

[LETTER OF INSTRUCTION NO. 68, March 30, 1973]

TO : The Secretary of National Defense
The Chairman, Civil Aeronautics Board

Pending finalization of a program for the complete phasing out of all airlines except one, the policy is hereby reiterated that only one airline shall operate on the international routes.

The domestic services of the three airlines, however, shall be continued provided that the Filipinas Orient Airways and Air Manila will now engage in joint operations to service such routes or points as shall be decided by a committee to be composed of the Civil Aeronautics Administration and Philippine Air Force, under the Secretary of National Defense as Chairman. The committee shall submit recommendations to the Civil Aeronautics Board to decide what routes or joints will be serviced by the joint operations of Air Manila, Filipinas Orient Airways as well as the Philippine Air.

The operations of PAL and the joint AMI-FOA effort shall be supervised by the Secretary of National Defense or his representative.

The international operations shall be undertaken only by the Philippine Air Lines.

All revenues arising out of the domestic operations of the airlines shall be placed in a special account to be utilized to meet the liabilities of the airline concerned.

This should now temporarily solve the problem of personnel absorption and equipment utilization of the Philippine Air Lines with respect to both Air Manila and Filipinas Orient Airways.

However, studies should now be conducted for the final Phase of the rationalization of the airline industry, which is to have only one airline.

The principal guideline should be the improvement of efficiency of service provided by the airlines. At present, out of 58 domestic routes, only 31 are being serviced. The airlines must increase this to 50.

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



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