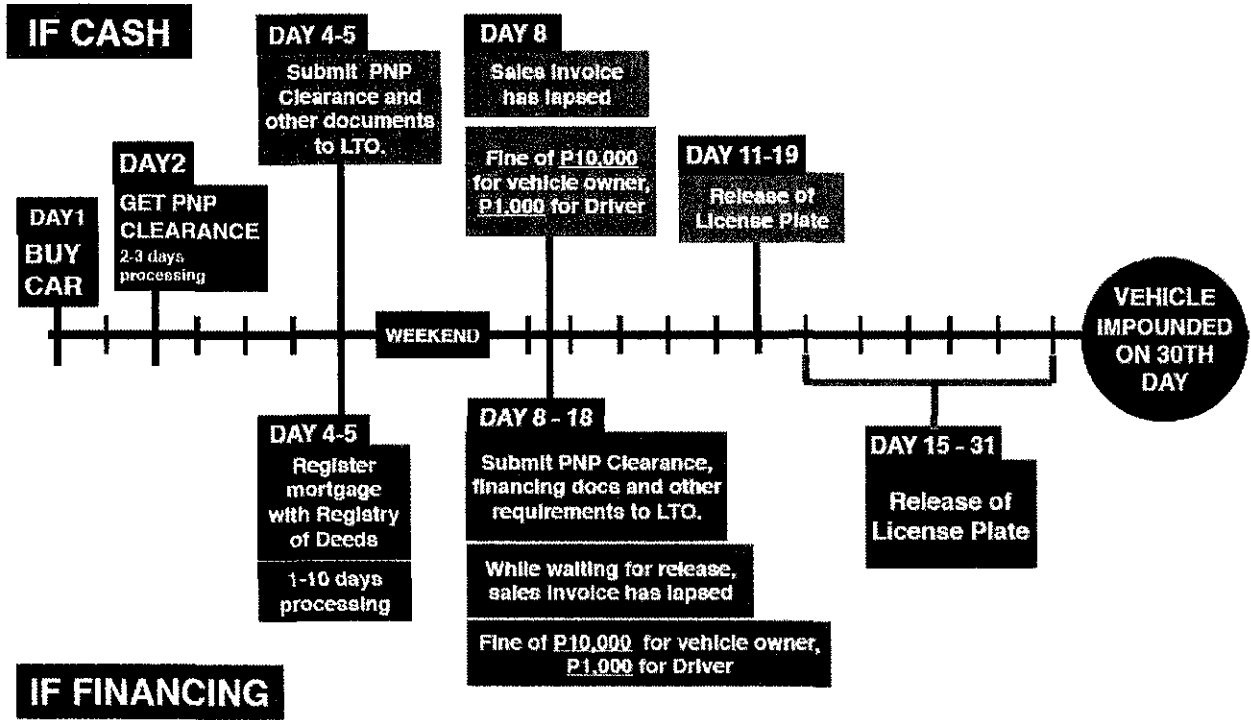
FICTION VS. REALITY
(LTO CITIZENS CHARTER)



FICTION TOTAL: 145 MINUTES

WHEREAS, in truth and in reality, car dealers say that it usually takes 19 to 31 days to process a vehicle registration with the LTO, as follows:

FICTION VS. REALITY
(CAR DEALER'S EXPERIENCE)



REALITY TOTAL: 19 TO 31 DAYS

WHEREAS, in 2013, the LTO failed to achieve its performance targets in manufacturing license plates as follows:

PLATES MANUFACTURED	PERFORMANCE TARGETS	ACTUAL	
Motor Vehicles Plate	400,820	232,934	50% Below Target
MC/Trailer Plates (in pieces)	1,108,220	926,571	20% Below Target

WHEREAS, in the case of driver’s licenses, LTO admitted in Memorandum Circular No. AVT-2015-1925 that the delay of the release of the driver’s license plastic cards is due to the shortage of plastic materials used for the production thereof;

WHEREAS, it has been reported that DOTC-LTO failed to promptly engage the services of a dependable supplier of the necessary materials, and are still conducting the bidding process for the P450-million project that aims to stabilize the supply of license cards by the third quarter of 2015;

WHEREAS, obviously, if the LTO has not been able to deliver on its duty to issue both license plates and driver’s licenses within the required period of time, then there is more than just a simple oversight on the part of LTO officials. What the current delays in the LTO clearly indicate is that there is a pervasive problem in the way the LTO is crafting its regulations and conducting its operations;

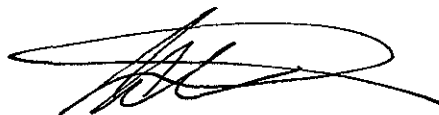
WHEREAS, it is unjust to unduly burden the public with the inefficiencies of government agencies and/or their private contractors. Vehicle owners and drivers, the source of LTO’s revenue collections amounting to more than 17-billion pesos in 2013, should not be forced to pay excessive fines and/or prevented from using their private property;

WHEREAS, the drafting of future DOTC/LTO issuances shall be preceded by discussions among the affected stakeholders, including car dealers, vehicle owners and government agencies involved in the car registration process, to ensure that the same reflect realistic, feasible and reasonable government policy.

WHEREAS, it is the responsibility of Congress to promote the welfare of the people by ensuring affordable and quality public transportation for all, by easing the burdens of transacting with the government, and by ensuring that the policies and fines imposed by government agencies are not excessive, arbitrary or confiscatory; *Now, therefore, be it:*

RESOLVED, that the Philippine Senate direct the appropriate committees to conduct an inquiry, in aid of legislation, on the inefficient regulations, undue burdens and hassles that the Land Transportation Office (LTO) has imposed on the Filipino people, such as the implementation of the “No Registration, No Travel” Policy and the reported unavailability of vehicle license plates and driver’s license cards, with the end in view of instigating real changes in the way the LTO is discharging its functions and ensuring that the Filipino people get the quality government services that they deserve.

Adopted,



ALAN PETER "COMPAÑERO" S. CAYETANO
Senator