

EXECUTIVE ORDER NO. 125

REORGANIZING THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS DEFINING ITS POWERS AND FUNCTIONS AND FOR OTHER PURPOSES

RECALLING that the reorganization of the government is mandated expressly in Article II, Section 1(a), and Article III of the Freedom Constitution:

HAVING IN MIND that pursuant to Executive Order No. 5 (1996), it is directed that necessary and proper changes in the organizational and functional structures of the government, its agencies and instrumentalities, be effected in order to promote efficiency and effectiveness in the delivery of public service:

CONSIDERING that viable and dependable transportation and communication networks are necessary tools for economic recovery:

CONSIDERING further that rapid technological advances in communication facilities require a distinct response to the peculiar problem of this field:

REALIZING that the growing complexity of the transportation sector has necessitated its division into various sub-sectors to facilitate the regulation and promotion of the sector as a whole: and

REALIZING further that the state needs to regulate this network and promote their continuous upgrading in order to preserve their viability and enhance their dependability:

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of powers vested in me by the sovereign will of the Filipino people and the Freedom Constitution, do hereby order:

SECTION 1. Title. This Executive Order shall otherwise be known as the Reorganization Act of the Ministry of Transportation and Communication.

SECTION 2. Reorganization. The Ministry of Transportation and Communication is hereby reorganized, structurally and functionally, in accordance with the provisions of this Executive Order.

SECTION 3. Declaration of Policy. The state is committed to the maintenance and expansion of viable, efficient and dependable transportation and communication system as effective instrument for national recovery and economic progress. It shall not compete as a matter of policy with private enterprises and shall operate transportation and communication facilities only in those areas where private initiatives are inadequate or non-existent.

SECTION 4. Mandate. The Ministry shall be the primary policy, planning, programming, coordinating, implementing, regulating, and administrative entity of the Executive Branch of the government in the promotion, development and regulation of dependable and coordinated networks of transportation and communication system, as well as in the fast, sale, efficient and reliable postal, transportation and communication services.

To accomplish such mandate, the Ministry shall have the following objectives:

- (a) Promote the development of dependable and coordinated networks of transportation and communication systems;
- (b) Guide government and private investment in the development of the country's inter-model transportation and communication systems in a most practical, expeditious, and orderly fashion for maximum safety, service, and cost effectiveness;
- (c) Impose appropriate measure so that technical, economic and other condition for the continuing economic viability of the transportation and communication entities are not jeopardized and do not encourage inefficiency and distortion of traffic patronage;
- (d) Develop an integrated plan for a nationwide transmission system in accordance with the national and international telecommunication service requirement including, among others, radio and television broadcast relaying, leased channel services and data transmission;
- (e) Guide government and private investment in the establishment, operation and maintenance of an international switching system for incoming and outgoing telecommunication services;
- (f) Encourage the development of a domestic telecommunication industry in coordination with the concern entities particularly, the manufacture of communications/ electronics equipment and components to complement and support as much as possible, the expansion, development, operation and maintenance of the nationwide telecommunications network;
- (g) Provide for a safe, reliable and efficient postal system for the country.

SECTION 5. Powers and functions. To accomplish its mandate, the Ministry shall have the following powers and functions:

- (a) Formulate and recommend national policies and guidelines for the preparation and implementation of integrated and comprehensive transportation and communication system at the national, regional and local levels;
- (b) Establish and administer comprehensive and integrated program for transportation and communications, and for its purpose, may call on any agency corporation, or organization, whether public or private, whose development progress include transportation and communications, as an integral part thereof, to participate and assist in the preparation and implementation of such programs;
- (c) Assess , review and provide direction to transportation and communication research and development programs of the government in coordination with other institutions concerned;
- (d) Administer all laws, rules and regulations in the field of transportation and communication;
- (e) Coordinate with the Ministry of Public Works and Highways in the design, development, rehabilitation, improvement, construction, maintenance and repair of telecommunications, ports, airports and railways project and facilities including navigational aids and implement its development works through competitive bidding, negotiated, contracts or other methods as the President may authorize;
- (f) Establish, operate and maintain a nationwide postal system that shall include mail processing delivery services, and money order services and promote the art of philately;
- (g) Sub-allocate series of frequencies of bands allocated by the International Telecommunications Union to the specific services;
- (h) Accredite foreign aircraft manufacturer and/or international organizations for aircraft certification in accordance with procedures and standards established by the Bureau of Air Transportation;
- (i) Deputize the Philippine Airlines and/or the Airline Pilots Association of the Philippines for licensing of pilots in accordance with the rules, procedures and the standards established by the Bureau of Air Transportation;
- (j) Perform such other power and function as may be prescribed by law.

SECTION 6. Authority and Responsibility. The authority and responsibility for the exercise of the candidate of the Ministry and for the discharge of its powers and functions shall be vested in the Minister of transportation and communication, herein after referred to as the Minister, who shall have supervision and control over the Minister and shall be appointed by the President.

SECTION 7. Office of the Minister. The Office of the Minister shall consist of the Minister and his immediate staff.

SECTION 8. Deputy Ministers. The Minister shall be assisted by four(4) Deputy Ministers appointed by the president upon the recommendation of the Minister, one to be responsible for the attached Agency and Corporation, one for Transportation, one for Communication and one for Minister Regional Offices.

SECTION 9. Assistant Ministers. The Minister shall also be assisted by seven (7) assistant Ministers appointed by the Minister upon the

recommendation of the Minister, each of whom shall head each of the following:

- (a) Administrative and Legal Services;
- (b) Finance and Management Services;
- (c) Planning and Research Services;
- (d) Technical Services;
- (e) Luzon Regional Offices;
- (f) Visayas Regional Offices;
- (g) Mindanao Regional Offices.

SECTION 10. Structural Organization. The Ministry, aside from the Ministry Proper which is comprised of the Offices of the Minister, Deputy and Assistant Ministers, shall be composed of the Bureaus and Ministry Regional Offices.

There shall be four (4) Bureaus, namely: Bureau of Land Transportation, Bureau of Air Transportation, Bureau of Post, and Bureau of Telecommunications.

The Office of the Minister shall have direct line supervision and control over the Bureaus and Ministry Regional Offices. The Ministry Proper shall be responsible for developing and implementing policies, plans programs, and projects for the Ministry.

The Bureau shall be essentially staff in character.

SECTION 11. Ministry Regional Offices. The Ministry shall have two (2) Ministry Regional Offices in each of the administrative regions of the country: the Ministry Regional Office for Transportation and the Ministry Regional Office for Communications. The present Regional Offices of the Bureau of Air Transportation and Land Transportation Commission are hereby abolished and their functions are transferred to the respective Ministry Regional Offices for Transportation. A Ministry Regional Office for Transportation shall be headed by a Ministry Regional Director assisted by two(2) Assistant Ministry Regional Directors responsible for Air and land affairs, respectively. The present Regional Offices of the Bureau of Post and Bureau of Telecommunications are hereby abolished and their functions are transferred to respective Ministry Regional Office for Communications. A Ministry Regional Office for Communications shall be headed by a Ministry Regional Director assisted by two(2) Assistant Ministry Regional

Directors for telecommunications and postal services, respectively. The abolition of the herein Regional Offices and the transfer of their function shall be govern by the provision of Section 19 (b) hereof.

The Ministry Regional Offices shall be under the direct supervision of the Deputy Minister for Regional Offices. The Ministry Regional Offices shall be essentially line in character and shall be responsible for the delivery of all front line services of the Ministry.

For such purposes, a Ministry Regional Offices shall have its administrative region, the following functions:

- (a) Implement laws, and policies, plans, programs, projects, rules and regulation of the Ministry;
- (b) Provide efficient, and effective service to the people;
- (c) Coordinate with regional offices of other ministries, offices and agencies;
- (d) Coordinate with local government units;
- (e) Perform such other functions as may be provided by law.

SECTION 12. Bureau of Air Transportation.The Bureau of Air Transportation, as reorganized herein, shall have the function of developing, formulating and recommending plans, policies, program, projects, standards, specification and guidelines related to Air Transportation including air space utilization, air traffic control and aeronautics communication and information services, aircraft and air navigational facilities, services, maintenance and operations. For such purposes, it shall, with the approval of the Minister:

- (a) Establish and prescribe rules and regulations for the inspection and registration of aircraft's;
- (b) Establish and prescribe rules and regulations for the issuance of licenses to qualified airmen;
- (c) Establish and prescribe rules and regulations for the enforcement of laws governing air transportation, including the penalties for violations thereof, and for the deputization of appropriate law enforcement agencies in pursuant thereof;
- (d) Determine, fix and/or prescribe charges and/or rates pertinent to the operation of public air utility facilities and services except in cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies or associations reorganized by the Philippine Government as the proper arbiter of such charges or rates;

- (e) Administer and operate the Civil Aeronautics Training Center;
- (f) Perform such other function as may be provided by law.

SECTION 13. Bureau of Land Transportation. The Bureau of Land Transportation is hereby created and shall have the functions of developing, formulating and recommending plans, programs, policies, standards, specifications and guidelines pertaining to land transportation. For such purposes, it shall, with the approval of the Minister:

- (a) Establish a prescribe rules and regulations for routes, zones and/or areas of particular operators of public land services;
- (b) Establish and prescribe rules and regulations for the issuance of certificates of public convenience for the operation of public and land transportation utilities and services such as motor vehicles, trimobiles, and railroad lines;
- (c) Establish and prescribe rules and regulation for the inspection and registration of public and land transportation facilities such as motor vehicles, trimobiles, and railroad lines;
- (d) Establish and prescribe rules and regulations for the issuance of licenses to qualified motor vehicle drivers, trimobile drivers, motor vehicle conductors, train engineers and train conductors;
- (e) Establish and prescribe the corresponding rules and regulation for the enforcement of laws governing land transportation, including the penalties for violation thereof, and for the deputation of appropriate law enforcement agencies in pursuance thereof;
- (f) Determine, fix and/or prescribe charges and/or rates pertinent to the operation of public and land utility facilities and services except in cases where charges or rates are established by international bodies or association of which the Philippines is a participating member or by bodies or association recognized by the Philippine Government as the proper arbiter of such charges or rates;
- (g) Establish and prescribe the rules, regulations, procedures and standards for the accreditation of driving schools;
- (h) Performs such other functions as may be provided by law.

SECTION 14. Maritime Industry Authority. The Maritime Industry Authority is hereby retained and shall have the following functions:

- (a) Develop and formulate, plans, policies, programs, project, standards, specifications and guidelines geared towards the promotion and development of

the Maritime Industry, the growth and effective regulation of shipping enterprises, for the national security objectives of the country;

- (b) Establish, prescribe and regulate routes, zones and /or areas of operation of particular operators of public water services;
- (c) Issue certificates of public convenience for the operation of domestic and overseas water carriers;
- (d) Register vessels as well as issue certificates, licenses or documents necessary or incident thereto;
- (e) Undertake the safety regulatory functions pertaining to vessels construction and operations including the determination of manning levels and issuance of certificates competency to seamen;
- (f) Enforce laws, prescribe and enforce rules and regulation, including penalties for violation thereof, governing water transportation and the Philippine merchant marine with the aid of other law enforcement agencies;
- (g) Undertake the issuance of licenses to qualified seamen and harbor, bay and river pilots;
- (h) Determine, fix and/or prescribe charges and/or rates pertinent to the operation of public water transport utilities, facilitate all services except in cases where charges or rates are established by international bodies or association of which the Philippine is a participating member or by bodies or association recognized by the Philippine Government as the proper arbiter of such charges or rates;
- (i) Accredite marine surveyors and maritime enterprises engaged in shipbuilding, ship repair, ship breaking, domestic and overseas shipping, ship management and agency;
- (j) Supervise the Philippine Merchant Marine Academy as recognized herein in accordance with its charter, the provision hereof and applicable laws, rules and regulation under the chairmanship of the maritime administrator;
- (k) Issue and register the Continuous Discharge Book of Filipino Seamen;
- (l) Establish and prescribe rules and regulation, standards and procedures for the efficient and effective discharge of the above functions;
- (m) Perform such other function as may now or hereafter be provided by the law.

SECTION 15. Bureau of Telecommunications. The Bureau of

Telecommunications, as reorganized herein, shall develop, formulate and recommend plans, policies, programs, standards, specifications and guidelines to provide telecommunications facilities, including telecommunications systems for purposes of augmenting limited or inadequate existing private telecommunication service; provide telecommunications in areas where no such services are available; and assist the private sector engage in telecommunication services. For such purposes, it shall, with the approval of the Minister:

- (a) Establish and prescribe rules and regulation for the operation and maintenance of such telecommunications facilities in areas not adequately served by the private sector in order to render such domestic and overseas services that are necessary or proper with due consideration for advances in technology;
- (b) Administer and operate the Telecommunication Training Institute;
- (c) Perform such other function as may be provided by law.

SECTION 16. Bureau of Post. The Bureau of Posts, presently existing, shall have the function of developing, formulating and recommending plans, policies, programs, standards, specification and guidelines to provide safe, fast, reliable and efficient postal service in the country. For such purposes, it shall, with the approval of the Minister:

- (a) Establish and prescribe rule and regulation for the enforcement of laws governing postal service, including the penalties for the violation thereof and for the deputation of appropriate law enforcement agencies in pursuance thereof;
- (b) Determine, fix and/or prescribe charges and/or rates for postal services except in cases where charges or rates are establish by international bodies or association of which the Philippines is a participating member or by bodies or association recognized by the Philippine Government as the proper arbiter of such charges or rates;
- (c) Establish and prescribe rules and regulation for the operation and maintenance of a nationwide postal system that shall include mail processing, delivery services, and money order services and the promotion of philately;
- (d) Perform such other functions as may be provided by law.

SECTION 17. Abolition/Transfer /Consolidation:

- (a) The Land Transportation Commission hereby abolished and its staff functions are transferred to the Bureau of Land Transportation as provided in Section 13 herein and its line functions are transferred to the Ministry Regional Offices as provided in Section 11 herein, such transfer of functions is subject to the provision of Section 19 (b) hereof.

- (b) PNL Leasing, Inc. is hereby abolished and its functions are transferred to the Philippine National Lines, Inc. subject to the provision of Section 19 (b) hereof.
- (c) The National Aero Manufacturing, Inc. and the Philippine Aero Systems, Inc. are hereby abolished in accordance with the provision of Section 19 (a) hereof.
- (d) The Civil Aeronautics Board is hereby transferred from the Ministry of Tourism to the Ministry as an attached agency in accordance with the provision of Section 19 (a) hereof.

SECTION 18. Attached Agencies and Corporation.

- (a) The following agencies and corporation are attached to the Ministry: the Philippine National Railways, the Maritime Industry Authority, the Philippine National Lines, the Philippine Aerospace Development Corporation, the Metro Manila Transit Corporation, the Office of Transportation Cooperatives, the Philippine Ports Authority, the Philippine Merchant Marine Academy, the Toll Regulator Board, the Light Rail Transit Authority, the Transport Training Center, the Civil Aeronautics Board, the National Telecommunications Commission and the Manila International Airport Authority.
- (b) An Airport Security Center is hereby created within the Manila International Airport Authority, to plan, supervise, control, coordinate, integrate and direct intelligence and operational activities of all police and military units, security and safety service units, government monitoring and intelligence units and other security operating units employed by government entities and/or by private agencies in the Manila International Airport. The center is under the direct supervision and control of MIAA General Manager. Moreover, the Authority shall be Authorized to organize a Manila International Airport Police Force with all the police powers necessary to implement the objectives of the Center.

The exercise of supervision and control by the Airport Security Center does not include the transfer of appropriation, equipment and personnel and the said authority; PROVIDED, that the Airport Security Center may cause the deployment of equipment and the personnel in such manner it deems necessary in the discharge of its functions.

SECTION 19. Transitory Provision. In accomplishing the acts of reorganization herein prescribed, the following transitory provisions shall be complied with, unless otherwise provided elsewhere in this Executive Order:

- (a) The transfer of a government unit shall include the function, appropriation, funds, records, equipment, facilities, chooses in actions, rights, other assets, and liabilities, if any, of the transferred unit as well as the personnel thereof, as may be necessary, who shall, in a hold over capacity, continue to perform their respective duties and responsibilities and receive the

corresponding salaries and benefits unless in the meantime they are separated from the government service pursuant to Executive Order No.17 (1986) or Article III of the Freedom Constitution. Those personnel of the transferred unit whose positions are not included in the Ministry's new position structures and staffing pattern approved and prescribed by the Minister or who are not re-appointed shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of Section 20 hereof.

- (b) The transfer of functions which results in the abolition of the government unit that has exercised them shall include the appropriations, funds, records, equipment, facilities, chooses in action, rights, other assets and personnel as may be necessary to the proper discharge of the transferred functions. The abolished units remaining appropriations and funds, if any, shall revert to the General Funds and its remaining assets, if any, shall be allocated to such appropriate units as the Minister shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Its liabilities, if any, shall likewise be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Its personnel shall, in a hold-over capacity, continue to perform their duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Its personnel, whose positions are not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under Section 20 hereof or who are not re-appointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.
- (c) The transfer of functions which does not result in the abolition of the government unit that has exercised them shall include the appropriations, funds, records, equipment, facilities, chooses in action, rights, other assets and personnel as may be necessary to the proper discharge of the transferred functions. The liabilities, if any, that may have been incurred in connection with the discharge of the transferred functions, shall be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Such personnel shall, in a hold-over capacity continue to perform their respective duties and responsibilities and received the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to the Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Personnel, whose positions are not included in the Ministry's new position structure and staffing pattern approved and prescribe by the Minister under Section 20 hereof or who have not been re-appointed, shall be deemed separated from

the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.

- (d) In case, of the abolition of a government unit which does not result in the transfer of its functions to another unit, the appropriations and funds of the abolished unit shall revert to the General Fund, while the records, equipment, facilities, chooses in action, rights, and other assets, thereof shall be allocated to such appropriate units as the Minister shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. The liabilities of the abolished units shall be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations, while the personnel thereof, whose positions are not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under Section 20 hereof or who have not been re-appointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.
- (e) In case of merger or consolidation of government units, the new or surviving unit shall exercise the functions (subject to the reorganization herein prescribe and the laws, rules and regulations pertinent to the exercise of such function) and shall acquire the appropriation, funds, records, equipment, facilities, chooses in action, rights, other assets, liabilities if any, and personnel, as may be necessary, of (1) the units that composed the merged unit or (2) the absorbed unit as the case mat be. Such personnel shall, in a hold over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to Executive Order No.17 (1986) or Article III of the Freedom Constitution. Any such personnel, whose position is not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under Section 20 hereof or who is not re-appointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.
- (f) In case of termination of a function which does not result in the abolition of the government unit which has performed such function, the appropriation and funds intended to finance and discharge of such functions shall revert to the General Fund, while the records, equipment, facilities, chooses in action, rights and other assets used in connection with the discharge of such functions shall be allocated to the appropriate units as the Minister shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. The liabilities, if any, that may have been incurred in connection with the discharge of such functions shall likewise be

treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulation. The personnel who have performed such function, whose positions are not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under Section 20 hereof or who have not been re-appointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.

SECTION 20. New Structure and Pattern. Upon approval of this Executive Order, the officers (the term "officer" as used in this Executive Order is intended to be within the meaning of the term "official" as used in the Freedom Constitution) and employees of the Ministry shall, in a hold over capacity, continue to perform their respective duties and responsibilities receive the corresponding salaries and benefits unless in the meantime they are separated from the government service pursuant to Executive Order No.17 (1986) or Article III of the Freedom Constitution.

The new position structure and staffing pattern of the Ministry shall be approved and prescribed by the Minister, for the Ministry, within one hundred twenty (120) days from the approval of this Executive Order and the authorized positions created there under shall be filled with regular appointments by him or by the President as the case may be. Those incumbents whose position are not included there in or who are not re-appointed shall be deemed separated from the service. Those separated from the service shall receive the retirement benefits to which they may be entitled under existing laws, rules and regulations. Otherwise, they shall be paid the equivalent of one month basic salary for every year of service, or the equivalent nearest fraction thereof favorable to them on the basis of the highest salary received, but in no case shall such payment exceed the equivalent of 12 months salary.

No court or administrative body shall issue any writ or preliminary injunction or restraining order to enjoin the separation/ replacement of any office or employee effected under this Executive Order.

SECTION 21. Prohibition Against Changes. No changes in the reorganization herein prescribe shall be valid except upon prior approval of the President for the purposes of promoting efficiency and effectiveness in the delivery of public services.

SECTION 22. Implementing Authority of Ministry. The Minister shall issue such orders, rules, regulations and other issuance's as may be necessary to ensure to the effective implementation of the provisions of this Executive Order.

SECTION 23. Notice or Consent Requirements. If any reorganization change herein authorized is of such substance or materiality as to prejudice third person with rights recognized by law or contract such that notice to or consent of creditors is required to be made or obtained pursuant to any agreement entered into with any of such creditors, such notice or consent requirements shall be complied with prior to the implementation or such reorganization change.

SECTION 24. Funding. Funds needed to carry out the provisions of this Executive Order shall be taken from funds available in the Ministry.

SECTION 25. Change of Nomenclature. In the event of adoption of a new Constitution which provides for a presidential form of government, the Ministry shall be called Department of Transportation and Communication and the titles of Minister, Deputy Minister, and Assistant Minister shall be changed to Secretary, Undersecretary and Assistant Secretary, respectively.

SECTION 26. Separability. Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying other portion or provisions hereof, as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SECTION 27. Repealing Clause. Presidential Decree No. 890 and Letters of Instruction Nos. 263 and 371 are hereby repealed. All laws, ordinances, rules, regulations, other issuances or parts thereof, which are inconsistent with this Executive Order, are hereby repealed or modified accordingly.

SECTION 28. Effectivity. This executive Order shall take effect immediately upon its approval.

APPROVED in the City of Manila, Philippines, this 30th day of January, in the Year of Our Lord, Nineteen Hundred and Eighty-seven.

SGD. CORAZON C. AQUINO
President

By the President:

SGD. JOKER P. ARROYO
Executive Secretary