

POOLING ALL GOVERNMENT-OWNED CIVIL AIRCRAFT AND PROVIDING OPERATIONAL AND FINANCIAL CONTROL PROCEDURES THEREFOR

ADMINISTRATIVE ORDER NO. 386, July 10, 1976

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WHEREAS, a number of government agencies, instrumentalities and government-owned or -controlled corporations own several aircraft;

WHEREAS, it is a desirable policy to promote the sharing of use of these aircraft among the owners themselves, as well as with other government entities that do not own aircraft;

WHEREAS, such sharing will lead to savings on outlays for additional aircraft, and reduce effective operating costs and maintenance and overhaul expenses; and

WHEREAS, such sharing can best be promoted by a centrally-operated aircraft pooling system;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, pursuant to the powers vested in me by law, do hereby establish a system of pooling for government civil aircraft, to be constituted, organized, and operated as follows:

1. Aircraft Pool

- All aircraft owned by government civilian agencies, instrumentalities, or government-owned or -controlled corporations, authorities, or financial institutions shall constitute the government aircraft pool. Any aircraft acquired by a government civilian agency, instrumentality or government-owned or -controlled corporation or financial institution in the future shall likewise become part of the pool effective on the date of acquisition.

For this purpose "acquisition" or "ownership" shall include leases of aircraft for a period of six (6) months or longer.

- Military aircraft are specifically excluded from the aircraft pool. Existing rules shall continue to govern their use.

- Civil government entities that do not own aircraft are required to avail of aircraft from the pool whenever chartered aircraft are needed for official use. The use of private commercial aircraft shall be resorted to only when no appropriate aircraft is available from the government pool.

- No acquisition of new aircraft by any government agency shall be considered if the pool can adequately provide the transport service required. If purchase of a new aircraft is justified and approved, priority shall be given to acquisition from the aircraft inventory of the Philippine Aerospace Development Corporation (PADC). Only when PADC cannot provide the unit required shall importation from abroad be authorized. For this purpose, all requests for acquisition of aircraft by civil government agencies shall be coursed through PADC before being presented to the appropriate authority for approval.

2. Concept of Pooling

There shall be pooling in the sense of providing, through a centralized scheduling and financial clearing house

system, the service of the aircraft and flight crew whenever they are not used by the owner itself. Physical pooling and central ownership of all aircraft is not required.

3. Responsibility for Operations

- The pooling system shall be established and operated by the PADC. The PADC is hereby authorized to collect fees from the operations of the service, sufficient to defray the expenses of operating the pooling system.
- The Bureau of Telecommunications, the Civil Aeronautics Administration, and the Philippine Air Force shall assist the PADC in operating the pooling system, particularly in establishing the communications requirement of the system. The Philippine Atmospheric Geophysical Astro-nomical Service Administration shall provide the system with timely weather information.

4. Operational and Financial Control Procedures

The PADC, in consultation with aircraft owning agencies, the Commission on Audit, and the Budget Commission, is hereby authorized to establish such operational and financial control procedures as are necessary to operate the pooling system, within the following terms of reference:

- Utilization of aircraft shall strictly be for official use only.
- Priority of Use – Under normal circumstances, the owner-agency shall have priority of use over its own aircraft. The owner-agency, however, shall endeavor to make available its aircraft and flight crew to other agencies in the maximum amount of time possible, in the spirit of the pooling objectives enumerated above. In case of emergency, the President of the Philippines or his designated representative shall have the authority to assign priority of use for any aircraft.
- Aircraft Availability – All government-owned civil aircraft and their flight crews shall be made available by aircraft owners to other agencies whenever these are not being used by the owners themselves. The operational system shall provide for a reporting procedure to establish such availability, at least on a daily basis.
- Reimbursement of Costs – User agencies shall reimburse the owner-agencies for operating expenses incurred in their flights, and such other indirect expenses as may be reasonable to reimburse. The formula for establishing this reimbursement rate shall be determined by PADC in consultation with the owners of the aircraft. PADC shall establish and operate a clearing system for the collection of cost reimbursements.

The set of procedures attached hereto as “Annex A” and made an integral part hereof shall serve as the initial operational and financial control procedures for the system. Revisions of and/or additions to these control procedures may be made and promulgated by PADC from time to time in consultation with the members of the pool and with the appropriate government agencies, subject to the foregoing terms of reference.

5. Records and Reports

PADC shall maintain a record of utilization of each aircraft by the pool, and such other records as may be necessary to maintain the system and assess its effectivity. Reports shall be rendered to this Office, the first one to be submitted ninety (90) days from the date of effectivity of this Order, and periodically every three (3) months thereafter.

6. Repealing Clause

Any administrative order, rule, and regulation inconsistent with this Order is hereby modified accordingly.

7. Effectivity

This Order shall take effect thirty (30) days from its issuance.

Done in the City of Manila, this 10th day of July in the year of Our Lord, nineteen hundred and seventy-six.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

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