



MEMORANDUM ORDER NO. 2012-21

RATIONALIZATION OF PHILIPPINE POSTAL CORPORATION

WHEREAS, Executive Order (E.O.) No. 366, s. 2004, directed a strategic review of the operations and organizations of the Executive Branch including Government-Owned or –Controlled Corporations (GOCCs), and provided options and incentives for government employees who may be affected by the rationalization of functions and agencies of the Executive Branch;

WHEREAS, the Governance Commission for GOCCs (GCG), pursuant to Section 5(a) of the “*GOCC Governance Act of 2011*” (R.A. No. 10149), is mandated to “evaluate the performance and determine the relevance of the GOCC, to ascertain whether such GOCC should be reorganized, merged, streamlined, abolished or privatized, in consultation with the department of agency to which a GOCC is attached”;

WHEREAS, the Philippine Postal Corporation (PPC) currently has a plantilla consisting of 12,727 positions, of which 9,979 are filled;

WHEREAS, the PPC Governing Board approved a Rationalization Plan (RP) under Board Resolution No. 2011-153 dated 27 October 2011 providing for the reduction of its plantilla to 7,676 positions;

WHEREAS, as a measure of Good Governance and Economic Development through improving national productivity pursuant to Sections 6 and 8(e) respectively of E.O. No. 43, s. 2011, as well as the *Philippine Development Plan 2011-2016*, the Commission has reviewed the RP in consultation and with the concurrence of PPC’s Supervising Agency, the Office of the President, and the Department of Budget and Management (DBM);

WHEREAS, the rationalization of PPC is crucial and long overdue in light of the continued downtrend in mail patronage brought about by developments in communications technology, making it imperative to further trim down PPC’s organizational structure to a sustainable level;

WHEREAS, the rationalization is expected to result in a significant reduction in the cost of Personal Services, which can be used to implement the 4th tranche of Joint Resolution (J.R.) No. 4, s. 2009, and motivate PPC’s workforce whose compensation levels are only at 50% of the 1st tranche (2009 levels) of J.R. No. 4;

NOW, BE IT –

RESOLVED, the RP submitted by PPC is hereby **APPROVED WITH MODIFICATIONS**, *i.e.*, **with 64 organizational units and 7,043 positions** as reflected in the documents below, which form an integral part of this Memorandum Order (M.O.), to wit:

1. Annex A – Rationalization Plan;
2. Annex B – Organizational Structure;
3. Annex C – Staffing Pattern; and
4. Annex D – Functional Statement.

RESOLVED FURTHER, that the implementation of this order shall comply with the following guidelines:

1. Filling up of vacant positions shall be programmed to ensure overall financial viability of agency operations, actual revenue collection and operating requirements;
2. Funding requirements for regular positions shall be included in the Corporate Operating Budget of the Corporation;
3. PPC shall coordinate with and submit the list of retirees and other relevant documents to DBM in connection with the necessary budgetary requirements to implement the RP approved herein;
4. The Board through the Postmaster General shall be accountable for the payment of separation benefits to the retirees/separates pursuant to the pertinent provisions of E.O. No. 366;
5. The RP shall be implemented within two (2) months after receipt of this M.O. and an implementation report shall be submitted within one (1) month thereafter to GCG and DBM; and
6. The pertinent civil service, budgetary, accounting, auditing and other relevant laws, rules and regulations shall be complied with.

DONE, in the City of Manila, this 29th day of October, Two Thousand and Twelve.

Very truly yours,

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA
Chairman



MA. ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner