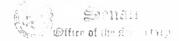
NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES *First Regular Session*



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SENATE

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P. S. Res. No. 56

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Introduced by Senator FRANCIS G. ESCUDERO

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE BACKLOG IN THE PRODUCTION AND DISTRIBUTION OF MOTOR VEHICLE REGISTRATION PLATES, WITH THE END IN VIEW OF PROMOTING INTEGRITY. TRANSPARENCY AND ACCOUNTABILITY IN THE **OPERATIONS** OF GOVERNMENT AND ON MATTERS INVOLVING PUBLIC INTEREST, **ENSURING SOUND UTILIZATION OF PUBLIC FUNDS, AND ESTABLISHING** APPROPRIATE GOVERNMENT MECHANISMS TO ADDRESS BOTTLENECKS IN THE DELIVERY OF **GOVERNMENT** SERVICES

1 WHEREAS, a motor vehicle registration plate and the unique legal identity it 2 conveys to both the vehicle and its owner serve a critical role not only in traffic 3 management but also in other aspects of security administration and law 4 enforcement;

5 WHEREAS, the Land Transportation Office (LTO) is mandated to enforce 6 transportation laws, rules and regulations, including the registration of motor 7 vehicles and the issuance of registration plates;

8 WHEREAS, LTO processed the registration of and collected fees for motor 9 vehicle registration plates from 89,934 cars; 180,452 utility vehicles; 72,907 sports 10 utility vehicles; 41,203 trucks; 1,702 buses; 2,108,565 motorcycles; and 5,427 11 trailers in

12 FY 2021;

WHEREAS, LTO collects fees for motor vehicle registration plates in the amount
 of P120.00 for motorcycles and P450 for vehicles with four or more wheels;

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WHEREAS, the FY 2021 annual audit report of the Commission on Audit (COA)
 noted that the LTO collected P483,764,523.62 worth of service and business income
 from registration plates, tags, and sticker fees for the same year;

WHEREAS, the production and issuance of registration plates have been suffering from protracted delays, with vehicle owners having to wait for months, if not years, before they receive the registration plates for their motor vehicles;

7 WHEREAS, a revalidation COA initiated in FY 2021 regarding the 8 implementation status of FY 2020 audit observations revealed that a total of 9 2,561,629 pairs of replacement plates required under the LTO Motor Vehicle License 10 Plate Standardization Program remained undelivered, which amounts to 11 P1,152,733,050.00 of fees collected from four-wheeled motor vehicle owners;

WHEREAS, the LTO disclosed in June 2022 that the agency has yet to produce some 11 million registration plates that would require billions of pesos in appropriations;

15 WHEREAS, the lapses in providing appropriations cover, complying with 16 procurement processes and standards, and enforcing the provisions of awarded 17 contracts have hindered the full implementation of registration plate production and 18 distribution in the past;

WHEREAS, the delayed LTO decision on whether to change to a new registration plate series or to continue the existing series of the replacement plates has held back the production of registration plates and, as COA observed, indicates lapses in the performance by the LTO management of one of its mandates;

WHEREAS, the convoluted manner by which fees for registration plates are collected by the LTO, remitted to the National Treasury, and appropriated back to LTO for registration plate production has increased the administrative cost of producing registration plates without discernible benefits in terms of improving service delivery or preventing leakages and corruption;

28 WHEREAS, in July 2022, the LTO noted that it needs P6.8 billion to clear the 29 backlog of unprinted registration plates for motor vehicles – an amount 161% bigger

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than the P2.6 billion initial estimate made by the same agency in April
2022;WHEREAS, the protracted delays unduly burden vehicle owners who paid for the
vehicle plates in full;

WHEREAS, such delays likewise burden the general public – a majority of whom do not own any motor vehicle – that has to absorb the inflationary and bureaucratic cost of delayed plate production;

7 WHEREAS, there is an urgent need to determine the underlying cause of the 8 failure to clear the backlog in registration plate distribution, to ensure the effective, 9 efficient and economical use of public resources collected from motor vehicle 10 owners, and to appraise the public on the steps being undertaken by the 11 government to address this concern: Now, therefore, be it

RESOLVED BY THE SENATE, as it is hereby resolved, To direct the appropriate Senate committee to conduct an inquiry, in aid of legislation, on the backlog in the production and distribution of motor vehicle registration plates, with the end in view of promoting integrity, transparency and accountability in the operations of government and on matters involving public interest, ensuring sound utilization of public funds, and establishing appropriate government mechanisms to address bottlenecks in the delivery of government services.

Adopted,

FRANCIS G. ESCUDERO

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