

GRANTING THE MANILA INTERNATIONAL PORT TERMINALS, INC. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN FLOATING BONDED WAREHOUSES AND COLD STORAGE FACILITIES IN THE MANILA BAY AN...

PRESIDENTIAL DECREE NO. 634, January 07, 1975

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WHEREAS, Republic Act No. 4138, as amended, granted the San Luis Warehousing Corporation a franchise to construct, maintain and operate floating bonded warehouses and cold storage facilities in the Manila Bay and other navigable waters in the vicinity and providing guidelines for its operations;

WHEREAS, ten years have since elapsed and nothing has been achieved by said corporation towards the fulfillment of its obligations under the said Act;

WHEREAS, Recent worldwide economic trends and developments have proven that it is indispensable to have modern port facilities to ensure an efficient and less expensive system for the crating, hauling and transportation of bulk cargoes, goods and merchandises; and

WHEREAS, the demand of continued economic growth and development of the nation require the immediate cancellation of the said franchise and the grant of the same to another deserving corporation;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

SECTION 1. Republic Act Numbered Forty-one hundred thirty-eight, entitled "An Act Granting San Luis Warehousing Corporation a Franchise to Construct, Operate and Maintain Floating Bonded Warehouses and Cold Storage Facilities in the Manila Bay and other Navigable Waters in the Vicinity", as amended by Republic Act Numbered Fifty-seven hundred ninety-six is hereby repealed.

SEC. 2. Subject to the terms and conditions established in this Decree and in Act Numbered Twenty-one hundred thirty-seven and to the provisions of the Constitution, the Manila International Port Terminals, Inc., is hereby granted for a period of twenty-five years, renewable for another twenty-five years, the right, privilege and authority to construct, operate and maintain modern container terminals, bonded warehouses, storage depots, cold and refrigerated storage, cargoes and transit sheds, conveyor piers, docks, landing and berthing facilities, access roads, bridges, seawalls bulkheads and fillings in the area of the North Harbor, Manila Bay, subject to private rights, if any there be, which area is more particularly described as follows:

"A portion of the Manila Bay and adjoining land area, situated in the North Harbor, District of Tondo, City of Manila, enclosed by the boundary beginning at a point marked "1" on the plan identified as the Farola lighthouse along the Pasig River thence South 88°00'W, 280m to point 2; thence South 83°30'W, 1,540m to point 3; thence North 12°30'W, 380m to point 4; thence North 64°0'0'W, 1,020m to point 5; thence North 81°30'W, 115m to point 6, thence South 78°00'W, 250m to point 7; thence North 4°00'E, 365m to point 5; thence North 81°30'W, 115m to point 6; thence North 54°00'E, 105m to point 10; thence North 31°00'E, 690m to point 11; thence North 62°30'E, 1,035m to point 12; thence South 34°00'E, 2,115m to point 13; thence North 86°15'E

650m to point 14; thence South 3°30'e, 190m to point 15; thence South 89°00'w, 280m to point 16; thence South 4°30'e, 230m to point of beginning, and consisting approximately of 375.34 hectares." (Note: All data are approximate and subject to change based on future surveys. The "Meters and Bounds Plan" is attached hereto and made part hereof.)

for the purposes aforesaid, and to charge and collect a: schedule of rates and fees for the use of the said container terminals and facilities, storage depots, docks, landing facilities, developed land areas, and shipping and allied commercial facilities, which schedule shall be subject to the prior approval of the Secretary of Finance who is authorized to fix, or revise, such schedule of fees and rates on the basis of prevailing charges for similar facilities and services, and considering the grantee's total investments and commitments plus a fair and reasonable profit: Provided, however, That the jurisdiction of the Bureau of Customs over the area hereinabove defined, and the installations and facilities constructed thereon, shall be maintained.

SEC. 3. All the containerization handling system, apparatus, and equipment, berthing, shipping, and storage facilities to be installed and used by the grantee shall be modern and comparable to similar facilities of ports abroad.

SEC. 4. The grantee shall hold the national and municipal governments harmless from all claims, accounts, demands or actions arising out of accidents or injuries and damages, whether to property or to persons caused by the construction or operation of the said container terminals, warehouses, cold storage, conveyor pier and landing facilities of the grantee.

SEC. 5. The Secretary of Public Works, Transportation and Communications shall have the power and authority to permit the construction of the said container terminals, warehouses, cold storage sheds, conveyor piers, and other attendant facilities on the area defined hereinabove on the basis of plans and specifications submitted to, and approved by his office, and under such terms and conditions relative to such constructions and installations as he may prescribe: Provided, however, That the area hereinabove defined may be expanded or new areas, not necessarily contingent, added, conformably with the approved plans and technical studies designed to promote the progress of port and harbor development in the Manila Bay area.

SEC. 6. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges granted thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company, or corporation organized for the same purpose, without the prior approval of the President of the Philippines. Any corporation to which this franchise may be sold, transferred, or assigned, shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which the franchise is sold, transferred or assigned, shall be subject to all conditions, terms, restrictions and limitations of this franchise as fully and completely and to the extent as if the franchise had been originally granted to the said person, firm, company, corporation or other commercial or legal entity: Provided, however, That subject to such terms and conditions as the Secretary of Finance may prescribe, the grantee may lease or sublease to any entity not disqualified by law the improvements it may have made or introduced in the area or mortgage the same to any financial institution in the Philippines to raise capital for further or additional improvements.

SEC. 7. The grantee shall be liable to pay the same taxes on its real estate, buildings, improvements, and personal property, exclusive of the franchise, as other persons or corporations are now or hereafter may be required by law to pay; however, capital goods, machineries, equipment, and materials brought into the country by the grantee exclusively for the construction or operation of the container terminals, piers and all attendant facilities shall be free from customs duties and taxes.

SEC. 8. Upon expiration of the period hereinabove prescribed, should the Government sell or lease the improvements made by the grantee, or have its operations and management conducted by other parties, the grantee shall have the preferred and preemptive right to equal the best bid for offer.

SEC. 9. All laws, decrees, rules and regulations inconsistent herewith are hereby repealed and/or modified accordingly.

SEC. 10. This Decree shall take effect immediately.

Done in the City of Manila, this 7th day of January, in the year of Our Lord, nineteen hundred and seventy-five.

(Sgd.)

FERDINAND E. MARCOS

President of the Philippines

By the President:

(Sgd.)

ROBERTO V. REYES

Acting Executive Secretary

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