

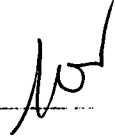
SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



'16 APR 13 AIO :22

SENATE

P. S. Res. No. 1741

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

A RESOLUTION

URGING THE DEPARTMENT OF FINANCE (DOF) TO AUTHORIZE THE DISPOSITION OF THE SIX HUNDRED THOUSAND (600,000) ABANDONED VEHICLE LICENSE PLATES THROUGH DONATION TO THE LAND TRANSPORTATION OFFICE (LTO), WITH THE END IN VIEW OF UPHOLDING GOVERNMENT COMMITMENT TO THE MOTORING PUBLIC AND STRENGTHENING THE CAPABILITY OF GOVERNMENT TO ENFORCE TRANSPORTATION POLICIES AND PROGRAMS

WHEREAS, the economic growth currently enjoyed by the country creates an increasing demand in the transportation sector, with the Land Transportation Office (LTO) processing the registration of almost 8.1 million motor vehicles in 2014 alone¹;

WHEREAS, to address issues and concerns of law enforcement, LTO has promulgated Memorandum Circular VPT 2013-1772, establishing the Motor Vehicle Plate Standardization Program (MVPSP) and implementing mandatory replacement of all existing license plates;

WHEREAS, LTO signed the P3.85 billion MVPSP contract on February 2014 with the winning bidder Knieriem BV Goes and Power Plates Development Concept Inc. (JKG-PPI) to deliver 15.2 million motor vehicle/motorcycle license plates;

WHEREAS, the MVPSP has been a subject of various legal, administrative and legislative inquiries on the program objectives, project timelines, appropriation, and procurement process;

WHEREAS, while the Court ruled on April 22, 2015 that the petition assailing the legality of MVPSP was rendered moot and academic by the passage of the 2014 General Appropriations Act, the Court noted that the program did not have adequate appropriation when its procurement commenced, and that the implementing agencies failed to secure a Multi-Year Obligation Authority (MYOA) before the commencement of the procurement process which involved Multi-Year Contracts (MYC)²;

WHEREAS, the Commission on Audit (COA) issued a Notice of Disallowance on the P3.85 billion license plate supply contract on July 13, 2015 citing the failure of the contract to follow the provisions of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act³;

WHEREAS, subsequent appeals for COA to lift the Notice of Disallowance and petition for review of the same have been denied and dismissed⁴ and as such, LTO is effectively prevented from disbursing any funds to its license plate supplier;

Whereas, LTO made two tranches of initial payments to JKG-PPI before the issuance of the Notice of Disallowances, which includes: 1) P340,750,000 on June 30, 2014; and, 2) P137,151,329 on July 14, 2014⁵;

WHEREAS, the Bureau of Customs (BOC) revealed in March 2016 that 11 container vans containing 600,000 license plates were declared abandoned after its private importer JKG-PPI, failed to pay the P40 million incurred duties and taxes within the prescribed period⁶.

WHEREAS, JKG-PPI appeared before the BOC and filed an appeal to lift the abandoned status of the shipped license plates but the appeal was dismissed;

WHEREAS, to date, the license plates remain abandoned in the Port of Manila, at the expense of effective government regulation and the security of the motoring public;

WHEREAS, the license plate backlog as of January 2016 has reached three million (3,000,000) plates since the issuance of Notice of Disallowance by COA⁷;

WHEREAS, the BOC is empowered to dispose of properties abandoned or have valid, but unsatisfied lien for custom duties, taxes, and other collectible charges pursuant to the provisions of Republic Act 1937, otherwise known as the Tariff and Customs Code of the Philippines;

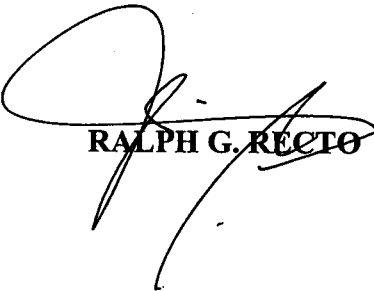
WHEREAS, the BOC is likewise empowered by the same law to dispose of abandoned articles to the best advantage of government through sale, auction or donation;

WHEREAS, the BOC has expressed its intent to turn over the abandoned license plates to the agencies concerned subject to the approval of the Secretary of Finance⁸;

WHEREAS, the disposition of abandoned license plates through donation to the LTO will be in the best interest not only of the government agencies mandated to enforce traffic laws and ordinances, but also of the motoring public who have registered their motor vehicles and paid for the license plates at the outset;

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate, to urge the Department of Finance (DOF) to authorize the disposition of the six hundred thousand (600,000) abandoned license plates through donation to the Land Transportation Office (LTO), with the end in view of upholding government commitment to the motoring public and strengthening the capability of government to enforce transportation policies and programs.

Adopted,



RALPH G. RECTO

/mdg

¹ Land Transportation Office 2014 Annual Report

² G.R. No. 212381, *Jacomille vs Abaya, et.al.* April 22, 2015.

³ Ramirez, R. (2015, July 18). "COA stops plate deal; TPL a P15-B racket?" Retrieved April 12, 2016, from <http://www.philstar.com/headlines/2015/07/18/1478235/coa-stops-plate-deal-tpl-p15-b-racket>

⁴ Telebisyon ng Bayan. (n.d.). "600,000 car plates stuck in port" Retrieved April 12, 2016, from www.ptv.ph/headline8.html

⁵ Manalo, C. V. (2015, September 09). "Solon to LTO: Compel license plate contractor to return P477 million" Retrieved on April 12, 2016 from www.tribune.net.ph/metro/solon-to-lto-compel-license-plate-contractor-to-return-p477-million

⁶ Rappler.com (2016, March 10). "Car owners have to wait longer for license plates – Manila port." Retrieved April 12, 2016 from <http://www.rappler.com/nation/125408-car-owners-wait-longer-license-plates>

⁷ ABS-CBN News. (2016, January 07). LTO aims to distribute license plates before Aquino term ends. Retrieved April 12, 2016 from www.news.abs-cbn.com/nation/v1/01/07/16/lto-aims-to-distribute-license-plates-before-aquino-term-ends

⁸ Rappler.com (2016, April 07). "Customs eyes turnover of 'abandoned' license plates to LTO". Retrieved on April 12, 2016 from <http://www.rappler.com/nation/127583-customs-lto-license-plates-possible-turnover>