MEMORANDUM CIRCULAR NO. 2021-2280
27 July 2021

SUBJECT: ROLES OF LTO MEMBERS TO THE REGIONAL SECRETARIAT
CREATED PURSUANT TO DEPARTMENT ORDER NO. 2020-2021

To complement the Public Utility Vehicle Modernization Program, Department Order No. 2020-021 entitled “Guidelines for the Scrapping of Old Public Utility Vehicle Units (PUVS) under the Department Order 2017-011 otherwise known as the Omnibus Franchising Guidelines” was issued authorizing Scrapping Facilities to scrap surrendered Public Utility Jeepneys (PUJs). These Scrapping Facilities shall be accredited by the Authorization Committee composed of DOTr, LTFRB, OTC and LTO officials to be supported by a Technical Working Group and the Regional Secretariats with members from the LTFRB, LTO and other concerned agencies.

Consistent with said Department Order and the LTO and LTFRB Joint Memorandum Circular No. 001 s. of 2021 which is the implementing guidelines of the former, the following shall be the roles/functions of LTO members to the Regional Secretariat.

I. Attend meetings and other activities of the Regional Secretariat as may be directed by the Regional Coordinator.

II. Provide assistance to scrappage facilities, the Authorization Committee, the TWG and the Regional Secretariat especially on matters related to verification of PUV details.

III. Place an alarm on the records of Public Utility Vehicles (PUVs) subject for scrapping upon receipt of the Order of Dropping, the original Certificate of Registration (CR) and the Letter Of Intent which includes the list of PUVs for immediate scrapping.

Place an alarm on the records of PUVs whose operator initially refused to scrap his/her unit and opted to reclassify the same for private use but failed the roadworthiness test. Result of the inspection must be submitted together with the documents enumerated above.
In the interim, while there is no facility for regional offices to cancel/delete motor vehicle records in the LTO data base, the LTO Regional Secretariat member/s shall forward the blacklisting request to the Central Office through the Operations Division which shall coordinate with the MID to effect such request.

IV. Keep and update records of scrapped/blacklisted PUVs which shall be submitted monthly to the Regional Secretariat, the TWG and the Authorization Committee.

V. Upon verification of the Scrapping Certificate from the scrapping facility, issue Certification of blacklisting and scrappage to identified government agency and/or financing institutions indicating that subject PUVs were already scrapped.

For your guidance and strict compliance.

EDGAR C. GALVANTE
Assistant Secretary
WHEREAS, The Department of Transportation (DOTr), as the primary policy, planning, programming, coordinating, and implementing agency of the Executive branch of the government, in the regulation of dependable, safe, and reliable transportation system and services, is mandated by laws to ensure the roadworthiness of vehicles operated in the streets and highways of the country;

WHEREAS, the Land Transportation Franchising and Regulatory Board (LTFRB), as an agency under the administrative supervision and control of the DOTr, is mandated to promulgate, administer, enforce, and monitor compliance of policies, laws, and regulations of public land transportation services;

WHEREAS, the Land Transportation Office (LTO), under the administrative supervision of the DOTr is tasked to rationalize, develop, and continually improve land transportation services and facilities and effectively implement the various transportation laws, and rules and regulations to achieve the desired objectives and uplift the economic well-being of the people;

WHEREAS, pursuant to Section 21 of R.A. 8749 or the Philippine Clean Air Act, the DOTC (now DOTr) shall develop an action plan for the control and management of air pollution from motor vehicles consistent with the Integrated Air Quality Framework;

WHEREAS, pursuant to R.A. 6969, otherwise known as "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990", mandates the control and management of the import, manufacture, process, distribution, use, transport, treatment, and disposal of toxic substances and hazardous and nuclear wastes in the country;

WHEREAS, Executive Order (EO) No. 125-A, series of 1987, states that the DOTr has the power to call on any agency, corporation or organization, whether public or private, to participate and assist in the preparation and implementation of its programs;

WHEREAS, pursuant to the Department Order No. 011, series of 2017, otherwise known as the "Omnibus Guidelines on the Planning and Identification of Public Road Transportation Services and Franchise Issuance" or Omnibus Franchising Guidelines (OFG), which aims to provide a reliable, safe, accessible, environment-friendly, dependable, efficient, and comfortable public road transportation throughout the country;

WHEREAS, under the Department Order No. 16, series of 2018, otherwise known as the "Guidelines on the Availment of the Equity Subsidy under the Public Utility Vehicle Modernization Program", all Public Utility Jeepneys (PUJs) dropped and substituted for the availment of the subsidy shall be surrendered for scrapping;

WHEREAS, relative to the implementation of the OFG, there is a need for the DOTr to call upon private sectors for the implementation of the Scrapping Program under the Vehicle Useful Life component of the PUV Modernization Program;
NOW THEREFORE, I, ARTHUR P. TUGADE, Secretary of the Department of Transportation, by virtue of the powers vested in me by law, hereby order the guidelines on the scrapping of old Public Utility Vehicles (PUV):

SECTION 1. DEFINITION OF TERMS

1.1. Old PUV units - refers to PUV units which already reached the mandatory age limit as prescribed by existing DOTr and LTFRB issuances or PUV units which did not pass the road worthiness test.

1.2. Road Worthiness Test - refers to the examination and inspection by the LTO to determine whether such motor vehicle is unfit to operate pursuant to LTO’s Motor Vehicle Inspections System.

1.3. End of Life Vehicles (ELVs) - are motor vehicles classified as wastes and with components classified as wastes.

1.4. Interim Scrapping Facility - refers to existing scrap facilities that shall function as interim scrapping facilities with the capacity to dismantle old PUVs. These facilities shall be duly registered and must be properly located in accordance with LGU local zonal ordinance and other health and environmental hazards protocols.

1.5. Treatment, Storage, and Disposal (TSD) Facility - facilities where hazardous wastes are stored, treated, recycled, reprocessed, and/or disposed of, as prescribed under DENR AO No. 2004-36.

1.6. Scrapping Certificate - refers to the document issued by the Scrapping Facility to the operator stating that the old PUV unit/s was/were already disposed of in accordance with this DO and other existing laws and policies.

1.7. Blacklisting - refers to the process by which the LTO disallows the registration and consequent use of unsuitable engines and chassis.

1.8. Dropping of Unit - refers to the process by which the LTFRB cancels the permit of an old PUV unit.

SECTION 2. SCRAPPING PROCESS

Following shall be the basic scrapping process of the old PUV units:

2.1. Existing scrapping facilities shall be enjoined to participate in the Scrapping Program as interim scrapping facilities for the next two (2) years pending availability of large-scale vehicle scrapping facilities. Large scale vehicle scrapping facilities are envisioned to be constructed in strategic locations to scrap old PUJs and other polluting private vehicles pursuant to the Clean Air Act.

2.2. Cooperatives/Corporations shall submit a letter of intent to the Authorization Committee, through the Regional Secretariat concerned, stating the following information:

2.2.1. Number of PUV units and corresponding chassis and engine numbers; and

2.2.1. Name of proposed interim scrapping facility.
2.3. The Regional Secretariat concerned shall stamp the letter of intent upon receipt. The duly stamped letter of intent shall only be valid for six (6) months by which old units must be processed for scrapping;

2.4. The cooperatives/corporations shall surrender the Certificate of Registration (CR) and the latest Registration documents of the units to be scrapped to the Regional Secretariat concerned for the blacklisting of the chassis and the engine;

2.5. The cooperatives/corporations shall submit the acknowledgement letter to their selected scrapping facility, and ensure that the scrapping of old units be executed on the prescribed timeline as stated on the duly stamped letter of intent;

2.6. The interim scrapping facilities shall then issue a Scrapping Certificate (Annex A) stating that the old PUV units were already disposed of in accordance with the guidelines and other existing laws and policies; and

2.7. The cooperatives/corporation shall submit a copy of the Scrapping Certificate to the Authorization Committee.

SECTION 3. ACCREDITATION OF INTERIM SCRAPPING FACILITIES

Within 30 days from the effectivity of this Department Order, the DOTr, through the LTFRB, in coordination with the Department of Environment and Natural Resources (DENR) and the Department of Trade and Industry (DTI) and their respective regional offices, shall issue the list of Scrapping Facilities qualified to apply for accreditation. These qualified facilities shall refer to those which are duly registered and have complied with the standards set forth by both the DTI and the DENR.

3.1. Minimum Requirements for Accreditation

The minimum requirements and standard procedure which the interim scrappage facility should comply with to be granted a provisional permit to operate for the first two years are as follows:

3.1.1. Registration and Certificate

The Interim Scrapping Facility must be registered with the DTI and must possess an Environmental Compliance Certificate (“ECC”) and a Hazardous Waste Generator’s ID or DENR ID, duly issued by the regional offices of the Environmental Management Bureau (EMB) of the DENR, as well as the necessary permits, such as the Fire Safety Inspection Certificate (FSIC), issued by their respective Local Government Units (LGUs). In addition, the Scrapping Facility or its partner Treatment, Storage, and Disposal (TSD) facility must possess a permit to transport hazardous waste duly issued by the DENR.

3.1.2. Partnership with TSD Facilities

The Interim Scrapping Facility should have an identified partner TSD facility or facilities which will treat, store, and properly dispose of hazardous fluids and wastes generated from the dismantling of old PUV units. Identified partner TSD facilities should be duly registered with the DTI and authorized to operate by the regional offices of the EMB of the DENR. This partnership with TSD facility or facilities shall be executed through a Memorandum of Agreement (MOA).
3.1.3. Facility Location and Capacity

The Interim Scrapping Facility should have an adequate gated area to handle and dismantle old PUV units and must be located in accordance with LGU’s local zonal ordinance. The dismantling area should be equipped with standard mechanical tools and a separate storage facility for recyclable/reusable materials, as well as the capacity to properly classify and store all divested parts according to their main material compositions.

3.1.4. Checking of Chassis and Engines in the Blacklist

For the verification of chassis and engine numbers on the blacklist, the Interim Scrapping Facility must have an area or office with at least a table, chairs, a computer with stable internet connection, printer, and secure filing cabinet where documents shall be kept.

3.1.5. Temporary Storage of Batteries and Hazardous Wastes

The Interim Scrapping Facility must have a clearly designated and properly labelled area for the temporary storage of hazardous wastes. This temporary storage area must not be approximate or leading to the local sewer system and must have appropriate fire hazard controls. All generated hazardous wastes in this temporary storage area must be regularly cleared and transported to identified partner TSD facilities for permanent treatment and proper disposal. Handling of these hazardous wastes shall be done by authorized personnel only and in strict compliance with the DENR Administrative Order No. 2013-22 or the Revised Procedures and Standards for the Management of Hazardous Wastes.

Interim scrapping facilities awarded with the provisional permit may only operate for a period of two (2) years as an accredited scrappage facility under the PUVMP subject to compliance with the requirements set forth by the DENR and the DTI. Adoption of this accreditation scheme and renewal of this provisional permit shall be subject to the availability of large-scale vehicle scrapping facilities.

3.2. Accreditation Process

The accreditation of interim scrapping facilities shall be based on their compliance with the above-mentioned minimum requirements and the submission of complete documentary requirements. Only scrapping facilities registered with the DTI and the DENR will be allowed to participate in the interim scrapping program. The following shall be the basic accreditation process:

3.2.1. The Regional Secretariat concerned shall secure a copy of all existing registered scrapping facilities from the DTI and the DENR;

3.2.2. The Authorization Committee, through the LTFRB, shall publish a request for expression of interest for qualified facilities interested to participate in the scrappage program;

3.2.3. The Scrapping facility shall submit a letter of intent to the Regional Secretariat concerned signifying their interest to participate in the scrappage program with the list of their partner TSD facilities, and other documentary requirements as required;
3.2.4. The Technical Working Group (TWG) shall evaluate and verify the documentary requirements vis-a-vis the minimum accreditation criteria stated in Section 3, par. A and give final recommendation to the Authorization Committee;

3.2.5. The Authorization Committee shall issue a Certificate of Accreditation for those who satisfactorily complied with the minimum standards. An evaluation notice with specific recommendations will be issued to scrapping facilities who failed to meet the minimum standards, and a re-evaluation shall be granted after due compliance thereof; and

3.2.6. The Authorization Committee, through the LTFRB, shall issue a list of accredited scrapping, for reference of the PUV operators.

SECTON 4. CONSTITUTION OF AUTHORIZATION COMMITTEE, TECHNICAL WORKING GROUP AND REGIONAL SECRETARIATS

4.1. The Authorization Committee shall be composed of the following:

| Co-Chairpersons | • Undersecretary or Assistant Secretary for Road Transport and Infrastructure, Department of Transportation (DOTr)  
| • Assistant Secretary, Land Transportation Office (LTO)  
| • Chairman, Land Transportation Franchising and Regulatory Board (LTFRB) |
| Members | • Assistant Secretary for Planning and Project Development, Department of Transportation (DOTr)  
| • Executive Director, Land Transportation Office (LTO)  
| • Executive Director, Land Transportation Franchising and Regulatory Board (LTFRB)  
| • Chairman, Office of Transportation Cooperatives (OTC) |

4.1.1. Duties and Responsibilities of the Authorization Committee:

4.1.1.1. It shall provide general direction on the implementation of the Scrappage Program;

4.1.1.2. It shall approve and issue the Implementing Guidelines for the program;

4.1.1.3. It shall approve accreditation of provisional scrappage facility;

4.1.1.4. It shall perform oversight, monitoring and evaluation duties;

4.1.1.5. It shall facilitate the blacklisting or cancellation of OR/CR of vehicles for scrapping in coordination with the LTO and the LTFRB; and

4.1.1.6. It shall perform other pertinent duties and functions.
4.2. The Technical Working Group (TWG) shall be composed of the following:

<table>
<thead>
<tr>
<th>Members</th>
</tr>
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<tbody>
<tr>
<td>• Technical Officers form the DOTr Road Transport and Infrastructure</td>
</tr>
<tr>
<td>• Technical Officers form the DOTr Planning and Project Development</td>
</tr>
<tr>
<td>• Technical Officers form the LTO, the LTFRB, and the OTC</td>
</tr>
<tr>
<td>• Representatives from the DTI</td>
</tr>
<tr>
<td>• Representatives from the DENR</td>
</tr>
<tr>
<td>• Representatives from the Regional PUVMP PMOs</td>
</tr>
<tr>
<td>• Representatives from the University of Asia and the Pacific (UA&amp;P) Study Team</td>
</tr>
</tbody>
</table>

4.2.1. Duties and Responsibilities of the TWG:

4.2.1.1. It shall provide technical support to the Authorization Committee;

4.2.1.2. It shall draft the Implementing Guidelines of the program;

4.2.1.3. It shall provide recommendations to the Authorization Committee with regards to the implementation of the program and accreditation of scrapping facilities;

4.2.1.4. It shall verify and evaluate the documentary requirements of participating scrapping facilities and give final recommendation to the Authorization Committee;

4.2.1.5. It shall conduct regular monitoring and inspection of scrapping facilities to determine compliance with the regulations herein;

4.2.1.6. It shall establish a database, through the LTFRB in coordination with the LTO, containing reports of all engines and chassis disposed, number of units scrapped, as well as all related information on cooperatives/corporations participating in the Scrapage Program;

4.2.1.7. It shall consolidate the list of steel companies for industry collaboration, in close coordination with the DENR and the DTI and their regional branches, to facilitate higher scrap value and immediate disposal of scrap metals and engines;

4.2.1.8. It shall coordinate with the Regional Secretariats, as necessary;

4.2.1.9. It shall monitor the implementation and evaluate of the program; and

4.2.1.10. It shall perform other functions assigned by the Authorization Committee.
4.3. The Regional Secretariats shall be composed of the following:

<table>
<thead>
<tr>
<th>Regional Coordinator</th>
<th>- Regional Directors – LTFRB or their authorized representatives</th>
</tr>
</thead>
</table>
| Regional Secretariat Members | • Representatives from the LTO, the LTFRB, and the OTC regional offices  
• Representatives from the Regional PUVMP PMOs  
• Representatives from the DTI Regional Offices  
• Representatives from the DENR Regional Offices |

4.3.1. Duties and Responsibilities of the Regional Secretariat:

4.3.1.1. It shall provide administrative and logistical support to the Authorization Committee and the TWG on the implementation of the Scrappage Program;

4.3.1.2. It shall facilitate the acknowledgement and stamping of the letters of intent to scrap the PUVs of participating cooperatives/corporations within their respective regions;

4.3.1.3. It shall maintain and regularly update a database, through the LTFRB in coordination with the LTO, containing reports of all engines and chassis disposed, number of units scrapped, as well as all related information on cooperatives/corporations participating in the Scrappage Program;

4.3.1.4. It shall provide the updated list of eligible scrapping facilities, through regional offices of the DTI and the EMB-DENR, for verification and evaluation by the TWG and approval by the Authorization Committee;

4.3.1.5. It shall facilitate the publication of expression of interest for qualified facilities to participate in the scrappage program, through the LTFRB and the OTC;

4.3.1.6. It shall coordinate with the regional offices of the DTI and the EMB-DENR responsible in the issuance of relevant permits to participating scrapping facilities, as necessary; and

4.3.1.7. It shall perform other tasks as may be required by the Authorization Committee and the TWG.

SECTION 5. FUND APPROPRIATION

The DOTr shall appropriate and allocate funds to cover expenditures for the effective implementation of activities related to the Scrapping Program subject to the usual government, accounting and auditing rules and regulations.
SECTION 6. TRANSITORY PROVISION.

The LTFRB and the LTO shall jointly formulate a Memorandum Circular for the implementation of this policy within thirty (30) days from the issuance of this Department Order.

Further, the cooperatives and corporations who participated in the initial implementation of the PUVMP shall be allowed to avail the equity subsidy, provided that all other requirements have been complied, pending the availability of the authorized scrapping and TSD facilities. Likewise, the LTFRB shall ensure the dropping of units while the LTO shall secure the blacklisting of chassis and engines of the old PUVs and provide certification to the Government and Financing Institutions (GFIs).

SECTION 7. REPEALING CLAUSE.

All issuances inconsistent with this Department Order are hereby superseded and/or repealed.

SECTION 8. EFFECTIVITY.

This Department Order shall take effect fifteen (15) days following the completion of its publication in the Official Gazette and/or in a newspaper of general circulation and/or the filing of three (3) copies with the UP Law Center pursuant to Memorandum Circular 11 dated 09 October 1992 of the Office of the President.
Republic of the Philippines
DEPARTMENT OF TRANSPORTATION
Clark Freeport, Pampanga

CERTIFICATION

This is to certify that
100% of the materials listed below have been scrapped
and disposed of on __________ at the __________, located at __________.

Items:


Given this __ of ______ 2020, this certification is hereby given to __________
for whatever legal purpose it may serve.

Certified by:

Name and Signature of Representative
Name of Scrapping Facility
LAND TRANSPORTATION OFFICE (LTO)
LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD (LTFRB)

JOINT MEMORANDUM CIRCULAR NO. 001, Series of 2021
Date: February 23, 2021

SUBJECT: IMPLEMENTING GUIDELINES TO GOVERN THE ACCREDITATION OF SCRAPPGAGE FACILITIES AND MANNER OF SCRAPPGING OF PUBLIC UTILITY VEHICLES

Pursuant to Department Order No. 2020-021 otherwise known as the “Guidelines for Scrapping of Old Public Utility Vehicle (PUVs) Units under Department Order No. 2017-011 Otherwise Known as the Omnibus Franchising Guidelines”, the following shall govern the implementation of said Order:

SECTION 1. AUTHORIZATION OF SCRAPPING FACILITIES

Interested scrapping facilities must comply with the requirements set forth by the Department of Transportation under Department Order No. 2020-021, to wit:

1. SCRAPPGAGE FACILITY REQUIREMENTS

A. Facility Location and Capacity

Pending the availability of a published national standard for a large-scale vehicle scrapping facility, the Interim Scrapping Facility should have an adequate gated area to handle and dismantle old PUV units.

An interim scrapping facility is recommended to have the following components available to function as intended.

1. Dismantling Area

The dismantling area for the interim facility should include the manual and/or automated dismantling area and the sorting area of the dismantled parts.

To determine the space requirements for the dismantling area, the following information (see Table below) on the pre-identified dismantling process equipment, but not limited to those listed, shall be used as reference. The choice and number of equipment to be utilized will depend on the desired capacity and the size of the land to be used for the interim facility.

<table>
<thead>
<tr>
<th>Dismantling Process Elements</th>
<th>Space Requirements (square meter)</th>
<th>Indicative Dimensions (L x W x H) meter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydraulic Lift (at least 3 tons loading capacity)</td>
<td>7.3</td>
<td>3.6 x 2.03</td>
</tr>
<tr>
<td>Shredding Machine</td>
<td>22.33</td>
<td>5.8 x 3.85</td>
</tr>
<tr>
<td>Vehicle Pressing (Compressing) Machine</td>
<td>18.58</td>
<td>7.43 x 2.5 x 2.7</td>
</tr>
<tr>
<td>Equipment</td>
<td>Dimensions</td>
<td>Weight</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Excavator with grapple</td>
<td>26.54</td>
<td>9.48 x 2.8 (max. working height)</td>
</tr>
<tr>
<td>Excavator with Magnet</td>
<td>26.54</td>
<td>(8.68 - max. working height)</td>
</tr>
<tr>
<td>Forklift</td>
<td>3.30</td>
<td>2.68 x 1.23 x 2.12</td>
</tr>
<tr>
<td>Container (optional; with wheels)</td>
<td>1.44</td>
<td>1.36 x 1.06 x 1.37</td>
</tr>
<tr>
<td>Jeepney</td>
<td>14</td>
<td>7 x 2 x 2.10</td>
</tr>
</tbody>
</table>

It is recommended, however, that the dismantling area has the capacity to dismantle at least five (5) old PUV units simultaneously, corresponding to five (5) bays (1 unit per bay).

A sorting area to accommodate all the dismantled parts shall also be included with a recommended space requirement of at least 50 square meters.

2. Storage Area for Recyclable Products

The storage will contain the recyclable or reusable end products of the dismantling process, including the pressed or cubed PUV bodies and their dismantled and shredded parts.

The recommended space requirement for the Storage Area is at least 150 square meters.

3. Temporary Storage Area for Hazardous Waste

The temporary storage area for handling and storing hazardous wastes derived from dismantling the old PUV units shall be located away from the Dismantling Area and shall strictly comply with the DENR Administrative Order No. 2013-022 or the Revised Procedures and Standards for the Management of Hazardous Wastes.

The recommended space requirement for the temporary storage area for hazardous waste is at least 100 square meters.

4. Office Area

The recommended space requirement for the office is at least 30 square meters which can accommodate up to six (6) office personnel.

Based on the Occupational Safety and Health Standards, a workspace shall have a space requirement of 5.09 square meters per person.

5. Parking Area

The parking area for the old PUV units waiting to be dismantled in the interim scrapping facility is recommended to hold at least 10 units, corresponding to a space requirement of at least 200 square meters. Alternatively, it can also be located separately from the interim facility if the land area being considered cannot accommodate the parking area for the old units.
B. Documentary Requirements

1. Letter of Intent with list of partner Treatment, Storage and Disposal (TSD) Facilities
2. DENR Registration with DENR Id and Environmental Compliance Certificate (ECC) duly issued by the Regional Offices of Environmental Management Bureau (EMB)
3. Permit to Transport Waste issued by DENR to the Scrappage Facility and TSD
4. Memorandum of Agreement between Scrappage Facility and TSD
5. DTI Registration
6. Fire Safety Inspection Certificate (FSIC) issued by LGU where the facility is located
7. LGU Zoning Clearance

II. PROCEDURE IN THE APPLICATION FOR ACCREDITATION

A. Any Filipino citizen of legal age, a domestic corporation or association or a corporation organized under Philippine laws and duly registered by DENR and DTI as scrappage facility may apply for Accreditation.

B. The applicant shall file the Letter of Intent (LOI) together with the documentary requirements in four (4) sets with the Office of the Regional Director of LTFRB being the head of the Regional Secretariat Offices, thereafter, Regional Secretariat shall evaluate the submitted documents.

C. After the evaluation, and upon finding that the documentary requirements are complete the Regional Secretariat shall inspect the facility if it is compliant with the specifications provided above. Incomplete or non-compliant documents shall be returned to the applicant.

D. The Authorization Committee shall approve the application of the scrappage facility and issue Certificate of Authorization.

Processing of the application shall be completed within a period of thirty (30) working days from submission of complete requirements.

E. In special cases where there is no qualified applicant in a certain region or if existing authorized interim facilities are not sufficient, the Regional Secretariat may recommend accreditation of scrappage facilities smaller than the recommended specifications.

III. OPERATION OF THE INTERIM SCRAPPAGE FACILITY

A. Provisional Authority (PA) shall be issued to an applicant, scrappage facility upon determination by the Authorization Committee that the former has submitted the complete requirements, stated in Section 2 hereof.

IV. VALIDITY OF THE PROVISIONAL AUTHORITY

The accredited Scrappage Facility shall operate during an interim period of two (2) years from issuance of the Provisional Authority or until a large-scale scrappage facility is made available by the government.

SECTION 2. DROPPING, CANCELLATION, AND BLACKLISTING OF UNIT PRIOR TO SCRAPPING

a. Prior to scrappage of old PUVs, it is required that the old unit must be officially dropped from public service.

b. The operator or Cooperative/Corporation must, therefore, file a Petition for Dropping of Unit and surrender the “for hire” plates with the LTFRB Central Office or any of its concerned RFOs, whichever is applicable.
c. For individual operator who failed to consolidate and caused the dropping of his/her unit, the Board or any of its concerned Regional Offices shall in like manner cancel the said unit apart from dropping.

d. Upon approval of the petition, the operator or corporation/cooperative shall furnish the LTO representative of the Regional Secretariat a copy of the Order of Dropping together with the Letter of Intent which includes the list of units for the immediate scrapping. The said list for immediate scrapping shall include the chassis and engine numbers of the vehicles and the name of the chosen interim scrapping facility as furnished by the LTFRB.

e. Aside from the Order of Dropping and Letter of Intent, the Cooperative/Corporation must surrender all the Original Certificate of Registration of the dropped units to the LTO representative of the Regional Secretariat.

f. In the event that the operator refuses to scrap the old PUV unit and instead opted to reclassify and use the said unit as a private vehicle, the same should be subjected to roadworthiness tests through the accredited Motor Vehicle Inspection Centers. If the selected units fail the roadworthiness test, the operator or Cooperative/Corporation shall, likewise, file the necessary Letter of Intent to the Regional Secretariat attaching the list of chassis and engine numbers of subject units to be scrapped and the name of the chosen interim scrapping facility as furnished by the LTFRB. Upon receipt of the said documents and after verification of the result of the inspection, the LTO Regional Secretariat member shall blacklist the chassis, engine number of the scrapped units in the LTO database.

SECTION 3: SCRAPPING PROCESS

a. The scrapping facility shall cause the scrapping/dismantling of the old units within six (6) months upon submission by the operator or Cooperative/Corporation of the Letter of Intent duly stamped received and acknowledged by the Regional Secretariat.

b. A Scrapping Certificate shall be issued to the operator or Cooperative/Corporation by the scrapping facility upon completion of the scrapping process of the old unit. The latter shall submit a copy of the Scrapping Certificate with proof of scrappage to the Regional Secretariat of the Authorization Committee.

SECTION 4: DATABASE OF SCRAPPED/DISMANTLED AND BLACKLISTED UNITS

The LTFRB and LTO shall jointly establish and maintain a database of scrapped/dismantled and blacklisted PUVs containing reports of engine and chassis numbers disposed, number of units scrapped as well as the cooperative/corporation's name and the name of scrapping facility for monitoring purposes.

The Regional Secretariat shall likewise maintain and regularly update the same database and shall submit a monthly report/inventory to the TWG and the Authorization Committee.

SECTION 5: TRANSITORY PROVISION

The operator or cooperative/corporation of the scrapped units shall be paid of the appraised value of the scrapped unit by the accredited scrapping facility. Proceeds from the scrapped unit/s can be used as additional source to partly finance new PUV units of the cooperative/corporation aside from the fixed subsidy granted by the government.

The LTO representative to the Regional Secretariat shall subsequently provide Certification of blacklisting and scrappage to identified government agency and/or financing institutions that would facilitate the grant/payment of equity subsidy to cooperative/corporation.
SECTION 6: REPEALING CLAUSE

All existing issuances inconsistent herewith are hereby repealed or modified accordingly.

SECTION 7: EFFECTIVITY

This Joint Memorandum Circular shall take effect fifteen (15) days following its completion of its publication in the Official Gazette and/or newspaper of general circulation and/or the filing of three (3) copies with the UP Law Center pursuant to Memorandum Circular No. 11 dated 09 October 1992 of the Office of the President.

ATTY. MARTIN B. DELGRO III
Chairman, LTO

EDGAR C. GALVANTH
Assistant Secretary, LTO

CERTIFIED TRUE COPY
ROXANA C. AGUILA
ADMINISTRATIVE AIDE VI
GEN. SERVICES SECTION
LTO

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