

**[DOTC DEPARTMENT ORDER NO. 2005-37,
November 11, 2005]**

**RULES AND REGULATIONS GOVERNING THE ISSUANCE OF
DOTC/LTO IT PROVIDERS AND MONITORING OF PETCS AND
PETC IT PROVIDERS**

WHEREAS, pursuant to Section 21 (B) of Republic Act No. 8749, otherwise known as the "Philippine Clean Air Act of 1999", DOTC is mandated to implement the emission standards for motor vehicles as provided in the Philippine Clean Air Act of 1999, authorize private emission testing centers (PETC) duly accredited by DTI, and formulate with DTI, a national motor vehicle inspection and maintenance program that will promote efficient and safe operation of all motor vehicles;

WHEREAS, pursuant to the said Act, DOTC and DTI issued on July 11, 2001 their Joint Administrative Order No. 1, Series of 2001, providing for the Guidelines for Accreditation and Authorization of Motor Vehicle Emission Testing Centers;

WHEREAS, DOTC issued on November 24, 2003, Department Order No. 2004-01, providing for the Rules and Regulations Concerning the Issuance of DOTC/LTO Authorization of Motor Vehicle Private Emission Testing Centers;

WHEREAS, PETCs were required under DOTC DO No. 2004-01 to sign Information Technology (IT) Provider Contract Agreement and through PETC Information Technology (IT) Providers, to upload emission test results, online and real-time, to the DOTC/LTO IT System, to assure the integrity of the emission test results;

WHEREAS, DOTC earlier issued Memorandum Circular No. 2003-01, on June 11, 2003, adopting the LTO Proposal to Improve the Efficiency and Effectiveness of the PETC Information Management System;

WHEREAS, to date, not all of the LTO considered proposals have been effected to improve the efficiency and effectiveness of the PETC Information Management System (the "PETC System") including its integration or interconnection with the DOTC/LTO IT System, and neither have proper qualifications and regulations been adopted with respect to PETC IT Providers, thereby giving rise to various deficiencies;

WHEREAS, in order to address the foregoing deficiencies, which are contributory to the continued proliferation of fraudulently issued Certificates of Emission Compliance ("CEC") or non-compliance by PETCs with the existing pertinent rules and regulations, DOTC issued on October 11, 2005, Department Order No. 2005-34, prescribing the amendments to Section 75 (IT Requirement) of Department Order No. 2004-01; and,

WHEREAS, there is an urgent need to optimize the performance of the PETC System in conjunction with the DOTC/LTO IT System by regulating, maximizing and

monitoring the role of PETCs and PETC IT Providers towards that end.

NOW, THEREFORE, above premises considered, the following rules and regulations governing the issuance of DOTC/LTO authorization of PETC I.T. Providers are hereby prescribed and promulgated for the compliance, information and guidance of all concerned.

1.0 Scope

1.1 This Department Order (the "DO") promulgates the rules and regulations for the implementation of the:

1.1.1 Republic Act No. 8749, otherwise known as the "The Philippine Clean Air Act of 1999";

1.1.2 DTI-DOTC Joint Administrative Order No. 1, series of 2001, providing for the Guidelines for the Accreditation and Authorization of Motor Vehicle Emission Testing Centers (the "Joint AO");

1.1.3 DOTC Department Order No. 2004-01 (as amended), dated November 24, 2003, providing for the Rules and Regulations Concerning the Issuance of DOTC/LTO Authorization of Motor Vehicle Private Emission Testing Centers; and

1.1.4 DOTC Memorandum Circular No. 2003-1 dated June 11, 2003, adopting the LTO Proposal to Improve the Efficiency and Effectiveness of the PETC Information Management System (the "MC No. 2003-1").

1.2 These rules and regulations describe the objectives, structure, guidelines and procedures designed to ensure the efficient and effective implementation of the DOTC/LTO nationwide Authorization Program of the PETCs in general, and the PETC IT Providers in particular.

2.0 Definition of Terms

Except as otherwise expressly provided in this DO, the capitalized acronyms, words and phrases used in this DO shall have the same meaning ascribed to them in the Joint AO, DOTC DO No. 2004-01 and amending DOTC DO No. 2005-34, and the MC 2003-1.

3.0 IT Requirements

3.1 All PETCs shall be required to upload the emission test results, online and real-time to the PETC IT Providers. The PETC IT Providers, as aggregators of these various emission test results, are correspondingly required to upload the same data of emission test results to the DOTC/LTO IT System also on an online and real-time basis. The emission test results may therefore be validated upon registration of the motor vehicle in any LTO District Office nationwide.

3.2 Interfacing of equipment and the PETC computer or workstation shall be strictly enforced. There will be no human intervention in capturing test

results. Likewise, the client program will not have an edit capability to alter or edit test results.

3.3. The PETC System shall not have direct access to the DOTC/LTO IT System's database. This is to protect the integrity of the DOTC/LTO IT System's database.

3.4 An interface service shall enable integration of the PETC IT Providers with the DOTC/ LTO IT System, the services and maintenance of which shall be the sole responsibility of the PETC IT Providers, and shall entail no cost to LTO.

3.5 The PETC IT Providers and the DOTC/LTO IT System shall provide audit trails and reports of all the emissions test transactions to DOTC/LTO.

3.6 No PETC and PETC IT Provider, as the case may be, shall be granted any authorization by the Authorization Committee unless the PETC IT Provider has complied, and continues to comply, with the qualifications and requirements stated herein.

4.0

Qualification of a PETC IT Provider Applicant

4.1 Any natural person who is at least eighteen (18) years of age or any juridical person who is not disqualified by any existing law or regulation to engage in vehicle emission testing activity is qualified to apply for authorization, provided, that all the other requirements stated in this DO are complied with.

4.2 No DOTC/LTO personnel, his or her spouse, or relative by consanguinity or affinity within the third (3rd) civil degree shall have ownership, or a financial interest in, a PETC IT Provider applicant.

5.0

Documentary Requirements

5.1 A duly accomplished application form under oath (See Exhibit "A"*)).

5.2 A certified true copy of the following:

5.2.1 For sole proprietorship, DTI Certificate of Business Name Registration;

5.2.2 For corporations or partnership, the Securities and Exchange Commission's Certificate of Registration of the Articles of Incorporation or Partnership, and Board or Partner's Resolution, issued by the Board Secretary or Managing Partner, specifying the name of the authorized representative who must be an officer of the corporation or partnership.

5.3 Permit to operate business issued by the proper local government unit;

5.4 BIR Registration and TIN;

5.5 SSS Membership Certificate;

5.6 Audited Financial Statement for the last two (2) years or the pre-operating Financial Statement, whichever is applicable, showing that the owner-applicant

shall be in such financial condition as to reasonably expect it to operate for at least one (1) year;

5.7 Location map and layout of the principal office address or operations of the PETC IT Provider, including dimensions;

5.8 Organizational structure showing the relationship between the PETC IT Provider and other operations of the applicant, when applicable, and the structure of the PETC IT Provider showing its personnel and their respective functions;

5.9 List of personnel involved with the operation of the PETC IT Provider, including their job descriptions, responsibilities and qualifications;

5.11 Agreement or Contract Between the PETC or PETC IT Provider;

5.12 Agreement or contract granting the PETC IT Provider interconnectivity with the DOTC/LTO IT System;

5.13 Picture of establishment;

5.14 Handling procedure on complaints; and,

5.15 Such other documents or requirements that the DOTC/LTO may require from time to time to protect the interests of the government and the public.

6.0

SOFTWARE AND HARDWARE REQUIREMENTS

6.1 PETC IT PROVIDER LEVEL

6.1.1 All PETC IT Providers must submit to LTO the following:

- a. Client Application Users Manual;
- b. System set-up and network layout;
- c. System Documentation
 - i. Complete description of executable file of the client program;
 - ii. System security policy;
 - iii. Declaration and list of main application, sub-programs or other files associated with the submitted Client Application;and,
 - iv. Screen shots of folder location, file (s) location and size for each and every system file;
- d. List of PETC clients with the following descriptions for each -
 - i. System set-up and network layout;
 - ii. Number of workstations utilized;
 - iii. Date of initial installation;
 - iv. Last system update done; and
- e. Certificate of installation of Client Application per PETC.

6.1.2 Screen shots of any third (3rd) party emission test software being used by the Client Program [application location, file(s) and size(s), folder(s)] per