A RESOLUTION

URGING THE DEPARTMENT OF TRANSPORTATION TO DEFER THE IMPLEMENTATION OF LTO MEMORANDUM CIRCULAR NO. 2020-2225 UNTIL ALL THE INITIALLY QUALIFIED PMVICs ARE GIVEN THE AUTHORIZATION CERTIFICATE TO OPERATE AND UNTIL FURTHER STUDIES ARE PRESENTED SUPPORTING THE NECESSITY OF HAVING ADDITIONAL PMVICs AND ON THE IMPACT ON EXISTING INVESTORS

WHEREAS, On November 12, 2020, the Land Transportation Office (LTO) issued Memorandum Circular (MC) No. 2020-2225 or the Declaration of Opening of Identified Additional Sites for the Establishment of Private Motor Vehicle Inspection Center (PMVIC);

WHEREAS, through Resolution No. PMVIC-2020-VAR-02, the PMVIC Authorization Committee (PMVIC AC) resolved to adopt and approve the opening of additional sites submitted by the LTO for the establishment of PMVICs, which opened a total of 209 additional sites;

WHEREAS, the Department of Transportation (DOTr), through the LTO issued MC 2019-009 wherein 138 sites were approved and opened;

WHEREAS, as of date, out of the 138 initial sites, only five PMVICs have been given Authorization Certificate to Operate or ACTO, and are now operational, while eleven more PMVICs have been recently inspected and awaiting their respective ACTO;

WHEREAS, on October 16, 2020, the LTO issued MC 2020-2217 granting the start of the operation of the 4 PMVIC sites, within their respective Geographical Area of Responsibility (GAOR);

WHEREAS, as of date, Private Emission Testing Centers (PETC) are still in operation. LTO still accepts Certificates of Emission Compliance (CEC) from PETCs in the registration of Motor Vehicles, even within the GAOR of PMVICs already operating;

WHEREAS, the presence of PETCs and the acceptance of CECs from PETCs in the registration of Motor Vehicles in the GAOR of PMVIC creates unfair competition, as CECs are significantly cheaper than the published rates of PMVICs;

WHEREAS, the implementation of MC 2020-2225 in allowing the opening up of more sites, especially within the GAOR of the PMVICs who were given authority, as well as those PMVICs who are currently under construction and working towards securing ACTO is manifestly unfair;
WHEREAS, MC 2020-2225 undermines the efforts of the PMVICs who first applied, and after stringent requirements and deadlines, were qualified and given the provisional authorities to start construction on the PMVICs;

WHEREAS, MC 2020-2225 renders the Authorization Process, wherein the current PMVICs have been qualified, nugatory;

WHEREAS, MC 2020-2225 will create unnecessary competition for the fledgling PMVICs, considering the amount of capital and time that was needed to put up their businesses;

WHEREAS, it must be emphasized that these Operators took up the project to help the government in serving the public more efficiently, and these Operators applied for Authorization based on projections that they, the qualified operators in their supposed GAOR, will be the only PMVICs authorized;

WHEREAS, the requirements, such as minimum area of the Center and the minimum number of lanes laid out by the LTO, were based on studies that fit the need of the public, factoring population and income during the time the project was formulated;

WHEREAS, it is apparently premature to amend and/or revise the specifications of said requirements, as there has not been any record of how these PMVICs perform vis-à-vis the public need;

WHEREAS, the addition of more sites will unnecessarily burden the LTO and the PMVIC AC, as the taking of more applicants who will undergo the same Authorization Process while the initial qualified PMVICs are still in the process of securing their ACTO will further stretch out the already stretched out manpower and time of the LTO and PMVIC AC due to COVID-19;

WHEREAS, the first issued set of guidelines for the authorization of PMVICs was published two years ago or on November 28, 2018, and the first PMVIC was given its ACTO only on September 7, 2020;

WHEREAS, it is hereby recommended that DOTr direct Regional Offices where the PMVICs who were given an Authority to Operate are located, to stop accepting CECs from PETCs as requirements for the registration of Motor Vehicles, and instead require motor vehicles to undergo inspection from PMVICs;

NOW, THEREFORE, BE IT RESOLVED by the House of Representatives to urge the DOTr to defer the implementation of LTO MC 2020-2225 until all the initially qualified PMVICs are given the Authorization Certificate to Operate, and until further studies are presented supporting the necessity of having additional PMVICs and on the impact on existing investors.

APPROVED,

FERDINAND MARTIN G. ROMUALDEZ

JUAN MIGUEL MACAPAGAL ARROYO

YEDDA MARIE K. ROMUALDEZ

RODANTE D. MARCOLETA

PRECIOUS HIPOLITO CASTELO