

AUTHORIZING THE CIVIL AERONAUTICS ADMINISTRATION TO IMPOSE RETALIATORY OR COMPENSATING FEES, RENTALS AND CHARGES ON FOREIGN AIRLINES.

PRESIDENTIAL DECREE NO. 895, February 26, 1976

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WHEREAS, the Philippine flag carrier performs international air transportation services which are of vital importance to the foreign commerce, trade and tourism interests of the Philippines, including its balance of payments and foreign exchange reserves, the Postal Service and national security and defense;

WHEREAS, it is found that the Philippine flag carrier's ability to compete with foreign air carriers is currently being weakened by a variety of discriminatory and unfair competitive practices adopted and implemented by foreign countries, such as, the discriminatory method of imposing certain airport charges, and the imposition of exorbitant fees, rentals and charges which are unrelated to the cost of providing the particular service or facility;

WHEREAS, it is also found that in most countries of the world, it is now the prevailing practice and policy to require or give preference to the use of national flag carriers for official government international air transportation and for air transportation required by organizations, institutions or corporations owned or controlled by the Government, in order to conserve and save foreign exchange and improve the balance of payments;

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

SECTION 1. The Civil Aeronautics Administration is hereby authorized and empowered to determine and impose retaliatory or compensating charges, fees and rentals on foreign airlines whose countries impose excessive or discriminatory charges, fees and rentals upon the Philippine air carriers, equal to the amount of the excessive, or discriminatory charges, fees and rentals imposed, directly or indirectly, by such foreign countries on the Philippine air carriers. Such charges, fees and rentals shall be deemed excessive or discriminatory when they unreasonably exceed comparable charges, fees and rentals in the Philippines.

The amounts collected by the Civil Aeronautics Administration from such retaliatory or compensatory charges, fees and rentals shall accrue to a revolving fund from which payments shall be made to the Philippine air carriers affected in such amounts as would adequately compensate such carriers for the excessive or discriminatory charges, fees and rentals paid to the foreign countries involved, and the balance of the fund, if any, shall be utilized by the Civil Aeronautics Administration for the construction, repair, maintenance and improvement of the Manila International Airport and other airports and their related facilities and for no other purpose.

SEC. 2. The Civil Aeronautics Administration and the Civil Aeronautics Board are hereby required to survey the air practices, policies and requirements adopted and implemented by foreign countries in order to determine whether they are discriminatory or unreasonable in so far as they affect the Philippine air carriers. Once the determination is made that any practice, policy or requirement imposed by any foreign country upon any Philippine air carrier is discriminatory or unreasonable, the Civil Aeronautics Administration and the Civil Aeronautics Board are hereby authorized and empowered to adopt and implement such measures, rules and

regulations or practice within their respective competence and jurisdiction as would compensate the Philippine air carrier affected or place such carrier in a more competitive position in the international air transportation system.

SEC. 3. All laws, decrees, orders, rules and regulations or part thereof inconsistent with this Decree are hereby repealed or modified accordingly.

SEC. 4. This Decree shall take effect immediately.

Done in the City of Manila, this 26th day of February, in the year of Our Lord, nineteen hundred and seventy-six.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

JUAN C. TUVERA

Presidential Assistant

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