

REPUBLIC ACT NO. 7354

**AN ACT CREATING THE PHILIPPINE POSTAL CORPORATION,
DEFINING ITS POWERS, FUNCTIONS AND RESPONSIBILITIES,
PROVIDING FOR REGULATION OF THE INDUSTRY AND
FOR OTHER PURPOSES CONNECTED THEREWITH**

ARTICLE I TITLE, POLICY, AND DEFINITIONS

SEC. 1. TITLE. - This Act shall be known as the "Postal Service Act of 1992".

SEC. 2. DEFINITIONS. - As used in this Act:

- a) "Corporation" shall refer to the Philippine Postal Corporation as provided for in this Act.
- b) "Letter" shall refer to a message in writing, which may be in any language or in code, contained in a sealed or unsealed envelope or not in an envelope at all, of such physical dimensions and weights allowed by the Corporation or the Government, and intended for delivery to a person or entity displayed legibly on one of its faces.
- c) "Mail" or "mail matters" shall refer to all matters authorized by the Government to be delivered through the postal service and shall include letters, parcels, printed materials, and money orders.
- d) "Obligations" refer to all financial liabilities of the Corporation which are evidenced by promissory notes, bonds, debentures, mortgages or any other form of indebtedness.
- e) "Parcel" means a rectangular box, the dimension and weight of which is as specified by the Corporation or the Government containing goods or some form of transportable property intended for delivery to an addressee prominently displayed on at least one (1) of its sides.

f) "Printed matter" means the reproduction upon paper, by any process except that of handwriting or typewriting, of any words, letters, characters, figures or images, or any combination thereof, not having the character of an actual and personal correspondence.

SEC. 3. POLICY AND OBJECTIVES. - The delivery of letters, parcels, and other mail letters is a basic and strategic public utility which the State shall provide, directly and indirectly through, and/or with other duly authorized entities or persons. Accordingly, the collection, sorting, storage, transporting, and delivery thereof shall be done with utmost dispatch in the most economical, reliable and secure manner that available technology will permit.

The State shall pursue the following objectives of a nationwide postal system:

- a) to enable the economical and speedy transfer of mail and other postal matters, from sender to addressee, with full recognition of their privacy or confidentiality;
- b) to promote international interchange, cooperation and understanding through the unhampered flow or exchange of postal matters between nations;
- c) to cause or effect a wide range of postal services to cater to different users and changing needs, including but not limited to, philately, transfer of monies and valuables, and the like;
- d) to ensure the sufficient revenues are generated by and within the industry to finance the overall cost of providing the varied range of postal delivery and messengerial services as well as the expansion and continuous upgrading of service standards by the same.

ARTICLE II CREATION, POWERS AND RESPONSIBILITIES OF THE PHILIPPINE POSTAL CORPORATION

SEC. 4. CREATION. - There is hereby created a corporate body to be known as the Philippine Postal Corporation, hereafter referred to as the Corporation, which shall be attached to the Department of Transportation and Communications for purposes of policy coordination.

SEC. 5. RESPONSIBILITIES AND FUNCTIONS. - The Corporation shall have the following functions and responsibilities;

a) to provide for the collection, handling, transportation, delivery, forwarding, returning and holding of mails, parcels, and like materials, throughout the Philippines, and, pursuant to agreements entered into, to and from foreign countries;

b) to determine and dispose of, in a manner it deems most advantageous, with law and settled jurisprudence, confiscated or non-mailable mail matters, prohibited articles, dead letters and undelivered mails, except the sale of prohibited drugs, dangerous materials, and other banned articles as defined by law;

c) to plan, develop, promote, and operate a nationwide postal system with a network that extends or makes available, at least ordinary mail service, to any settlements in the country.

SEC. 6. POWERS. - To achieve its objectives and undertake its functions effectively, the Corporation shall have the following powers;

a) to charge fees for postal services to be rendered, receipt the same, and prescribe the manner it is to be paid and collected, subject to the provisions of this Act;

b) to establish and maintain post offices, postal stations, collection points and related facilities and equipment of such character and in such locations that postal users throughout the Philippines will, consistent with reasonable economies of operations, have already access to essential postal services;

c) to issue and sell postage stamps and other stamped paper, cards, and envelopes as it may deem necessary or desirable;

d) to issue money orders or checks for transmittal through the mails and authorize the issuance of a replacement in cases of lost, stolen, stale, or destroyed money order or check;

e) to offer a wide array of postal services other than ordinary mail and parcels, which, however, shall not be compulsory, discriminatory nor unfairly competing with similar private enterprises, such as money order, parcel post, postal savings bank, philatelic, and other types of services which are internationally accepted as part of postal business;

f) to adopt and promulgate such rules and regulations as would improve the postal system or implement the provisions of this Act.

SEC. 7. CORPORATE POWERS. - The Corporation shall have all corporate powers defined under the Corporation Code, such as, but not limited to the following:

- a) to sue and be sued in its official name;
- b) to enter into and perform contracts, execute instruments, and determine the character of, and necessity for, its expenditures;
- c) to determine and keep its own system of accounts following generally accepted principles of accounting, as well as the forms and contents of its contracts and other business documents;
- d) to acquire, in any lawful manner, such personal or real property; or any interest therein, as it deems necessary or convenient in the transaction of its business; to hold, maintain, sell, lease, or otherwise dispose of such property or any interest therein, and to provide services in connection therewith and charges therefore;
- e) to construct, operate, lease, and maintain buildings, facilities, equipment, and other improvements on any property owned, controlled or leased by it;
- f) to accept gifts, donations, bequests, services, or properties, real or personal, as it deems necessary or convenient in the transaction of its business;
- g) to settle, under such terms and conditions or amounts most advantageous to it, any claim by or against it;
- h) to adopt and use a corporate seal;
- i) to exercise all other corporate powers incidental, necessary, or appropriate to its postal business.

SEC. 8. BOARD OF DIRECTORS. - The powers of the Corporation shall be vested in and exercised by a Board of Directors of seven (7) members to be elected by the shareholders of record at the annual business meeting of the Corporation. Initially and to organize the Corporation, the President shall appoint all the members, with the Postmaster General as one of the members to represent the government shareholdings. When the private shareholdings become sufficient to elect at least one (1) Director, the appointment or election of directors shall be done in accordance with the Corporation Law with the Secretary of Transportation and Communications exercising the right to vote the government shares of stocks. The Board shall elect a chairman from among its members.

The members of the Board so appointed by the President shall hold office for a term of five (5) years each, except of those first appointed, two (2) members shall have a term of five (5) years, two (2) with three (3) years, and two (2) with one (1) year. Thereafter, the appointment shall be in accordance with the Corporation Law.

The Board shall meet regularly once a month and may hold special meetings to consider urgent matters upon call of the Chairman or any three (3) members. A majority shall constitute a quorum to transact business, and the vote of at least a majority of the members present at a meeting at which there is a quorum shall be valid as a corporate act.

The members of the Board, except the Postmaster General or his alternate, shall receive for every meeting actually attended a per diem not exceeding the lowest monthly pay of a regular postal employee, but in no case with the total amount received in any one (1) month by each member exceed four times (4x) the per diem per meeting. Members of the Board shall be reimbursed by the Corporation for actual expense, including travelling and subsistence expenses, incurred by them in the performance of their duties.

No member of the Board shall have financial or pecuniary interest, directly or indirectly, in any business contract or transaction entered into by the Corporation or in any privilege granted by it. Neither shall a member have any interest, financial or otherwise, in any undertaking or business with an inherent conflict of interest with the Corporation.

ARTICLE III

CAPITAL AND FISCAL ADMINISTRATION

SEC. 9. CAPITALIZATION. - The Corporation shall have an authorized capital stocks of Ten billion pesos (P10,000,000,000.00) divided into forty-five (45) million Class "A" shares and fifty-five (55) million Class "B" shares, each voting and with a par value of One hundred pesos (P100.00). The Class "A" shares shall be fully subscribed by the Government or any of its instrumentalities, and may only be owned, sold to, bought or held by a government entity. The Class "B" shares may be owned by private entities and sold through tenders, public offerings, or the stock market, at such time, price or numbers as may be authorized by the Board in accordance with the Corporation Law.

The subscriptions of the National Government in Class "A" shares shall be paid as follows:

- a) the unexpended balances of appropriations in the current General Appropriations Act, Executive Order No. 182 and other acts in force upon approval hereof, pertaining to, held or used by, or available to the former Bureau of Posts, and its successor Postal Services Office, of the Department of Transportation and Communications;
- b) the values of all the existing assets of the Bureau of Posts and its successor office, the Postal Services Office, and the various postal facilities throughout the country owned by it, to be determined by an independent appraiser within a year of the effectivity of this Act;
- c) any surplus income that may be derived from or accrued to the Corporation upon its organization into a corporate body and its assumption of the assets and liabilities of the Postal Services Office; and
- d) such amount as may be appropriated from time to time from the funds of the National Treasury not otherwise appropriated, including any outlay from the Infrastructure Program of the National Government.

SEC. 10. SOURCE OF FUNDS. - The following shall constitute the sources of funds against which the operating expenses of the Corporation may be drawn:

- a) all revenues from postal and allied services operated or rendered by the Corporation, including remittances from foreign postal administrations;
- b) proceeds of grants, donations, disposal of assets and sale of non-mailable or confiscated mail matters, loans and other form of indebtedness entered into by the Corporation;
- c) interest which may be earned on investments or on idle cash of the Corporation;
- d) drawings upon the capital or surplus of the Corporation.

SEC. 11. MANAGEMENT OF FUNDS. - The Corporation may, from time to time, invest any of its funds not immediately required to be expended in meeting its obligations or in the discharge of its functions, in such secured notes, government securities, and other negotiable instruments that satisfy the guidelines prescribed by the Board.

All funds of the Corporation shall be deposited in such commercial and universal banks as may be accredited by the National Treasurer as depository of government funds. The board shall designate the official signatories of the Corporation with regards to the deposit or withdrawal of the Corporation's monies in such banks.

SEC. 12. OBLIGATIONS. - The Corporation is authorized to secure or contract domestic or foreign loans, credits and other indebtedness, and to issue bonds, notes, debentures, securities and other instruments of indebtedness as it may deem necessary to carry out the purpose of this Act, provided that:

a) the outstanding liabilities, and obligations, foreign and domestic, shall not exceed, at any time, fifty percent (50%) of its net worth;

b) the foreign indebtedness can only be contracted with the concurrence of the Department of Finance, or under such terms and conditions established by the Central Bank;

c) the annual amortizations on principal and interest shall not be more than twenty percent (20%) of the prior year's gross revenues;

d) where appropriate, obligations incurred from private sources of capital may be secured by suitable assets or backed by priority claims against property of the Corporation;

e) the obligations shall be considered the sole liability of the Corporation, unless otherwise guaranteed by the Republic of the Philippines through the Secretary of Finance;

f) issuance of bonds or long term notes shall be with prior approval of or in accordance with the rules issued by the National Treasurer.

SEC. 13. ANNUAL BUDGET. - The Corporation shall, every year, prepare and adopt estimates of income and expenditures and capital budget of the Corporation for the ensuing year. Unless the Corporation shall require subsidy and/or a guarantee of its liability from the National Treasury, its budget for the year need not to be submitted to Congress for approval and inclusion in the General Appropriations Act.

Supplementary estimates may be prepared and adopted at any of the Board meeting called for that purpose.

SEC. 14. EXEMPTION FROM TAXES, CUSTOMS, AND TARIFF DUTIES. - The importation of equipment, machineries, spare parts, accessories, and other materials, including supplies and services used directly in the operations of the Postal System, not obtainable locally on favorable terms, shall be exempt from all direct and indirect taxes, customs duties, fees, imports, tariff duties, compensating taxes, wharfage fees and other charges and restrictions, the provisions of existing laws to the contrary notwithstanding.

All obligations entered into by the Corporation and any income derived therefrom, including those contracted with private international banking and financial institutions, shall be exempt from all taxes on both principal and interest.

The Corporation is also exempt from the payment of capital gains tax, local government imposts and fees after December 31, 1997; Provided, that it may offset the full value of the capital investments not otherwise funded by the National Government against any income tax due for the same period.

SEC. 15. ANNUAL ACCOUNTS. - The Corporation shall maintain such accounts and other records under a commercial system of accounting on a calendar year basis. The Board shall cause the publication of the Corporation's annual statement of income and expenditures, including its balance sheet at the end of the reporting period.

The audited annual statement of accounts of the Corporation shall present a true and fair value of the financial position of the Corporation and of the results of the operations during the year to which it relates.

For completeness of postal statistics, the Corporation shall likewise record the quantity of official business mails, and the equivalent revenues foregone had the corresponding postage been collected thereto. This shall include "franked mail", or mail matter transmitted without payment or postage under the autographic or facsimile signature of officials to whom this privilege is extended by law, and under such rules promulgated by the Corporation to prevent the unauthorized use thereof.

SEC. 16. AUDITOR. - In consonance with existing laws and regulations, the Commission on Audit shall appoint and assign such personnel as may be necessary to audit the accounts of the Corporation. However, the Board may engage the services of any person or firm duly authorized by law for the audit of accounts of the Corporation for purposes of complying with its international contractual commitments or with the requirements of holders of Class "B" shares.

The Board shall determine the remuneration, compensation or reimbursement of expenses that may be reasonable and appropriate under the circumstances, for either or both of the interest and external Auditors mentioned above.

SEC. 17. AUDITOR'S REPORT. - The auditor shall, as soon as practicable, but not later than three (3) months after the accounts have been submitted for audit, send an annual report to the Board. The Auditor may also submit such periodical or special reports to the Board may appear to him necessary, or as requested by the Board.

SEC. 18. ANNUAL REPORT. - The Board shall submit to the appropriate regulatory agencies, as identified in Article V of this Act, and to both Houses of Congress, together with the Auditor's Report on the relevant accounts, an annual report generally dealing with the activities and operations of the Corporation during the preceding year, and containing such other information as may be relevant in assessing its overall corporate performance, particularly statistics about the mails, parcels, and mail matters handled or processed by it, and indicators of productivity relating output with the resources used.

ARTICLE IV MANAGEMENT AND PERSONNEL

SEC. 19. DELEGATION OF AUTHORITY. - Except for those powers, functions, or duties specifically vested in the Board, the Board may delegate the authority vested in it to the Postmaster General under such terms, conditions and limitations as it may prescribe. The Board may establish committees, with such authority as the Board determines appropriate to carry out its functions and duties. Any power delegated herein shall not relieve the Board of full responsibility for the performance of its duties and functions, and shall be revocable by the Board in its exclusive judgment.

SEC. 20. EXECUTIVE OFFICERS. - The Corporation shall be managed by a Postmaster General who shall be assisted by as many Assistant Postmaster Generals as the Board may deem necessary for postal efficiency. They shall be natural-born citizens of the Philippines, at least thirty five (35) years old, holders of a college degree, of good moral character and proven executive ability and competence. Initially and until such time that issued Class "A" shares do not fall below sixty percent (60%) of the total voting stocks, the Postmaster General shall be appointed by the President; thereafter, the appointment shall be in accordance with the Corporation Law. At least a majority of the Assistant Postmaster Generals must be career postal officials who shall be appointed, and may be removed for cause by the Board, upon recommendation of the Postmaster General.

The yearly total monetary compensation, including salary, bonuses, and allowances of the Postmaster General and each Assistant Postmaster General, shall be set by the Board: provided, that, in the case of the Postmaster General, it shall not exceed twenty times (20x) the lowest annual salary of a regular employee of the Corporation; and in the case of the Assistant Postmaster General, his annual total monetary compensation shall not exceed eighteen times (18x) the lowest annual salary of a regular postal employee in the Corporation.

SEC. 21. POWERS AND FUNCTIONS OF THE POSTMASTER GENERAL. - As the Chief Executive Officer, the Postmaster General shall have the following powers and functions:

- a) to represent the Corporation in all dealings with other offices, agencies, and instrumentalities of the Government and with all other persons and entities, whether public or private, domestic, foreign or international;
- b) to sign for and on behalf of the Corporation contracts and debt instruments authorized and approved by the Board;
- c) subject to the approval of the Board, to determine the staffing pattern and the number of personnel, define their duties and responsibilities, and fix their salaries and emoluments in accordance with the approved compensation structure of the Corporation;
- d) to appoint, promote, assign, reassign, transfer and remove personnel below the ranks of Assistant Postmaster General: provided, that in the case of removal of officials and employees, the same may be appealed to the Board;
- e) to delegate any of his powers, duties or functions to any official of the Corporation, subject to the approval of the Board;
- f) to perform such other functions and duties as the Board may direct.

SEC. 22. MERIT SYSTEM. - The Corporation shall establish a human resources management system which shall govern the selection, hiring, appointment, transfer, promotion, or dismissal of all personnel. Such system shall aim to establish professionalism and excellence at all levels of the postal organization in accordance with sound principles of management.

A progressive compensation structure, which shall be based on job evaluation studies and wage surveys and subject to the Board's approval, shall be instituted as an integral component of the Corporation's human resources development program. The Corporation, however, may grant across-the-board salary increase or modify its compensation structure as to result in higher salaries, subject to either of the following conditions:

a) there are evidences of prior improvement in employee productivity, measured by such quantitative indicators as mail volume per employee and delivery time;

b) a law raising the minimum wage has been enacted with application to all government employees or has the effect of classifying some positions in the postal service as below the floor wage.

SEC. 23. APPLICABILITY OF CIVIL SERVICE LAW. - All permanent officers and employees of the Corporation below the rank of Assistant Postmaster General shall be subject to the Civil Service law, rules and regulations so long as the Corporation is majority-owned by the Government. The hiring of temporary workers or casuals to meet peak or seasonal volume or mail matters shall be exempt from the provision of this Section.

SEC. 24. PROHIBITION OF STRIKES, WORK STOPPAGES AND SLOWDOWNS. - In view of the vital nature of postal services and its effect on national interests, the officers and employees of the Corporation are prohibited from conducting strikes, work slowdowns or stoppages, and such other acts that may disrupt the timely delivery of mail matters.

Nothing in this provision shall prevent such officers and employees from forming a union or employee association in accordance with Civil Service rules and regulations and for the purpose of securing changes or improvements in the terms and conditions of their employment.

SEC. 25. EXEMPTION FROM RULES AND REGULATIONS OF THE COMPENSATION AND POSITION CLASSIFICATION OFFICE. - All personnel and positions of the Corporation shall be governed by Sec. 22 hereof, and as such shall be exempt from the coverage of the rules and regulations of the Compensation and Position Classification Office. The Corporation, however, shall see to it that its own system conforms as closely as possible with that provided for under Republic Act No. 6758.

ARTICLE V REGULATION OF THE POSTAL DELIVERY SERVICES INDUSTRY

SEC. 26. THE REGULATORY AUTHORITY. - The exclusive power and authority to regulate the postal delivery services industry or those engaged in domestic postal commerce, as provided for under Presidential Decree No. 240, shall be vested with the Department of Transportation and Communications (DOTC), and may be delegated by the DOTC Secretary to the National Telecommunications Commission. The regulatory authority shall have the responsibility of investigating and prosecuting postal offenses of postal service establishments, whether civil or criminal, and instituting necessary action or proceedings. Nothing in this Section shall prevent or limit the Corporation's authority to investigate, prosecute or penalize offenses committed by its employees.

SEC. 27. REGISTRATION OF THE POSTAL ESTABLISHMENTS. - The regulatory authority shall:

- a) register and prequalify any person, natural or juridical, other than freight forwarders, who engage in the business of letter and parcel messengerial services, door-to-door delivery, or the transporting of the property of others that are similar to mail or parcel;
- b) upon petition and public hearing, approve the rate to be charged by the Corporation for ordinary mail.

SEC. 28. POSTAL OFFENSES. - The Regulatory Authority shall exercise the following powers if, in its judgment, postal laws have been, are being, or about to be violated:

- a) to conduct, directly or with the Corporation, and with the assistance of law enforcers, searches of any vehicle, vessel or aircraft for stolen mail matter or any mail matter being transported in violation of law, whenever there is reasonable ground to believe that such prohibited mail matter is contained therein;
- b) to issue search warrants, under the same conditions prescribed for judicial officers, authorizing the search of any place not used as a dwelling for any stolen mail matter;
- c) with the help of law enforcers, and through his duly authorized representatives, to make arrest and seizure for violation of any postal law;
- d) to offer and pay rewards for information and services in connection with violations of the postal laws.

ARTICLE VI TRANSITORY PROVISIONS

SEC. 29. ABOLITION OF THE POSTAL SERVICES OFFICE. - The Postal Services Office under the Department of Transportation and Communications, is hereby abolished. All powers and duties, rights and choses of actions, vested by law or exercised by the Postal Services Office and its predecessor Bureau of Posts, are hereby transferred to the Corporation.

All real and personal properties which upon the effectivity of this Act are vested in, or owned by, the Postal Services Office are transferred to the Corporation without the need of conveyance, transfer or assignment. Likewise, all funds, revenues and properties owned by the defunct Postal Savings Bank, which are not administered by the Philippine National Bank, are transferred to the Corporation, provisions of Presidential Decree No. 241 notwithstanding. The Philippine National Bank is hereby directed to transfer and turn-over to the Corporation all funds, revenues, and properties of the defunct Postal Savings Bank administered by it, after deducting any liability with such assets.

All contracts, records, and documents relating to the operation of the Postal Services Office and its postal field offices are hereby transferred to the Corporation.

To ensure smooth transition into a corporate structure, the incumbent Assistant Secretary for Postal Services shall continue to hold office and assume the powers and functions of the Postmaster General under Sec. 21 hereof until his successor shall have been duly appointed and inducted into office. Officials and employees of the Postal Services Office shall be absorbed into the Corporation on the basis of merit and fitness: provided, that officers and employees who shall be laid-off during the first two (2) years of the effectivity of this Act and as a result of the organization of the Corporation, shall be entitled to gratuity at the rate equivalent to one and one-fourth (1 1/4) month's salary for every year of continued and satisfactory service rendered or the equivalent nearest fraction thereof favorable to them on the basis of the highest salary received, in addition to the retirement benefits or pensions under existing retirement law. Retirement gratuities of officials and employees who shall not be retained by the Corporation shall be for the account of and reimbursed by the National Government.

Any of such officers and employees who may later be reinstated in the Corporation, or who is rehired in any government office or instrumentality, shall refund the unearned portion of gratuity received from the Corporation before he shall be reinstated or rehired.

SEC. 30. APPROPRIATIONS. - To provide for any extraordinary expenses of the Corporation upon its organization, the unavailed portion of the excess of actual operating income over the estimated expenses of the Postal Service Office, if any, at the time of the passage of this Act is hereby appropriated for purposes that the Board may approve. This shall be considered as part of the paid-up capital under paragraph (c) of Sec. 9 hereof.

For the purpose of funding the gratuity mentioned in Sec. 29 hereof, the amount of Three hundred million pesos (P300,000,000.00), inclusive of the amount referred to above, is hereby appropriated out of any funds available and not otherwise appropriated in the National Treasury.

SEC. 31. SAVINGS CLAUSE. - All orders, determinations, rules, regulations, permits, certificates, licenses and privileges which have been issued, made, granted or allowed to become effective by the former Postal Services Office or its predecessor, shall continue to be in effect according to their terms until modified, terminated, superseded, set aside, or repealed.

No suit, action or other proceeding commenced by or against any officer in his official capacity as an officer of any division or agency of the former Postal Services Office (Bureau of Posts), the functions of which are transferred by this Act to the Corporation, shall abate by reason of this Act. In like manner, no cause of action by or against such division or agency or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, or other proceedings may be asserted or against the Corporation or such official of the Corporation as may be appropriate.

ARTICLE VII MISCELLANEOUS PROVISIONS

SEC. 32. RELATIONSHIPS WITH OTHER INSTITUTIONS. -

a) In the event the Corporation decides to reactivate or reopen the Postal Savings Bank after ascertaining its financial viability and in response to public clamor, it shall operate such service without, as much as practicable, unduly competing with rural, commercial, or universal banks. The Corporation shall utilize the facilities of such banks whenever convenient and economical, under such terms and conditions as may be agreed between the parties concerned.

b) The Corporation shall establish a working arrangement with the Bureau of Customs to facilitate the inspection, release or delivery of foreign parcels of mail matters which may be liable for customs taxes and other import charges. It may organize a special unit or designate specific postal branches for handling such mail matters. In lieu of assigning it own personnel, the Bureau of Customs may appoint the Corporation or delegate its customs and collections powers thereto, subject to some mutually agreed upon terms and conditions, including the reimbursements of cost to the Corporation or the payment for services based on percentage of the amount of tax collected.

c) Any local government unit may enter into contract with the Corporation for the use of the former's building, facilities, or land, either gratis or for a consideration, or for the management and operation by the local government unit of a post office or postal branch in its territory.

SEC. 33. LIMITED LIABILITY. - Unless otherwise declared and mutually agreed upon at the time posting, the liability of the Corporation with respect to its contractual obligations to deliver mail matters shall be limited to that amounts or values provided for by the Universal Postal Union and by international or bilateral agreements to which the Philippines is a signatory.

SEC. 34. SEPARABILITY CLAUSE. - If for any reason, any section or provisions of this Act is declared to be unconstitutional or invalid, the other sections or provisions hereof, which are not affected thereby, shall continue in full force and effect.

SEC. 35. REPEALING CLAUSE. - All acts, decrees, orders, executive orders, instructions, rules and regulations or parts thereof inconsistent with the provisions of this Act are repealed or modified accordingly.

All franking privileges authorized by law are hereby repealed, except those provided for under Commonwealth Act No. 265, Republic Acts Numbered 69, 180, 1414, 2087, and 5059. The Corporation may continue the franking privilege under Circular No. 35 dated October 24, 1977 and that of the Vice President, under such arrangements and conditions as may obviate abuse or unauthorized use thereof.

SEC. 36. EFFECTIVITY. - This Act shall take effect thirty (30) days after its approval and publication in the Official Gazette.

Approved: April 3, 1992