

MEMORANDUM OF UNDERSTANDING

1. Delegations representing the Government of the Republic of the Philippines and the Government of Malaysia met in Clark, Pampanga on 29 - 30 October 2008 to discuss matters relating to the Air Services Agreement between the two countries, signed on 12th day of April 1978 in Manila.

2. The Philippine Delegation was headed by Undersecretary Doroteo A. Reyes II; Chairman RP Air Negotiating Panel and the Malaysia Delegation was headed by Dato' Long See Wool of the Malaysian Ministry of Transport. The lists of the two delegations are attached as ATTACHMENT I

3. The meeting was conducted in a most cordial and friendly atmosphere reflecting the good relationship existing between the two countries. As a result, both delegations reached the following agreement:

3.1 Designation

Both delegations agreed to amend paragraph 1 of Article 3 of the Air Services Agreement to allow multiple airline designation. The new paragraph shall be as follows:

"Each Contracting Party shall have the right to designate in writing to the other Contracting Party two or more airlines for the purpose of operating the agreed services on the specified routes."

3.2 Route Schedule

Both delegations agreed on a new Route Schedule attached as ATTACHMENT II.

3.3 Capacity

Both delegations agreed to the following capacity for the specified routes:

Passenger Services

1. Clark- Points in Malaysia v.v.

With immediate effect, a maximum of 9,000 seats per week

2. Manila-Points in Malaysia v.v.

a. Manila to Kuala Lumpur v.v.

With immediate effect, a maximum of 2,300 seats per week

b. Manila to Points in Malaysia except Kuala Lumpur

With immediate effect, a maximum of 2,000 seats per week

3. Points in the Philippines except Manila and Clark - Points in Malaysia v.v.

With immediate effect, a maximum of 5,000 seats per week

All-cargo services

1. Manila - Points in Malaysia v.v.

With immediate effect, a maximum of 250 tons per week

2. Points in the Philippines except Clark and Manila - Points in Malaysia

v.v. With immediate effect, a maximum of 450 tons per week

3. Clark - Points in Malaysia v.v.

With immediate effect, a maximum of 700 tons per week

4. Application

This Memorandum of Understanding shall replace the relevant parts of the Air Services Agreement between the Government of the Republic of the Philippines and the Government of Malaysia signed on 12 April 1978 and the CMOUs respectively signed on 26 February 1994 and 29 November 1996. This MOU shall enter into force upon ratification by the Philippine authorities pursuant to its internal procedures. Pending such ratification, this MOU shall be given provisional effect on the date of signature in accordance with Article XIV of the Agreement.

Done on 30th of October 2008 in Clark Freeport Zone, Pampanga, Philippines.

For the delegation of the Government of
The Republic of the Philippines

(Sgd.) DOROTEO A. REYES II
Chairman, Philippine Delegate
For the delegation of the Government
of Malaysia

For the delegation of the Government
of Malaysia

(Sgd.) DATO LONG SEE WOOL
Chairman, Malaysian Delegation

ATTACHMENT I

PHILIPPINE DELEGATION

- | | |
|----------|--|
| Chairman | - Undersecretary Doroteo A. Reyes II
Department of Transportation and
Communications |
| Members | - Executive Director Carmelo L. Arcilla
Civil Aeronautics Board |
| | - Atty. Giovanni Palec
Department of Foreign Affairs |
| | - Director Evelyn R. Cajigal
Department of Tourism |
| | - Mr. Jose Victor Luciano
Clark International Airport Corporation |
| | - Ms. Ma Socorro R. Gonzaga
Philippine Airlines Inc. |
| | - Ms. Ma. Inez F. Jose
Cebu Pacific Air |
| | - Ms. Patria T. Chiong
Air Philippines Corporation |
| | - Mr. Reynaldo Rodriguez
Zest Air |
| | - Mr. Marlon Tangco
Pacific East Asia Corporation |
| Advisers | - Board Member Renato V. Diaz
Civil Aeronautics Board |
| | - Mr. Porvenir P. Porciimcula
Civil Aeronautics Board |
| | - Mr. Alexander S. Cauquiran
Clark International Airport Corporation |
| | - Atty. Reynaldo L. Ching
Department of Tourism |
| | - Atty. Enrique Esquivel
Philippine Airlines Inc. |
| | - Atty. Paterno Mantaring
Cebu Pacific Air |
| | - Atty. Cecilio De La Cruz
Air Philippines Corporation |
| | - Atty. John Voltaire Aimedia
Air Philippines Corporation |

**ATTACHMENT I
MALAYSIAN DELEGATION**

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| Chairman | - Dato' Long See Wool
Deputy Secretary General (Planning)
Ministry of Transport Malaysia |
| Members | - Rosida Ismail
Assistant Secretary (Air Transport)
Ministry of Transport Malaysia |
| | - Intan Zurina Dollah
Second Secretaiy (Political and Economic)
Ernbassy of Malaysia |
| | - Suresh Singam Assistant
General Manager |