

**[ ADMINISTRATIVE ORDER NO. 233, August 01, 2008 ]**

**REITERATING THE PROHIBITION ON THE ACQUISITION AND USE OF LUXURY VEHICLES AND DIRECTING REVISIONS OF GUIDELINES ON GOVERNMENT MOTOR VEHICLES ACQUISITION**

**WHEREAS**, the current Administration is steadfast in its goal to utilize government resources judiciously;

**WHEREAS**, the Government must set the highest standard of parsimony and efficiency in public spending;

**WHEREAS**, the Philippines is a major user of imported oil with the transport and automotive industries accounting for about sixty percent (60%) of the country's total petroleum consumption;

**WHEREAS**, the Government should set aside and provide the example in the efforts to reduce the country's dependence on imported fuels and to foster energy self-reliance by promoting the use of alternative fuels;

**WHEREAS**, the acquisition of government motor vehicles should be guided by the principles of functional suitability, affordability and practicability, and must strictly comply with RA No. 8749, known as "The Clean Air Act of 1999";

**WHEREAS**, the recent trends in the automotive industry have rendered the current guidelines on motor vehicles' specifications outdated;

**WHEREAS**, the process of acquiring new motor vehicles could be further streamlined;

**NOW, THEREFORE, I, GLORIA MACAPAGAL ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested of the powers vested in me by law, do hereby order:

1.0 All government offices, including Government-Owned or Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), State Universities and Colleges (SUCs) and Local Government Units (LGUs), are hereby prohibited from acquiring and/or using luxury vehicles for their operations.

2.0 For the purpose of this Order, a "luxury vehicle" shall refer to any motor vehicle with the following technical specifications:

2.1 Car (sedan or hatchback) with an engine displacement exceeding 2200cc, if gasoline-fed; or 3000cc, if diesel-fed;

and with an engine exceeding 4 cylinders;

2.2 Passenger van or pick-up type vehicle with an engine displacement exceeding 2200cc, if gasoline-fed; or 3000cc, if diesel-fed; and with an engine exceeding 4 cylinders;

2.3 Crossover Utility Vehicle (CUV) <sup>[1]</sup>/Multi-Purpose Vehicle (MPV)/Asian Utility Vehicle (AUV) with an engine displacement exceeding 2000cc, if gasoline-fed; or 2500cc, if diesel-fed; and with an engine exceeding 4 cylinders;

2.4 Sports Utility Vehicle (SUV) with an engine displacement exceeding 2700cc, if gasoline-fed; or 3000cc, if diesel-fed; and with an engine exceeding 4 cylinders;

3.0 The following vehicles are not covered by this Order:

3.1 Those used for security reasons and purposes for the President, Vice-President, Senate President, Speaker of the House of Representatives and Chief Justice of the Supreme Court;

3.2 Vehicles donated by Foreign Governments and Bilateral and Multilateral Institutions, if compliance with this Order is violative of the terms and conditions of such donation;

3.3 Vehicles used for visiting foreign dignitaries maintained by the Office of the President (OP)-Proper and the Department of Foreign Affairs; and

3.4 Vehicles acquired for on-going projects funded from existing official development assistance programs;

4.0 In this connection, all government agencies are hereby directed to account for all their motor vehicle units, prepare a disposal program for all luxury motor vehicles and submit a report to the Department of Budget and Management (DBM) and OP, thru the General Government Administration Office (GGAO), on compliance with this provision.

5.0 The government office concerned shall proceed to immediately dispose of such vehicles by public auction or sale in compliance with applicable laws, rules and regulations.

6.0 All proceeds from such sale shall be turned over to the National Treasury, in the case of national government agencies/SUCs; or to their respective corporate operating funds, in the case of GOCCs and GFIs; or to their respective local funds, in the case of LGUs. The same shall be automatically appropriated for the purchase of new ones, subject to the provisions of this Order, and for the repair of existing serviceable vehicles. Agencies concerned are required to submit a Special Budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292 (Administrative Code of 1987) and a report of vehicles sold and the utilization of the sales proceeds to the DBM and OP-GGAO.