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**SENATE**

P. S. Res. No. 56

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Introduced by Senator FRANCIS G. ESCUDERO

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**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;

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

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

4           WHEREAS, the production and issuance of registration plates have been  
5 suffering from protracted delays, with vehicle owners having to wait for months, if  
6 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;

12           WHEREAS, the LTO disclosed in June 2022 that the agency has yet to produce  
13 some 11 million registration plates that would require billions of pesos in  
14 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;

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

23           WHEREAS, the convoluted manner by which fees for registration plates are  
24 collected by the LTO, remitted to the National Treasury, and appropriated back to  
25 LTO for registration plate production has increased the administrative cost of  
26 producing registration plates without discernible benefits in terms of improving  
27 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

1 than the P2.6 billion initial estimate made by the same agency in April  
2 2022;WHEREAS, the protracted delays unduly burden vehicle owners who paid for the  
3 vehicle plates in full;

4 WHEREAS, such delays likewise burden the general public – a majority of  
5 whom do not own any motor vehicle – that has to absorb the inflationary and  
6 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

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

*Adopted,*

  
**FRANCIS G. ESCUDERO**